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COMMISSIONER



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## ARKANSAS SECURITIES DEPARTMENT

### FOR IMMEDIATE RELEASE

Date: July 27, 2011

Contact Person: David Smith, Chief Counsel

#### **ARKANSAS SECURITIES COMMISSIONER ISSUES ORDER DIRECTING NATHAN CALHOUN TO CEASE OFFERING AND SELLING UNREGISTERED SECURITIES**

Arkansas Securities Commissioner, A. Heath Abshure issued a Consent Order on July 26 directing Nathan Calhoun, of Little Rock, Arkansas, to stop committing securities fraud and selling unregistered securities. The order also prohibits Calhoun from reapplying for registration as a broker-dealer agent or investment adviser representative in Arkansas.

The order reflects that Calhoun personally recommended and facilitated the purchase of pooled investments in a foreign exchange trading program sold by MexBank to two Arkansas residents. MexBank, also known as "MexGroup" or "MBFX", is described by Calhoun as a private bank in Mexico City, Mexico. Calhoun told the investors that MexBank pooled investments had generated high annual return rates and guaranteed above market profits with full principal protection. The residents invested approximately \$130,000 in the MexBank securities. Only months after these initial investments, both residents received letters from MexBank regarding the loss of their principal.

In a related matter, the Securities and Exchange Commission ("SEC") filed a complaint in November 2010 against MexBank agents who were also involved in similar sales of MexBank securities to United States investors. The SEC complaint alleges that the activities of MexBank agents, the documents used to attract investors, and the rates of return advertised by MexBank were fraudulent. Further, Calhoun's contact at MexBank, Gary McDuff, a convicted felon, is currently residing in Mexico after fleeing the United States to avoid a subpoena enforcement action by the SEC.

Anyone with additional information about Nathan Calhoun or MexBank, may contact the Arkansas Securities Department at 501-324-9260. A copy of the order is available on the Arkansas Securities Department's website, [www.securities.arkansas.gov](http://www.securities.arkansas.gov), Order No. S-10-061-11-OR01.