

State of Missouri
Office of Secretary of State

Case No. AP-10-31

IN THE MATTER OF:

JAMIE B. COMPANY, CRD No. 2367888;
GLOBAL BULLION EXCHANGE, LLC;
THE BULLION GROUP, INC.;
BARCLAY TRADING GROUP, INC.;
WJS FUNDING, INC.,
d/b/a CAPITAL ASSET MANAGEMENT;
SEEDUB CAPITAL VENTURES, INC.;
BRIAN EKASALA, CRD No. 2294855;
FRANK GAUDINO;
BANCROFT WRIGHT;
JOHN ADAM KING II;
VINCENT LEARDI; and
JEFF DUENTZ,

Respondents.

Serve: Jamie B. Company
4817 N. Classical Boulevard
Del Ray Beach, Florida 33445

Serve: Global Bullion Exchange, LLC
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: The Bullion Group, Inc.
224 Datura Street, Suite 1108
West Palm Beach, Florida 33401

Serve: Barclay Trading Group, Inc.
5702 Lake Worth Road, Suite #3
Greenacres, Florida 33463

Serve: WJS Funding, Inc., d/b/a
Capital Asset Management
9130 S. Dadeland Boulevard, Suite 1607
Miami, Florida 33156

Serve: Seedub Capital Ventures, Inc.
275 SW Salerno Circle
Stuart, Florida 34997

Serve: Brian Ekasala
4110 Emerald Vis
Lake Worth, Florida 33461

Serve: Frank Gaudino
608 Castle Drive
Palm Beach Gardens, Florida 33410

Serve: Bancroft Wright
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: John Adam King II
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: Vincent Leardi
10551 Barkley Street, Suite 140
Overland Park, Kansas 66212

Serve: Jeff Duentz
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

**SUMMARY ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY
CIVIL PENALTIES SHOULD NOT BE IMPOSED**

On August 17, 2010, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Securities Division's Chief Enforcement Counsel, Nathan Soendker, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following summary order:

1. Jamie B. Company ("Company") is an individual with a last known address of 4817 N. Classical Boulevard, Delray Beach, Florida 33445. Company was previously registered as a securities agent in the State of Missouri through the Central Registration Depository System ("CRD") with CRD number 2367888. Company has not been registered as a securities agent in Missouri since January 1, 2001.
2. Global Bullion Exchange, LLC ("Global Bullion"), is a Florida limited liability company formed on April 16, 2007, for the purpose of transacting any and all lawful business. Global Bullion has a last known business address of 2328 Tenth Avenue, Suite 302, Lake Worth, Florida 33461, with additional office locations in Florida, Kansas, New Hampshire, and New Jersey. Company is the managing member of Global Bullion.
3. The Bullion Group, Inc. ("The Bullion Group"), was a Florida corporation incorporated on June 12, 2006, for the purpose of transacting any and all lawful business. The Bullion Group has a last known mailing address of 224 Datura Street, Suite 1108, West Palm Beach, Florida 33401. The Bullion Group was administratively dissolved by the Florida Division of Corporations on September 14, 2007. Company was the President of The Bullion Group.
4. Barclay Trading Group, Inc. ("Barclay"), was a Florida corporation incorporated on April 27, 2006, for the purpose of transacting any and all lawful business. Barclay has a last known mailing address of 5702 Lake Worth Road, Suite #3, Greenacres, Florida 33463. Barclay voluntarily dissolved its corporate status with the Florida Division of Corporations on January 11, 2008. Company was the Chief Executive Officer of Barclay Trading Group, Inc.
5. WJS Funding, Inc., d/b/a Capital Asset Management ("Capital Asset Management"), is a Florida corporation incorporated on November 7, 2002, for the purpose of transacting any and all lawful business. WJS Funding has a last known mailing address of 9130 S. Dadeland Boulevard, Suite 1607, Miami, Florida 33156.
6. Seedub Capital Ventures, Inc. ("Seedub"), is a Florida corporation incorporated on August 10, 2006, for the purpose of transacting any and all lawful business. Seedub has a last known mailing address of 275 SW Salerno Circle, Stuart, Florida 34997.
7. Brian Ekasala ("Ekasala") is an individual with a last known mailing address of 4110 Emerald Vis, Lake Worth, Florida 33461. Ekasala was previously registered as a securities agent in Missouri through the CRD with CRD number 2294855. Ekasala has not been registered as a securities agent in Missouri since December 31, 2002.
8. Frank Gaudino ("Gaudino") is an individual with a last known mailing address of 608 Castle Drive, Palm Beach Gardens, Florida 33410. Gaudino has never been registered as a securities agent in Missouri.
9. Bancroft Wright ("Wright") is an individual with a last known mailing address of 2328 Tenth Avenue, Suite 302, Lake Worth, Florida 33461. Wright has never been registered as a securities agent in Missouri.
10. John Adam King II ("King") is an individual with a last known mailing address of 2328 Tenth Avenue, Suite 302, Lake Worth, Florida 33461. King has never been registered as a securities agent in Missouri.
11. Vincent Leardi ("Leardi") is an individual with a last known mailing address of 10551 Barkley Street, Suite 140, Overland Park, Kansas 66212. Leardi has never been registered as a securities agent in Missouri.
12. Jeff Duentz ("Duentz") is an individual with a last known business address of 2328 Tenth Avenue, Suite 302, Lake Worth, Florida 33461. Duentz has never been registered as a securities agent in Missouri.
13. As used in this Petition, the term "Respondents" refers to Company, Global Bullion, The Bullion Group, Barclay, WJS Funding, Inc. d/b/a Capital Asset Management, Seedub, Ekasala, Gaudino, Wright, King, Leardi and Duentz.
14. In late 2006, a 64-year old Moberly, Missouri resident ("MR1") received several telephone calls from Frank Gaudino. Among other things, Gaudino informed MR1 of the following:
 - a. Gaudino was a representative of The Bullion Group; ¹
 - b. The Bullion Group was in the business of buying and selling precious metals;

