

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:	)	
	)	
CHARTER ONE CAPITAL HOLDINGS INC	)	
STEVEN GRAY	)	ADMINISTRATIVE ORDER
VLADISLAV KUCHIROKO	)	NO. CD-2006-0038
aka VINCENT KUCHER	)	
JOSEPH TORRE	)	
	)	
<u>RESPONDENTS</u>	)	

CEASE AND DESIST ORDER

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

RESPONDENTS

1. CHARTER ONE CAPITAL HOLDINGS INC, ("CHARTER") is represented to be a New York corporation, with a business address of 11 Broadway, New York, NY 10004. At all times relevant to the violations set forth herein, CHARTER acted as an unregistered securities dealer in the state of Alabama.

2. STEVEN GRAY, ("GRAY") is identified as the President of CHARTER with a business address of 11 Broadway, New York, NY 10004. At all times relevant to the violations set forth herein, GRAY acted as an agent of CHARTER in the state of Alabama. Steven Gray, CRD# 2665911, was previously registered in Alabama as a broker-dealer agent with the following: Clark Street Capital, Inc. from August 28, 2003 to May 7, 2004; Parker Financial Corp. from March 13, 2003 to August 28, 2003; Kirlin Securities Inc. from June 28, 2000 to March 2, 2001; Montrose Capital Management Ltd. from September 23, 1999 to June 21, 2000; Auerbach, Pollak & Richardson Inc.

from February 4, 1999 to November 3, 1999; and Prime Charter Ltd. from October 14, 1996 to November 2, 1998.

VLADISLAV KUCHIROKO aka VINCENT KUCHER ("KUCHER") is identified as a Senior Vice President of CHARTER with a business address of 11 Broadway, New York, NY 10004. At all times relevant to the violations set forth herein, KUCHER acted as an agent of CHARTER in the state of Alabama.

3. JOSEPH TORRE ("TORRE") is identified as a Vice President of CHARTER with a business address of 11 Broadway, New York, NY 10004. At all times relevant to the violations set forth herein, TORRE acted as an agent of CHARTER in the state of Alabama.

STATEMENT OF FACTS

4. The Commission is in receipt of information that CHARTER, GRAY, KUCHER, and TORRE engaged ("cold called") in the offer and/or sale of unregistered securities to at least two Alabama residents between January 2004 and February 22, 2005, to wit: PROMISSORY NOTE and LOAN AGREEMENTS of CHARTER at a 10% interest rate of return. CHARTER's Chief Executive Officer, GRAY, further attempted to persuade the investors to convert the notes to shares of stock in CHARTER for \$1.00 per share at an 8% interest rate of return. The Alabama investors have not received any returns on their investments or principals; multiple sales were made in which the Alabama residents invested a total of \$8,500.00.

5. A review of the files of the Commission, disclosed that CHARTER, KUCHER, and TORRE were neither registered; nor exempted from registration as securities dealers/agents in the state of Alabama.

6. Further, a review of the files of the Commission disclosed no record of registration of the securities being offer and/or sold by CHARTER, GRAY, KUCHER, and TORRE.

7. On March 2, 2006, the Connecticut Banking Commissioner issued a notice of intent to revoke the registration of GRAY, a former registered broker-dealer agent of Independent Securities Investors Corporation. The intent to revoke alleges that GRAY violated Connecticut's uniform securities act by selling unregistered, non-exempt securities issued by CHARTER, by engaging in fraudulent practices, failed to supervise agents who engaged in unauthorized trading, effected securities transactions while unregistered, and engaged in dishonest or unethical practices. GRAY has chosen to seek a hearing which is currently underway as of October 2006.

8. On April 27, 2006, Connecticut also issued an Order to Cease and Desist, and a Notice of Right to Hearing against CHARTER to determine whether it had violated, was violating or was about to violate any provisions of the Securities Act. The Cease and Desist alleged that from January 2003 to October 2005, CHARTER was an issuer of securities in the form of promissory notes. Connecticut alleged that CHARTER failed to pay the investors interest or principal in accordance with the terms of the Notes. Connecticut also alleged that CHARTER, through its agents, offered and sold the Notes to at least 50 investors, including a Connecticut investor, raising over \$1 million from such investors. The notice sent to CHARTER was returned to the Department marked "Returned To Sender-Attempted/Unknown". On July 11, 2006, Respondent failed to appear at the Hearing. On August 14, 2006, Connecticut imposed a fine of \$200,000 against Charter One Capital Holding, Inc., and finalized the Cease and Desist order.

CONCLUSIONS OF LAW

9. CHARTER, GRAY, KUCHER, and TORRE are not registered as securities dealers/agents in the State of Alabama. Transacting business in the State of Alabama as a securities dealer/agent while not registered is a violation of § 8-6-3(a), Code of Alabama, 1975.

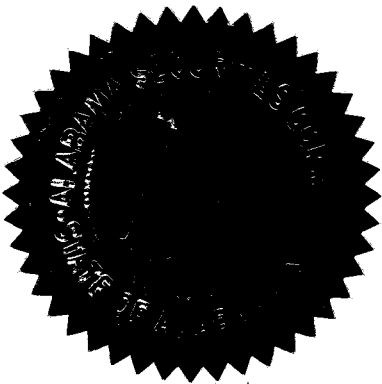
10. The securities of CHARTER being sold by GRAY, KUCHER, and TORRE as set forth in paragraph 5 above are not registered, nor exempt from registration in the state of Alabama. The sale of unregistered, non-exempt securities into, within, or from the state of Alabama is a violation of § 8-6-4, Code of Alabama, 1975 "It is unlawful for any person to offer or sell any security in this state unless it is registered under this article; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11."

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purpose of the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that, CHARTER, GRAY, KUCHER, and TORRE, **CEASE AND DESIST** from further offers or sales of any security into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this 6th day of November, 2006



ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700

BY:


J. RANDALL MCNEILL
Deputy Director

JRM/ndw