

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
MAX INTERNATIONAL )  
BROKER/DEALER CORP ) ADMINISTRATIVE ORDER  
EDWIN JOSEPH FORTE III ) NO. SC-2004-0002  
DAVID S. ISOLANO )  
 )  
RESPONDENTS )

SHOW CAUSE ORDER

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, upon due consideration of the subject matter hereof, has determined as follows.

RESPONDENTS

1. MAX INTERNATIONAL BROKER/DEALER CORP. (“MAX”) at all times relevant, is a registered Broker Dealer in the state of Alabama since April 7, 1999, with a business address of 75 Maiden Lane Suite 503, New York, NY 10038.
2. EDWIN JOSEPH FORTE III (“FORTE”), during the period November 11, 1999 to May 29, 2001, at all times relevant was an Alabama registered, agent of Alabama registered dealer MAX, with a business address of 75 Maiden Lane Suite 503, New York, NY 10038.
3. DAVID S. ISOLANO (“ISOLANO”) CEO, Secretary, and Sole Share Holder of MAX, at all times relevant is a registered Securities Agent with NASD, with a business address of 75 Maiden Lane Suite 503, New York, NY 10038.

### STATEMENT OF FACTS

4. An analysis of two Alabama residents accounts managed by MAX and FORTE between March 2000, and November 2000, indicates that FORTE a representative and Securities Agent of MAX effected transactions in two Alabama customer accounts that were excessive in size and frequency. These transactions created a Cost Management Factor ("CMF") of 18.30 % which is generally considered high given the size of the account and would generally require unusual profitability for the investors to see any return. The results of the calculations of the transactions are highly suggestive that the accounts may have been churned and that it would be unlikely for investors to receive any return from this type of strategy.

5. ISOLANO failed to provide an adequate level of supervision of MAX's registered representative that was necessary to prevent the excessive transactions, which occurred in the two Alabama customer accounts.

### CONCLUSIONS OF LAW

6. Churning is a course of business, which operates as a fraud or deceit and is a violation of the Alabama Securities Act. The transactions reflected in paragraph 5 above were acts of churning, as defined by the Commission Rule 830-X-3-.18.

7. Commission Rule 830-X-3-.13 requires that every dealer and officers, directors and partners thereof, exercise diligent supervision over all the securities activities of its associated persons and that a regular examination of all customer accounts be conducted to detect and prevent irregularities or abuses.

8. Pursuant to the provisions of Title 8 Chapter 6 Section 3, Code of Alabama 1975, the Commission may suspend, revoke, censor, or bar any registrant, or any applicant if the Commission finds that the registrant or person has violated or failed to comply with

any provision of the Alabama Securities Act or a Commission Rule, or has failed to reasonably supervise its associated representatives.

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

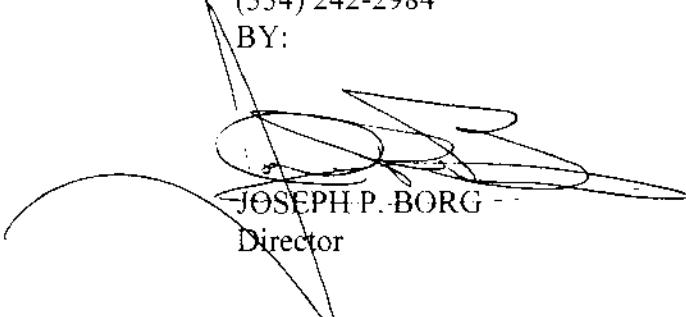
This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS SHOW CAUSE to the Commission, within 28 days of the date of this Order, why the listed respondents registration as an agent and/or broker dealer should not be suspended or revoked in the state of Alabama.

Entered at Montgomery, AL, this 20<sup>th</sup> day of January, 2004.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL, 36130-4700  
(334) 242-2984

BY:

  
JOSEPH P. BORG  
Director

Ndw