

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

In the Matter of: *

R. WILLIAM WHITNEY *
and *
NATIONS TRUST FIRST INITIATIVES * Securities Division No. 2001-0681

Respondents. *

* * * * *

FINAL ORDER TO CEASE AND DESIST

WHEREAS, the Securities Division of the Office of the Attorney General of Maryland (the “Division”), pursuant to authority granted in the Maryland Securities Act, Title 11, Md. Code Ann., Corps. & Ass’ns (1999 Repl. Vol. & Supp. 2003) (the “Act”), initiated an investigation into the securities-related activities of R. William Whitney and Nations Trust First Initiatives (collectively the “Respondents”); and

WHEREAS, as a result of that investigation the Maryland Securities Commissioner (the “Commissioner”) found grounds to allege that the Respondents had violated sections 11-301, 11-302, 11-401, and 11-501 of the Act; and

WHEREAS, the Commissioner issued an Order To Show Cause, ordering each Respondent to show cause why a final order should not be entered ordering that Respondent to cease and desist from violating those registration and antifraud provisions of the Act, to show cause why a statutory monetary penalty should not be assessed against that Respondent for such violations, and to show cause why that Respondent should not be barred from engaging in the securities business in Maryland for or on behalf of others or from being or acting as a principal or consultant in any entity engaged in such activities; and

WHEREAS, that Order gave each Respondent notice of opportunity for a hearing in this matter, if requested in writing within fifteen days of service of that Order, and gave notice that as to any Respondent

not requesting a hearing a Final Order To Cease And Desist would be issued, imposing a bar from engaging in securities transactions on behalf of others and a statutory civil penalty; and

WHEREAS, the Order was properly served, but neither Respondent has filed an Answer or requested a hearing, and each thereby has knowingly waived the right to a hearing;

NOW, THEREFORE, the Commissioner finds it to be in the public interest to issue this Final Order To Cease And Desist, and THE COMMISSIONER FINDS AND ORDERS:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding and over the Respondents pursuant to sections 11-701.1 and 11-801 of the Act.

II. RESPONDENTS

2. Robert William Whitney (“Whitney”) at all times relevant to this action was a resident of Wisconsin, and the principal of Nations Trust First Initiatives.

3. Nations Trust First Initiatives (“Nations Trust”) at all times relevant to this action was held out to be a foreign-investment program, directed by Whitney.

III. STATEMENT OF FACTS

4. Whitney represented to potential investors that the Nations Trust program arranged the pooling of investors’ funds for investment at above-market rates in accounts at prime banks in various foreign nations. In addition to a purported profit of 100% in less than a year to be paid to investors, a portion of the profits was supposed to go to charities in the countries in which the pooled funds had been deposited.

5. Whitney solicited an investment in Nations Trust by Franzella Starkey (“Starkey”), a resident of Wicomico County, Maryland, and the president of Surety Investments, Inc. Surety had been formed in

1999 for the purpose of making or managing investments for a restricted group of investors, including Starkey and the other founders (the "Surety Group").

6. Starkey was contacted by Whitney, who by phone and by fax solicited Surety's investment in the Nations Trust program.

7. In or around Summer 1999, the members of the Surety Group invested over \$60,000 in the Nations Trust program. These investors' funds were wire-transferred from Surety's account at Wilmington Trust FSB and from other banks, to the promoters of Nations Trust in Wisconsin, and were deposited in Whitney's/Nations Trust's account.

8. Additional amounts, totaling about \$30,000, including amounts from Starkey and her family members, were wire transferred in small amounts directly to Whitney, often via Western Union.

9. Whitney issued promissory notes/contracts to Surety for the amounts invested.

10. No monies have been returned to Surety investors from Whitney or Nations Trust.

11. Whitney is not registered as a broker-dealer, securities agent, investment adviser or investment adviser representative in Maryland.

12. The Nations Trust program is not registered in Maryland for offer or sale, and no claim of preemption or exemption was filed.

IV. CONCLUSIONS OF LAW

13. The Order To Show Cause, with the notice of the right to a hearing, was properly served upon Respondents.

14. The Respondents have not requested a hearing, and therefore have waived that right.

15. It is in accord with relevant law and in the public interest to issue this Final Order.

16. The investment offered and sold by the Respondents in the form of a promissory note or investment contract constitutes a "security" within the definition of the Act.

17. Respondents violated section 11-501 of the Act by offering and selling unregistered securities in Maryland, for which no claim of preemption or exemption has been filed.

18. Respondents violated section 11-401 of the Act by transacting business in the offer and sale of securities in this state as a broker-dealer or securities agent, without being registered pursuant to the Act.

19. Respondents violated section 11-402 of the Act by employing an unregistered agent for the offer and sale of securities.

20. Respondents violated section 11-301 of the Act by making material omissions and misrepresentations in connection with the offer and sale of securities.

V. SANCTIONS

21. IT IS HEREBY ORDERED THAT:

- (a) Respondents permanently cease and desist from offering or selling securities in violation of the Act; and that
- (b) Respondents permanently cease and desist from engaging in Maryland, for or on behalf of others, in the business of effecting transactions in securities as an issuer or as an agent, as those terms are defined in the Act, including the offer and sale of any securities whether registered or exempt from registration, and from engaging in any transaction exempted under the Act; and that
- (c) Respondents, jointly and severally, are assessed a civil monetary penalty of \$40,000 pursuant to section 11-702 of the Act, payable by certified check to the Office of the Attorney General.

VI. JURISDICTION RETAINED

22. Jurisdiction is retained by the Securities Commissioner for the purpose of enabling any party

to this Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

IT IS SO ORDERED

July 12, 2004

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Final Order To Cease And Desist by causing a copy to be sent by certified delivery, return receipt requested, addressed to:

R. William Whitney
Nations Trust First Initiatives
c/o Kenosha County Sheriff's Department
Civil Process Service
1000 55th Street
Kenosha, WI 53140

and by delivering a copy to Melanie Senter Lubin, Securities Commissioner, Maryland Division of Securities, 200 St. Paul Place Twenty-fifth Floor, Baltimore, Maryland 21202.

July 13, 2004

T. Webster Brenner
Assistant Attorney General

Maryland Division of Securities
200 St. Paul Place - 25th Floor
Baltimore, Maryland 21202
410/ 576-6950

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| R. WILLIAM WHITNEY | * | |
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| NATIONS TRUST FIRST INITIATIVES | * | Securities Division No. 2001-0681 |
| Respondents. | * | |
| * * * * * * * * * * * * * | | |

AFFIDAVIT OF COMPLIANCE WITH SECTION 11-802(b)

I hereby certify that, in accordance with section 11-802(b) of the Maryland Securities Act, Title 11, Md. Code Ann., Corps. & Ass'ns (1999 Repl. Vol. & Supp. 2003), I have effected service upon the Respondents by serving the foregoing Final Order To Cease And Desist upon the Securities Commissioner, and then sending a copy of the Order and notice of service by certified delivery, return-receipt-requested, to each Respondent's last known address.

I solemnly affirm under the penalties of perjury and upon personal knowledge that the contents of the foregoing paper are true.

July 13, 2004

T. Webster Brenner