- c. Gaudino possessed approximately twenty (20) years experience in the bullion industry;
 - d. due to the devaluation of the US dollar, there were great opportunities to make money by investing in gold and silver;
 - e. silver would rise substantially and the investment risk would be minimal;
 - f. Gaudino used a margin account for customers to purchase and sell silver bullion;
 - g. MR1 could maximize MR1's profits by using a margin account;
 - h. The Bullion Group would loan MR1 up to eighty percent (80%) of the value of MR1's precious metals, and that the interest rate would be "prime plus four percent (4%);"
 - i. The Bullion Group would take a one-time commission and management fee of fifteen percent (15%) at the time of the investment;
 - j. "in a few months, you will see growth in your account;" and
 - k. Gaudino and The Bullion Group were properly registered to transact business in the state of Missouri.
15. MR1 had no prior experience investing in precious metals and was not interested in investing, but agreed to have The Bullion Group send MR1 information regarding silver bullion investments.
 16. MR1 received marketing materials from The Bullion Group reflecting the benefits of investing in silver bullion. After reviewing the marketing materials, MR1 called Gaudino to purchase silver bullion.
 17. On November 7, 2006, MR1 received documents to open an account at The Bullion Group. The account documents did not provide information about:
 - a. how commissions and management fees would be assessed;
 - b. what services would be provided in exchange for the management fee;
 - c. if and how the purchaser could accept delivery of the bullion; or
 - d. the details of the margin account, such as minimum margin requirements and interest rates.
 18. On November 7, 2006, MR1 sent a check made payable to The Bullion Group in the amount of five thousand eight hundred forty dollars (\$5,840) for the purpose of opening a margin account with The Bullion Group and purchasing one thousand (1,000) ounces of silver bullion.
 19. On November 9, 2006, MR1 received a trade confirmation on Barclay letterhead that indicated five thousand eight hundred forty dollars (\$5,840) had been used to purchase one thousand (1,000) ounces of silver bullion for MR1's account. Prior to receipt of this trade confirmation, MR1 was unaware that MR1 was dealing with any entity other than The Bullion Group.
 20. The trade confirmation also indicated that there was a management fee of fifteen percent (15%). However, the confirmation did not reflect a corresponding dollar amount for the fee.
 21. On or about November 24, 2006, MR1 received a telephone call from an unknown representative of The Bullion Group soliciting additional silver investments.
 22. On November 24, 2006, MR1 sent a check made payable to The Bullion Group in the amount of thirty thousand dollars (\$30,000). Based on the representations made by the representative of The Bullion Group, MR1 believed that MR1 had agreed to purchase five thousand (5,000) ounces of silver bullion.
 23. On November 29, 2006, MR1 received a second trade confirmation on Barclay letterhead. This confirmation reflected, among other things, that MR1:
 - a. had purchased five thousand (5,000) ounces of silver bullion;
 - b. had deposited thirty thousand dollars (\$30,000); and
 - c. had been charged a management fee of fifteen percent (15%).

The confirmation did not provide a dollar amount corresponding to this 15% management fee.

24. From November 9, 2006, until April 18, 2008, MR1 received periodic account statements and trade confirmations from various entities including, but not limited to, Capital Asset Management, Global Bullion and Barclay. MR1 stated, among other things, that he did not understand the information contained in the documents MR1 received, including, but not limited to, the following:

