

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
WINSOME INVESTMENT TRUST ) ADMINISTRATIVE ORDER  
COVENANT FAMILY TRUST ) NO. CD-2009- 0040  
ROBERT JOSEPH ANDRES )  
LEWIS STANLEY SCOGIN )  
 )  
RESPONDENTS )

CEASE AND DESIST ORDER

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

RESPONDENTS

1. WINSOME INVESTMENT TRUST ("WINSOME") purports to be a Texas business with a business address of 5644 Westheimer #452, Houston, Texas 77056-4002.
2. COVENANT FAMILY TRUST ("COVENANT") purports to be a Texas business with a business address of 5644 Westheimer Road #452 Houston, Texas. COVENANT has an office located at 153 Jacque Jim Drive, Huntsville, Alabama 35810.
3. ROBERT JOSEPH ANDRES ("ANDRES") is a licensed Texas attorney (Bar# 01237450) and is the main trustee of WINSOME with a business address of 5644 Westheimer Road #452, Houston, Texas 77050-4002.
4. LEWIS STANLEY SCOGIN ("SCOGIN") ("CRD # 1037063") is identified as a Trustee of COVENANT with a business address of 153 Jacque Jim Drive, Huntsville, Alabama 35810. SCOGIN was a registered Broker Dealer Agent with PFS

Investments in Alabama from April 28, 1982, through January 18, 1983, but was not registered in Alabama during any time relevant to this Order.

#### STATEMENT OF FACTS

5. The Commission has received complaints from seven (7) Alabama residents who allege that SCOGIN has offered and/or sold securities to each of the seven (7) Alabama residents on various occasions since August, 2006.

6. The Alabama residents allege that SCOGIN represented himself as a Trustee of COVENANT and told them that COVENANT and WINSOME were offering participation in a "private investment program available only by invitation of a current partner". SCOGIN told the Alabama residents that all funds invested in the private investment program would be "pooled" and "traded" by WINSOME and ANDRES, with the profits divided among the investors.

7. On September 27, 2006, one of the Alabama residents gave SCOGIN a check for twenty-two thousand dollars (\$22,000.00). The check was forwarded to and deposited in the Winsome Investment Trust bank account held at Bank of America, Houston, Texas, by SCOGIN.

8. SCOGIN provided each of the seven (7) Alabama residents with a booklet titled "U.S. Ventures Investment Program". The booklet explains the investment program as a computerized day trading program that has historically returned an annual average daily earnings rate of 1% or more of the total invested principal per trading day.

9. A "Joint Venture Business Agreement" was executed on behalf of WINSOME, by ANDRES, with each Alabama investor, in which WINSOME agreed to invest monies on behalf of the Alabama investors utilizing a computer model. The agreements set forth the compensation to be paid to WINSOME and COVENANT as well as WINSOME and COVENANT's management responsibilities.

10. On October 19, 2009, a review of the Registration files of the Alabama Securities Commission revealed no current registration for RESPONDENTS WINSOME, COVENANT, ANDRES, or SCOGIN as a Broker Dealer, Securities Agent, Investment Advisor (IA) or Investment Advisor Representative (IAR) in the state of Alabama.

11. On October 19, 2009, a review of the Commission's registration files disclosed no record of registration, or any perfected exemption from registration, in the state of Alabama for the "U.S. Ventures Investment Program" offered and sold to Alabama residents by RESPONDENTS.

12. On November 16, 2009, reviews of the public records of the state of Texas and of the state of Alabama located no records establishing that WINSOME or COVENANT is organized as a trust company and no records establishing that WINSOME or COVENANT is supervised as a trust company by the state of Texas or by the state of Alabama.

#### CONCLUSIONS OF LAW

13. Code of Alabama 1975, §8-6-2(10) includes in the definition of a "security" any "investment contract". The "U.S. VENTURES INVESTMENT PROGRAM" offered and/or sold to seven (7) Alabama residents by RESPONDENTS is an investment contract and is a security under the statutory definition provided by Code of Alabama 1975, §8-6-2(10).

