

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

**IN THE MATTER OF:**

**EDWIN JOSEPH FORTE III**

**RESPONDENT**

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**ADMINISTRATIVE ORDER  
NO. OB-2004-0002**

**ORDER OF PERMANENT BAR**

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

**RESPONDENTS**

1. **EDWIN JOSEPH FORTE III ("FORTE")**, CRD #2655347, during the period of November 11, 1999 to May 29, 2001, at all times relevant was a registered securities agent in Alabama, with an Alabama registered broker dealer, Max International Broker/Dealer Corp. (CRD #46039), which has a business address of 75 Maiden Lane, Suite 503, New York, NY 10038 .

**STATEMENT OF FACTS**

2. Based upon allegations supplied by two Alabama investors, a Show Cause Order (Order No. SC-2004-0002) was issued to Max International Broker/Dealer Corp. ("MAX"), FORTE, and David S. Isolano ("ISOLANO") on January 20, 2004.

3. An analysis of two Alabama residents' accounts managed by MAX and FORTE, between March and November of 2000, indicates that FORTE, a representative and securities agent of MAX, effected transactions in the Alabama

customers' accounts that were excessive in size and frequency in light of the nature of the accounts. The results of the analysis showed the accounts were churned and that it would be unlikely for investors to receive any return from this type of strategy.

4. The Alabama investors filed an arbitration action in August 2005 against MAX and ISOLANO. At the time this arbitration action was brought, FORTE was not a registered agent in the securities industry. The Commission withheld taking action on SC-2004-0002 until the arbitration matters were resolved.

5. On November 21, 2005, FORTE contacted the Commission and stated that he had not received a copy of the Show Cause Order (Order No. SC-2004-0002) and requested a copy. On the same date, another copy of the Order was sent by certified mail to the address FORTE provided, 437 SW Sundance Trail, Port Saint Lucie, FL 34953. On or about November 25, 2005, the Commission received the return receipt indicating that FORTE had received his copy of the Show Cause Order. On December 9, 2005, the Commission received a letter from FORTE indicating that he had not received the copy of the Show Cause Order he had requested on November 21, 2005, contrary to the clear evidence of receipt. On January 4, 2006, the Commission mailed a response to FORTE stating that the Show Cause Order pertaining to him had been made final. However, a disposition on the case had not been resolved. At no time has FORTE requested any type of hearing to resolve the Show Cause Order.

6. On January 10, 2007, another letter was sent to FORTE at his last known address, 437 SW Sundance Trail, Port Saint Lucie, FL 34953, which stated that the Show Cause Order pertaining to him had been made final. As of the date of this letter, FORTE failed to show cause why he should not be barred.

7. Through NASD arbitration the two Alabama investors resolved their issues by way of settlement with MAX. Settlement dates were March 27, 2007, for \$65,000 and June 5, 2007, for \$80,000.

8. During the time between the issuance of the Show Cause Order and the arbitration, MAX and ISOLANO maintained their registration with FINRA. FORTE has been registered with FINRA, as an agent, intermittently during this time period.

9. During the NASD arbitration, the facts surrounding FORTE's churning of the Alabama investors' accounts were exposed and resolved by this arbitration.

10. On January 10, 2007, the Show Cause Order (Order No. SC-2004-0002) was made a final Order due to FORTE's failure to respond.

11. On May 28, 2008, the Show Cause Order (Order No. SC-2004-0002) was vacated as it pertains to MAX and ISOLANO based on the answers that MAX and ISOLANO provided in response to the Show Cause Order.

12. During the time following the Show Cause Order, FORTE failed to timely respond to the Commission's Order and show cause why he should not be barred from the securities industry in Alabama. Further, until August 2008, FORTE had not made any attempt to respond or resolve the Show Cause Order issued in 2004.

13. Following the Order to Vacate, as described in paragraph 10 above, and in response to a request by MAX for the Commission to reconsider the Show Cause Order as it pertains to FORTE, on August 11, 2008, the Commission sent correspondence to FORTE allowing him ten (10) days from receipt of the letter to provide a response to the Show Cause Order issued on January 20, 2004.

14. On October 27, 2008, and then again on August 10, 2009, the Commission sent correspondence to FORTE concerning a resolution to the Show Cause Order issued in 2004 against FORTE. Further, there were several telephone conversations between FORTE and Commission staff regarding his options to resolve the Show Cause Order. The options communicated to FORTE were to enter into the Commission's proposed Consent Order, which was mailed to FORTE in August 2009, or in the alternative the Commission would issue an Order to Bar. FORTE represented to Commission staff that he was not willing to enter into the proposed Consent Order.

**CONCLUSIONS OF LAW**

15. Churning is a course of business, which operates as a fraud or deceit and is a violation of the Alabama Securities Act. The transactions described herein were acts of churning, as defined by the Commission Rule 830-X-3-.18.

16. Pursuant to the provisions of Section 8-6-3(j), Code of Alabama 1975, the Commission may suspend, revoke, deny, censor or bar any applicant or registrant or any officer, director, partner, or person occupying a similar status or performing similar functions for a registrant if the Commission finds that the Order is in the public interest and the applicant or registrant has willfully violated, or willfully failed to comply with any provision of this article, or a predecessor act, or any rule or order under this article or a predecessor act.

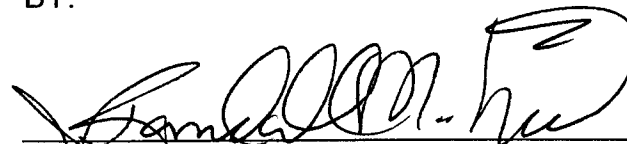
**WHEREAS**, this Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that FORTE be **PERMANENTLY BARRED** from registration and from engaging in any securities activities into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 15<sup>th</sup> day of April, 2010.

ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
Montgomery, AL 36104  
(334) 242-2984

BY:

  
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J. RANDALL MCNEILL  
Deputy Director