- a. how the dollar values reflected on the documents were computed;
 - b. what the terms "total market value," "credit balance due," "excess equity," "total account value" or "cash" reflected on the documents meant;
 - c. how the interest rate on the margin account was determined;
 - d. how the interest rate charged to the account was calculated;
 - e. how the management fees were computed; or
 - f. how the total market value, credit balance due, excess equity, total account value and cash were calculated.
25. On or about June 5, 2007, MR1 received a telephone call from a representative of The Bullion Group soliciting additional silver investments. On June 5, 2007, MR1 sent a check made payable to The Bullion Group in the amount of seventeen thousand five hundred dollars (\$17,500). Based on the representations of the representative for The Bullion Group, MR1 believed that MR1 had agreed to purchase four thousand (4,000) ounces of silver bullion.
 26. On June 8, 2007, MR1 received a trade confirmation on Barclay letterhead reflecting that seventeen thousand five hundred dollars (\$17,500) had been used to purchase three thousand five hundred (3,500) ounces of silver bullion for MR1's account rather than the four thousand (4,000) ounces MR1 believed he had purchased. The trade confirmation also indicated a management fee of fifteen percent (15%). However, the confirmation did not reflect a corresponding dollar amount for the fee.
 27. After receiving the June 8, 2007, trade confirmation, MR1 contacted the telephone number on the confirmation regarding the discrepancy in the amount of silver bullion purchased, and a representative told MR1 that this error would be corrected.
 28. From January 31, 2008, through March 12, 2008, MR1 received multiple telephone calls from representatives of The Bullion Group. These representatives stated that there was equity in MR1's account and recommended that additional purchases of silver be made with that equity. Based on the recommendations of The Bullion Group representatives, MR1 used this excess equity to purchase additional silver bullion totaling eight thousand (8,000) ounces through three (3) transactions.
 29. Sometime after March 21, 2008, MR1 received a trade confirmation on Global Bullion letterhead notifying MR1 that thirteen thousand one hundred twenty-five (13,125) ounces of silver bullion had been sold pursuant to a margin call. The trade confirmation was stamped with the words, "MARGIN CALL CONTACT YOUR BROKER ASAP."
 30. MR1 contacted Global Bullion and spoke with Wright who told MR1 to submit forty-nine thousand dollars (\$49,000) to cover the call. MR1 stated that the funds to cover the call were not readily available, but MR1 would soon be able to access the funds. Wright stated, "No problem, you are an existing client, get it in as soon as possible."
 31. On April 16, 2008, MR1 contacted Wright and informed Wright that MR1 would have funds available on April 17 or April 18, 2008, and to make arrangements to have an overnight delivery service pick up MR1's check. Wright told MR1 that Wright would make these arrangements. Wright also told MR1 to postdate the check for April 22, 2008.
 32. On April 17, 2008, MR1 sent a check dated April 22, 2008, to The Bullion Group made payable to The Bullion Group in the amount of forty-nine thousand dollars (\$49,000).
 33. On April 18, 2008, MR1 received a trade confirmation on Global Bullion letterhead indicating that forty-nine thousand dollars (\$49,000) had been used to purchase thirteen thousand two hundred (13,200) ounces of silver bullion for MR1's account. The statement showed:

Transaction Date:	4/18/2008
Commodity:	Silver
No. of ounces:	13200
Price per ounce:	\$18.47
Total Metal Value:	\$243,804.00
Management Fee:	\$36,570.60
Money Received:	\$49,000.00
 34. MR1 did not authorize the purchase of thirteen thousand two hundred (13,200) ounces of silver bullion on April 18, 2008, and called and spoke with King and Wright to discuss the confirmation MR1 had received. MR1 was informed that MR1 had waited too long to submit the funds and the forty-nine thousand dollars (\$49,000) submitted to cover the margin call was, instead, used to purchase additional bullion.
 35. MR1 also questioned King and Wright regarding the management fee referenced on the April 18, 2008, trade confirmation. Wright informed MR1 that the management fee was made in error and that it would be removed from MR1's account.
 36. On May 5, 2008, after repeated attempts to clarify issues with MR1's account, MR1 requested that the account be closed

and that any remaining funds be sent to MR1.

