In the Matter of
FIRST FINANCIAL HOLDINGS INCORPORATED,
ABRAHAM COHEN, and
STEVEN CORDELL.

Respondents.

PETITION FOR ORDER

File No. S-04012(EX)

The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. First Financial Holdings Incorporated ("First Financial") is a foreign business entity with a last known business address of 954 Lexington Avenue, Suite 131, New York, New York 10021;

2. Abraham Cohen ("Cohen") is an individual who at all times material hereto has been the president of First Financial, with a last known business address at that of First Financial;

3. Steven Cordell ("Cordell") is an individual who at all times material hereto has been an agent of First Financial and Cohen, with a last known business address at that of First Financial;

4. During the period of September and October, 2003, Cordell, on behalf of First Financial and Cohen, offered and sold to at least one person in Wisconsin the opportunity to invest in the interbank foreign exchange market ("the forex market") through a managed account at First Financial;

5. Pursuant to the offering materials received by the person in Wisconsin, referred to in Paragraph 4 above, First Financial will engage in the business of buying and selling foreign currency options for investors;

6. Upon information and belief, investors can play a passive role in the investment with no duties and responsibilities;

7. Upon information and belief, each investor will not be involved in the day-to-day management of the investment, since there are too many investors for them to each have any meaningful input, and they do not have the expertise or experience necessary to perform its duties;

8. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the investments offered and sold by the respondents are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;

9. The First Financial investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;
10. All Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to a person in Wisconsin;

11. In connection with the offers and sales of the securities described above, First Financial transacted business in Wisconsin as a "broker-dealer," as that term is defined by sec. 551.02(3), Wis. Stats.;

12. At no time has First Financial been licensed as a securities broker-dealer pursuant to Ch. 551, Wis. Stats.;

13. Respondent First Financial has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a broker-dealer without a license;

14. In connection with the offers and sales of the securities described above, Cordell transacted business in Wisconsin as an "agent" for First Financial and Cohen, as that term is defined by sec. 551.02(2), Wis. Stats.;

15. At no time has Cordell been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

16. Cordell has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;

17. First Financial and Cohen have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin; and

18. Staff of the Division of Securities wrote to First Financial requesting information and documents concerning its securities-related activities with persons in Wisconsin but received no response, despite the due date for a response having passed.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman
Examiner

Harold Grothman
Staff Attorney