14. Code of Alabama 1975, §8-6-2(2) defines agent as any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. SCOGIN represented WINSOME and COVENANT in effecting or attempting to effect sales of securities and is an agent of WINSOME, ANDRES and COVENANT under the statutory definition provided in Code of Alabama 1975, §8-6-2(2).

15. Pursuant to Code of Alabama 1975, § 8-6-3(a), it is unlawful for any person to transact business in this state as an agent or dealer for securities unless such person is registered under the Act. SCOGIN offered and/or sold securities to seven (7) Alabama residents, transacting business as an agent for COVENANT and WINSOME without benefit of registration in violation of Code of Alabama 1975, § 8-6-3(a).

16. Pursuant to Code of Alabama 1975, § 8-6-3(a), it is unlawful for any dealer or issuer to employ an agent for securities unless such person is registered under the Act. COVENANT and WINSOME employed SCOGIN, who was not registered under the Act, to offer and sell securities to Alabama residents in violation of Code of Alabama 1975, § 8-6-3(a).

17. Pursuant to Code of Alabama 1975, §8-6-4, it is unlawful for any person to offer or sell any security in this state unless: it is registered under the Act; the security is exempt from registration under §8-6-10; or the transaction is exempt under §8-6-11. The securities offered and/or sold by SCOGIN, WINSOME and COVENANT, to wit: an investment contract titled "U.S. VENTURES INVESTMENT PROGRAM", were neither registered nor exempt from registration and were offered and/or sold by RESPONDENTS in violation of Code of Alabama 1975, §8-6-4.

18. Pursuant to Code of Alabama 1975, §8-6-2(18), Investment Adviser is defined as any person who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. WINSOME and COVENANT are investment advisers under the ACT.

19. Pursuant to Code of Alabama 1975, §8-6-2(19), Investment Adviser Representative is defined as any partner, officer, director, or other person occupying a similar status, or performing a similar function of an investment adviser who renders advice, manages accounts or solicits on behalf of an investment adviser. ANDRES is an Investment Adviser Representative of WINSOME and SCOGINS is an Investment Adviser Representative of COVENANT under the ACT.

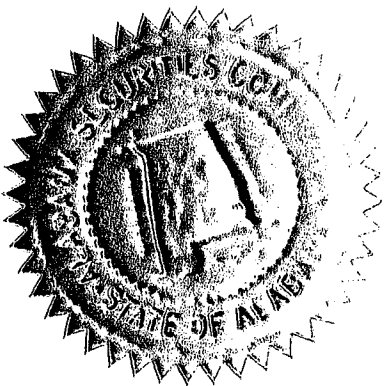
This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Act.

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

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative cost arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

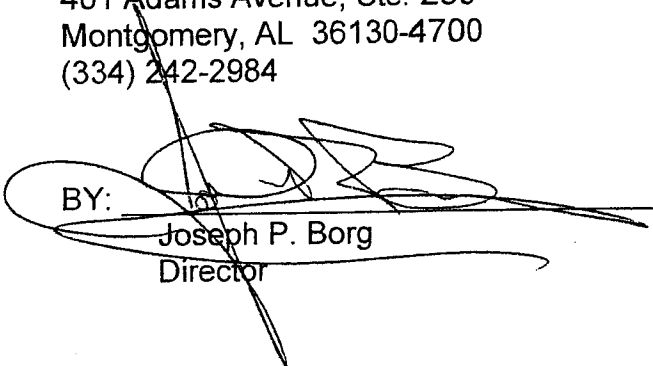
**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENTS Winsome Investment Trust, Covenant Family Trust, Robert Joseph Andres, and Lewis Stanley Scogin immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 14<sup>th</sup> day of December, 2009.



ALABAMA SECURITIES COMMISSION  
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BY:

  
Joseph P. Borg  
Director