37. On May 8, 2008, MR1 received a check in the amount of thirty-three thousand, five hundred eighty-nine dollars and twenty-seven cents (\$33,589.27) from Global Bullion.
38. MR1 did not receive documentation and was not informed of any terms and conditions detailing any arrangement MR1 may have had with Respondents other than that evidenced by the customer account documentation submitted to The Bullion Group on November 7, 2006. Among other things, Respondents did not disclose to MR1 the following:
 - a. the terms of the margin account;
 - b. the source of the financing to fund the margin account;
 - c. the terms of delivery of the silver purchased;
 - d. the terms of the storage for the silver purchased;
 - e. the risks of investing in commodities; or
 - f. the risks of investing on margin.
39. To date, MR1 has lost approximately sixty-eight thousand, seven hundred fifty dollars and seventy-three cents (\$68,750.73) in MR1's account.
40. In 2007 and 2008, a 41-year old St. Charles, Missouri resident ("MR2") made investments in Paragon Financial Group, Inc. ("Paragon"), and EK Marketing, Inc. ("EK Marketing"), through Brian Ekasala. ²
41. MR2 allegedly lost approximately one hundred fifty thousand dollars (\$150,000) as a result of the Paragon and EK Marketing investments with Ekasala. ³
42. In Spring 2008 MR2 received a telephone call from Ekasala. Ekasala told MR2 Ekasala was now associated with Global Bullion, and Ekasala could help MR2 offset MR2's losses in Paragon and EK Marketing. Ekasala presented MR2 with Global Bullion promotional materials and a single silver coin.
43. In May 2008 after speaking with Ekasala, MR2 received a telephone call from Leardi of Global Bullion. Among other things, Leardi informed MR2 that:
 - a. Global Bullion had an office in Overland Park, Kansas, and Leardi and Ekasala were representatives of Global Bullion at that office;
 - b. Leardi was discussing with Ekasala ways for MR2 to make money since Paragon and EK Marketing were having problems paying MR2's interest;
 - c. silver would be a very safe investment;
 - d. MR2 would not lose money because silver prices were on the way up and could hit thirty dollars (\$30) an ounce; and
 - e. MR2 would always have the silver to sell.
44. After speaking with Leardi, MR2 agreed to open an account.
45. On May 29, 2008, MR2 sent a check made payable to Global Bullion in the amount of six thousand eight hundred sixty dollars (\$6,860) to Leardi for the purchase of one thousand (1,000) ounces of silver.
46. A few days after investing, MR2 received a telephone call from Ekasala welcoming MR2 to Global Bullion and informing MR2 that Ekasala would be taking over MR2's account.
47. Ekasala told MR2 that MR2's investment gains in silver would help offset the losses in Paragon and EK Marketing.
48. On June 3, 2008, MR2 received a trade confirmation reflecting that Global Bullion had received six thousand eight hundred sixty dollars (\$6,860) from MR2 and had purchased one thousand (1,000) ounces of silver bullion for MR2's account. The trade confirmation also indicated that Global Bullion charged MR2's account two thousand six hundred seven dollars (\$2,607) as a management fee.
49. On June 6, 2008, after receiving a solicitation from Ekasala, MR2 sent a check made payable to Global Bullion in the amount of seven thousand dollars (\$7,000) for the purchase of one thousand (1,000) ounces of silver.
50. On June 8, 2008, MR2 received a trade confirmation reflecting that Global Bullion had received seven thousand dollars (\$7,000) from MR2 and had purchased one thousand (1,000) ounces of silver bullion for MR2's account. The trade confirmation also indicated that Global Bullion charged MR2's account two thousand six hundred thirty-eight dollars and fifty

cents (\$2,638.50) as a management fee.

51. On several occasions, MR2 attempted to reach Leardi and Ekasala seeking clarification of the statements and the fees charged.
52. On or around August 12, 2008, MR2 received a notice of a margin call on MR2's account and called Ekasala. Ekasala told MR2 to disregard the notice because MR2 had funds in MR2's account to cover the margin call. MR2 did not understand what Ekasala meant.
53. Sometime in or around September 2008, MR2 observed a substantial drop in MR2's account value and repeatedly attempted to call Ekasala, but could not reach him. MR2 eventually reached another representative of Global Bullion who explained that MR2's account was leveraged and any drop in the price of silver would magnify MR2's losses.
54. Sometime in October 2008, after many attempts at contacting Ekasala, MR2 reached King to discuss MR2's account. Among other things, King informed MR2 that, since King was not MR2's broker, King would be unable to assist MR2, but King would have someone return MR2's call to discuss MR2's account.
55. In late 2008, MR2 received a call from Wright who stated, among other things, that Wright was MR2's broker and that all silver in MR2's account had been sold pursuant to a margin call. Wright also stated that, for the amount of three thousand eight hundred dollars (\$3,800), Wright could reinstate MR2's position. MR2 did not submit additional funds.
56. During the period from June 2008 through late 2008, MR2 received periodic account statements, trade confirmations, and a margin call from Global Bullion. Among other things, MR2 did not understand the information contained in the documents MR2 received, including, but not limited to, the following:
 - a. how the dollar values reflected on the documents were computed;
 - b. what the terms "current total value," "minimum req'd equity," "interest charged," "account balance," or "excess equity" reflected on the documents meant;
 - c. how the interest rate on the margin account was determined;
 - d. how the interest rate charged to the account was calculated;
 - e. how the management fees were computed; ⁴ or
 - f. how the current total value, minimum required equity, interest charged, account balance, and excess equity were calculated.
57. MR2 did not receive documentation and was not informed of any terms and conditions detailing any arrangement MR2 may have had with Respondents other than that evidenced by the customer account documentation submitted to Global Bullion on May 29, 2008. Among other things, Respondents did not disclose to MR2 the following:
 - a. the terms of the margin account;
 - b. the source of the financing to fund the margin account;
 - c. the terms of delivery of the silver purchased;
 - d. the terms of the storage for the silver purchased;
 - e. the risks of investing in commodities; or
 - f. the risks of investing on margin.
58. To date, MR2 has lost over thirteen thousand eight hundred and sixty dollars (\$13,860) in MR2's account. MR2 has been unsuccessful in MR2's attempts to reach anyone at Global Bullion to discuss MR2's account.
59. In early March 2008, a 58-year old Lebanon, Missouri resident ("MR3") received an unsolicited telephone call from Duentz of Global Bullion. Among other things, Duentz informed MR3 that an investment in silver would be a solid investment with good returns, provided that the price of silver would go up.
60. On March 21, 2008, MR3 sent a check to Global Bullion in the amount of eight thousand five hundred dollars (\$8,500) for the purchase of one thousand (1,000) ounces of silver.
61. On March 24, 2008, MR3 received a trade confirmation indicating Global Bullion had received eight thousand five hundred dollars (\$8,500) from MR3 and had purchased one thousand (1,000) ounces of silver bullion for MR3's account. The trade confirmation also indicated that Global Bullion charged MR3's account two thousand six hundred fifty-eight dollars (\$2,658) as a management fee.

62. On March 27, 2008, MR3 sent a check to Global Bullion in the amount of eight thousand five hundred dollars (\$8,500) for the purchase of one thousand (1,000) ounces of silver.
63. On March 28, 2008, MR3 received a trade confirmation indicating Global Bullion had received eight thousand five hundred dollars (\$8,500) from MR3 and had purchased one thousand (1,000) ounces of silver bullion for MR3's account. The trade confirmation also indicated that Global Bullion charged MR3's account two thousand seven hundred seventy-nine dollars and fifty cents (\$2,779.50) as a management fee.
64. From March 2008 through July 2008, MR3 received periodic account statements and trade confirmations from Global Bullion. Among other things, MR3 did not understand the information contained in the documents MR3 received, including but not limited to, the following:
 - a. how the dollar values provided on the documents were computed;
 - b. what the terms "current total value," "minimum req'd equity," "interest charged," "account balance," or "excess equity" contained on the documents meant;
 - c. how the current total value, minimum required equity, interest charged, account balance, and excess equity were calculated;
 - d. how the interest rate on the margin account was determined;
 - e. how the interest rate charged to the account was calculated; or
 - f. how the management fees were computed.
65. MR3 did not receive documentation and was not informed of any terms and conditions detailing any arrangement MR3 may have had with Respondents other than that evidenced by the customer account documentation submitted to Global Bullion on March 21, 2008. Among other things, Respondents did not disclose to MR3 the following:
 - a. the terms of the margin account;
 - b. the source of the financing to fund the margin account;
 - c. the terms of delivery of the silver purchased;
 - d. the terms of the storage for the silver purchased;
 - e. the risks of investing in commodities; or
 - f. the risks of investing on margin.
66. MR3 attempted to contact Global Bullion on numerous occasions to speak with someone regarding MR3's account.
67. Sometime in or around September 2008, MR3 reached a representative of Global Bullion and closed MR3's account. MR3 received approximately one thousand dollars (\$1,000) as a result of closing MR3's account.
68. After closing MR3's account, MR3 was contacted by representatives of Global Bullion to reinvest in precious metals. MR3 did not reinvest.
69. MR3 lost approximately sixteen thousand dollars (\$16,000) in MR3's account through MR3's investments with Global Bullion.
70. According to MR1, MR2, and MR3 no precious metals were delivered directly to MR1, MR2, or MR3, nor were they informed that precious metals were delivered to a recognized depository that provided insured, non-segregated storage or to any other third-party.
71. MR1, MR2, and MR3 were told that precious metals were a good investment and that they could make substantial profits. However, Respondents failed to adequately disclose to MR1, MR2, and MR3, among other things:
 - a. the terms and conditions of investing in silver bullion;
 - b. the terms and conditions of investing on margin;
 - c. the fees charged for these services;
 - d. how silver bullion would be delivered to customers who purchased;
 - e. how silver bullion would be stored for customers who did not take delivery of the silver bullion; and

- f. the history of complaints relating to Respondent Company's sales practices.
72. In connection with the offer and sale of silver bullion to MR1, MR2, and MR3, Respondents failed to disclose that:
- a. On December 9, 1999, the National Futures Association ("NFA") issued a Complaint against Company and others for "deceptive and misleading sales solicitations" and that in its Decision, which became effective May 1, 2000, the NFA ordered Company suspended for six months from membership and membership association, or in lieu of suspension, to pay a seven thousand five hundred dollar (\$7,500) fine; and
 - b. On June 20, 2001, Company filed for Chapter 7 bankruptcy in the U.S. Bankruptcy Court, Southern District of Florida, Petition Number 01-33268.
73. On January 9, 2009, the California Corporations Commissioner of the California State Department of Corporations issued a Desist and Refrain Order against Company and Global Bullion and others for selling or offering to sell any commodity, under any commodity contract or option, in violation of California Corporations Code section 29520; and further ordered them to desist and refrain from selling or offering to sell a commodity, under any commodity contract or option, in the State of California, by employing any untrue statement of material fact or omitting to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made, not misleading in violation of California Corporations Code section 29536. *In the matter of Global Bullion Exchange, LLC and Jamie B. Company, et al., January 9, 2009, (State of California, Department of Corporations) .*
74. On June 30, 2010, the Securities Commissioner of Maryland issued a Summary Order to Cease and Desist against Global Bullion, Company, Thomas Helgeson, Nicholas Ganesh, and Adam King for engaging in acts or practices constituting violations of the registration and antifraud provisions of the Maryland Securities Act; and further ordered Global Bullion, Company, Thomas Helgeson, Nicholas Ganesh and Adam King, their officers, directors, employees, agents and anyone else involved in the offer or sale of interests in physical precious metals or future interests for payment of an advance-fee, to immediately cease and desist from soliciting, offering or selling such interests or other securities in Maryland, pending a hearing. *In the matter of Global Bullion Exchange, LLC and Jamie Company and Thomas Helgeson and Nicholas Ganesh, and Adam King, June 30, 2010 (Administrative Proceeding Before The Securities Commissioner of Maryland, Securities Division No. 2010-0133) .*
75. At all times pertinent to this investigation, Respondents:
- a. were not registered with the Commodity Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant whose activities require such registration;
 - b. were not registered with the Securities and Exchange Commission as a broker-dealer whose activities require such registration;
 - c. were not persons affiliated with, or whose obligations and liabilities are guaranteed by, a person registered with the Commodity Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant whose activities require such registration, or a person registered with the Securities and Exchange Commission as a broker-dealer whose activities require such registration;
 - d. were not members of a contract market designated by the Commodity Futures Trading Commissioner, or any clearing house thereof;
 - e. were not financial institutions;
 - f. were not registered under the laws of the State of Missouri as a broker-dealer whose activities require such registration; or
 - g. were not registered as commodity broker-dealers or commodity sales representatives in accordance with provisions of Section 409.850 to Section 409.863, RSMo. (2000).
76. At all times pertinent to this investigation, Respondents Global Bullion, The Bullion Group, and Barclay were under the direction and control of Company.

I. STATUTORY PROVISIONS

77. Section 409.800(4), RSMo. (2000), defines "Commodity" as "any . . . metal or mineral (including a precious metal as defined in subdivision (13) of this section)"
78. Section 409.800(13), RSMo. (2000), defines "Precious metal" as "silver, gold or platinum, in either coin, bullion or other form"
79. Section 409.800(5), RSMo. (2000), defines "Commodity contract" as "any account, agreement or contract for the purchase or sale, primarily for speculation or investment purposes and not for use or consumption by the offeree or purchaser, of one or more commodities, whether for immediate or subsequent delivery or whether delivery is intended by the parties, and whether

characterized as a cash contract, deferred shipment or deferred delivery contract, forward contract, futures contract, installment or margin contract, leverage contract or otherwise. Any commodity contract offered or sold shall, in the absence of evidence to the contrary, be presumed to be offered or sold for speculation or investment purposes. A commodity contract shall not include any contract or agreement which requires, and under which purchaser receives, within twenty-eight calendar days from the payment in good funds of any portion of the purchase price, physical delivery of the total amount of each commodity to be purchased under the contract or agreement."

80. Section 409.800(14), RSMo. (2000), defines "Sale" or "sell" to include "every sale, contract of sale, contract to sell, or disposition, for value."

81. Section 409.803.1, RSMo. (2000), states:

Except as otherwise provided in subdivision (1) of subsection 1 of section 409.806, no person shall offer to enter into, enter into, or confirm the execution of, any transaction for the delivery of any commodity under a commodity contract commonly known as a margin account, margin contract, leverage account, or leverage contract, or under any contract, account, arrangement, scheme, or device that serves the same function or functions or is marketed or managed in substantially the same manner as such account or contract.

82. Section 409.803.2, RSMo. (2000), states:

No person shall sell or purchase, or offer to sell or purchase, any commodity under any other commodity contract or under any commodity option or offer to enter into or enter into as seller or purchaser any other commodity contract or any commodity option. The provisions of this subsection shall not apply to any of the following persons, or any employee, officer or director thereof acting solely in that capacity:

(1) A person registered with the Commodity Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant whose activities require such registration;

(2) A person registered with the Securities and Exchange Commission as a broker-dealer whose activities require such registration;

(3) A person affiliated with, and whose obligations and liabilities are guaranteed by, a person referred to in subdivision (1) or (2) of this subsection;

(4) A person who is a member of a contract market designated by the Commodity Futures Trading Commission, or any clearinghouse thereof;

(5) A financial institution;

(6) A person registered under the laws of this state as a securities broker-dealer whose activities require such registration; or

(7) A person registered as a commodity broker-dealer or commodity sales representative in accordance with the provisions of sections 409.850 to 409.863.

83. Section 409.810, RSMo. (2000), states:

No person shall, directly or indirectly:

(1) Cheat or defraud, attempt to cheat or defraud, or employ any device, scheme or artifice to cheat or defraud, any other person;

(2) Make any false report, enter any false record, or make any untrue statement of a material fact;

(3) Engage in any transaction, act, practice or course of business, including, without limitation, any form of advertising or solicitation, which operates or would operate as a fraud or deceit upon any person; or

(4) Misappropriate or convert the funds, security or property of any other person;

In or in connection with the purchase or sale of, the offer to sell, the offer to enter into, or the entry into of, any commodity contract or commodity option subject to the provisions of section 409.803 or subdivision (2), (3), or (4) of subsection 1 of section 409.806; except that, the provisions of subdivision (2) of this section shall not apply to a commodity contract covered by subdivision (3) of subsection 1 of section 409.806.

84. Section 409.823.1, RSMo. (2000), states:

If the commissioner believes, whether or not based upon an investigation conducted under section 409.820, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of sections 409.800 to 409.863 or any rule or order promulgated or issued under sections 409.800 to 409.863, the commissioner may:

(1) Issue a cease and desist order;

....

(3) Issue an order imposing a civil penalty in an amount which may not exceed ten thousand dollars for any single violation or one hundred thousand dollars for multiple violations in a single proceeding or a series of related proceedings;

....

II. VIOLATIONS

Multiple Violations of Offering and Entering into Prohibited Commodities Contracts

85. Paragraphs 1 through 84 are incorporated by reference as though fully set forth herein.
86. Respondents Campary, Global Bullion, The Bullion Group, Barclay, and Capital Asset Management violated Section 409.803.1, RSMo. (2000), when they offered to enter into, entered into, or confirmed the execution of, transactions for the delivery of silver bullion in margin accounts with MR1, MR2, and/or MR3 when, among other things, they:
- a. mailed marketing materials reflecting the benefits of investing in silver;
 - b. solicited investments in silver bullion;
 - c. accepted payment for the purchase of silver bullion through margin accounts; or
 - d. mailed trade confirmations and periodic statements reflecting the purchases of silver bullion.
87. Respondents Seedub, Gaudino, Wright, Ekasala, and Duentz, violated Section 409.803.1, RSMo. (2000), when they offered to enter into, entered into, or confirmed the execution of, transactions for the delivery of silver bullion in margin accounts with MR1, MR2, and/or MR3 when, among other things, they:
- a. provided marketing materials reflecting the benefits of investing in silver; or
 - b. solicited investments in silver bullion.
88. Respondent Leardi violated Section 409.803.1, RSMo. (2000), when he offered to enter into, entered into, or confirmed the execution of, transactions for the delivery of silver bullion in margin accounts with MR1, MR2, and/or MR3 when, among other things, he:
- a. solicited investments in silver bullion; or
 - b. accepted payment for the purchase of silver bullion through margin accounts.
89. Respondents Campary, Global Bullion, The Bullion Group, Barclay, Capital Asset Management, Seedub, Gaudino, Wright, Ekasala, Duentz, and Leardi violated Section 409.803.2, RSMo. (2000), when they offered to sell and sold a commodity in the form of silver bullion under a commodity contract in the form of margin accounts to MR1, MR2 and MR3 without being the subject of an exclusion provided under Section 409.803.2, RSMo. (2000).
90. The actions of Respondents Campary, Global Bullion, The Bullion Group, Barclay, Capital Asset Management, Seedub, Gaudino, Wright, Ekasala, Duentz, and Leardi in offering and entering into prohibited commodities contracts constitute an illegal act or practice and thus such actions are subject to the commissioner's authority under Section 409.823, RSMo. (2000).

Multiple Violations of Engaging in Prohibited Acts in Connection with the Sale of Commodity Contracts

91. Paragraphs 1 through 84 are incorporated by reference as though fully set forth herein.
92. Respondents violated Section 409.810, RSMo. (2000), when, in connection with the sale or offer to sell a commodity contract related to silver bullion through margin accounts, Respondents Campary, Global Bullion, The Bullion Group, Barclay,

Capital Asset Management, Seedub, Ekasala, Gaudino, Wright, King, Leardi, and/or Duentz made one or more of the following untrue statements of material fact or engaged in a transaction, act, practice or course of business which would operate as a fraud or deceit upon Missouri investors by, among other things, the following:

- a. stating that silver would be a very safe investment;
 - b. stating that the investment risk in silver bullion would be minimal;
 - c. stating that Respondents were properly registered to transact business in the state of Missouri;
 - d. stating that investors would not lose money;
 - e. failing to disclose that Respondents were not properly registered to transact business in the state of Missouri;
 - f. failing to disclose the risks of investing in commodities using a margin account;
 - g. failing to disclose the terms of the margin accounts;
 - h. failing to disclose the source of the financing to fund the margin accounts;
 - i. failing to deliver the silver;
 - j. failing to disclose the history of bankruptcy, complaints, and NFA action relating to sales practices of Respondent Company;
 - k. misrepresenting the conditions of the margin calls;
 - l. misrepresenting the management fees; or
 - m. misappropriating funds by purchasing silver without authorization with funds paid to cover margin calls.
93. Respondents' actions in making untrue statements of material fact and/or in engaging in a transaction, act, practice or course of business which would operate as a fraud or deceit constitute an illegal act or practice, and thus such actions are subject to the commissioner's authority under Section 409.823, RSMo. (2000).
94. This order is in the public interest and is necessary to carry out the provisions of Sections 409.800 to 409.863, RSMo. (2000).

V. ORDER

NOW THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from:

- A. Violating Section 409.803.1, RSMo. (2000), by offering to enter into, entering into, or confirming the execution of, any transaction for the delivery of any commodity under a commodity contract commonly known as a margin account, margin contract, leverage account, leverage contract, or under any contract, account, arrangement, scheme, or device that serves the same function or functions or is marketed or managed in substantially the same manner as such account or contract;
- B. Violating Section 409.803.2, RSMo. (2000), by selling or purchasing, or offering to sell or purchase, any commodity under any commodity contract or under any commodity option or offer to enter into or enter into as seller or purchaser any other commodity contract or any commodity option;
- C. Violating Section 409.810, RSMo. (2000), by directly or indirectly cheating or defrauding, or employing any device, scheme or artifice to cheat or defraud, any person, by making an untrue statement of material fact, or engaging in any transaction, act, practice or course of business which would operate as a fraud or deceit of any other person.

IT IS FURTHER ORDERED that, pursuant to Section 409.823, RSMo. (2000), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to one hundred thousand dollars (\$100,000) against each Respondent for multiple violations of Section 409.803, RSMo. (2000), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.823, RSMo. (2000), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to one hundred thousand dollars (\$100,000) against each Respondent for multiple violations of Section 409.810, RSMo. (2000), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 25TH DAY OF AUGUST, 2010.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

State of Missouri
Office of Secretary of State

Case No. AP-10-31

IN THE MATTER OF:

JAMIE B. COMPANY, CRD No. 2367888;
GLOBAL BULLION EXCHANGE, LLC;
THE BULLION GROUP, INC.;
BARCLAY TRADING GROUP, INC.;
WJS FUNDING, INC.,
d/b/a CAPITAL ASSET MANAGEMENT;
SEEDUB CAPITAL VENTURES, INC.;
BRIAN EKASALA, CRD No. 2294855;
FRANK GAUDINO;
BANCROFT WRIGHT;
JOHN ADAM KING II;
VINCENT LEARDI; and
JEFF DUENTZ,

Respondents.

Serve: Jamie B. Company
4817 N. Classical Boulevard
Del Ray Beach, Florida 33445

Serve: Global Bullion Exchange, LLC
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: The Bullion Group, Inc.
224 Datura Street, Suite 1108
West Palm Beach, Florida 33401

Serve: Barclay Trading Group, Inc.
5702 Lake Worth Road, Suite #3
Greenacres, Florida 33463

Serve: WJS Funding, Inc., d/b/a
Capital Asset Management
9130 S. Dadeland Boulevard, Suite 1607
Miami, Florida 33156

Serve: Seedub Capital Ventures, Inc.
275 SW Salerno Circle
Stuart, Florida 34997

Serve: Brian Ekasala
4110 Emerald Vis
Lake Worth, Florida 33461

Serve: Frank Gaudino
608 Castle Drive
Palm Beach Gardens, Florida 33410

Serve: Bancroft Wright
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: John Adam King II
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Serve: Vincent Leardi
10551 Barkley Street, Suite 140
Overland Park, Kansas 66212

Serve: Jeff Duentz
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

NOTICE

TO: Respondents and all interested parties:

You may file a written request for a hearing in this matter within thirty (30) business days from the entry of this Order pursuant to Section 409.843.1, RSMo. (2000).

Within thirty (30) days after receipt of a written request for a hearing, that hearing will be scheduled to commence.

A request for a hearing must be mailed or delivered, in writing, to:

Matthew Kitzi, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri, 65102.

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of August, 2010, copies of the foregoing Order and Notice in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Jamie B. Company
4817 N. Classical Boulevard
Del Ray Beach, Florida 33445

Global Bullion Exchange, LLC
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

The Bullion Group, Inc.
224 Datura Street, Suite 1108
West Palm Beach, Florida 33401

Barclay Trading Group, Inc.
5702 Lake Worth Road, Suite #3
Greenacres, Florida 33463

WJS Funding, Inc., d/b/a
Capital Asset Management
9130 S. Dadeland Boulevard, Suite 1607
Miami, Florida 33156

Seedub Capital Ventures, Inc.
275 SW Salerno Circle
Stuart, Florida 34997

Brian Ekasala
4110 Emerald Vis
Lake Worth, Florida 33461

Frank Gaudino

608 Castle Drive
Palm Beach Gardens, Florida 33410

Bancroft Wright
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

John Adam King II
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

Vincent Leardi
10551 Barkley Street, Suite 140
Overland Park, Kansas 66212

Jeff Duentz
2328 Tenth Avenue, Suite 302
Lake Worth, Florida 33461

And hand delivered to:

Nathan Soendker

Chief Enforcement Counsel
Securities Division

[1] In a letter to the Enforcement Section, Gaudino stated that he was a “broker/independent contractor for Seedub Capital Ventures, Inc.” Gaudino also stated that Seedub was a “branch” of The Bullion Group.

John Hale
Specialist

[2] Paragon, EK Marketing, and Ekasala are subject of a Cease and Desist Order, *In the matter of Paragon Financial Group, Inc.; EK Marketing, Inc.; Brian Ekasala, CRD #2294855; and Susan Garrard, File No. AP-10-06, February 18, 2010 (State of Missouri, Office of Secretary of State, Commissioner of Securities).*

[3] *Id.*

[4] Management fees were actually based on 15% of the total account value after leverage was utilized.