

State of Missouri  
Office of Secretary of State

Case No. AP-12-04

IN THE MATTER OF:

ECITY, INC.; GENSHARE ACQUISITION, INC.;  
BENEDICT H. VAN; ENRICO BLANDIN; and  
LORI ARZAMENDI,

Respondents.

Serve: Enrico Blandin at:  
11088 Santiam River Court  
Rancho Cordova, California 95670

Serve: GenShare Acquisition, Inc.  
Enrico Blandin, Registered Agent at:  
6329 Rain Meadows Lane  
Citrus Heights, California 95621

**FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL  
PENALTIES AND COSTS AS TO RESPONDENTS ENRICO BLANDIN AND  
GENSHARE ACQUISITION, INC.**

On October 2, 2012, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("Enforcement Section"), through Assistant Commissioner Mary S. Hosmer, submitted a Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs as to Respondents Enrico Blandin and GenShare Acquisition, Inc. (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law and order:

**PROCEDURAL BACKGROUND**

1. On February 7, 2012, the Enforcement Section submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties and Costs Should Not Be Imposed (the "C&D Petition") in the above-styled matter.
2. On February 21, 2012, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties and Costs Should Not Be Imposed (the "C&D Order").
3. On February 21, 2012, a representative of the Commissioner sent a copy of the C&D Order via certified mail to GenShare Acquisition, Inc. ("GenShare"), in care of Enrico Blandin, Registered Agent at 6329 Rain Meadows Lane, Citrus Heights, California 95621.
4. On March 5, 2012, the certified mail sent to GenShare was returned to the Division with a label reading, "Not Deliverable as Addressed, Unable to Forward."
5. On February 21, 2012, a representative of the Commissioner sent a copy of the C&D Order via certified mail to Enrico Blandin ("Blandin") at 11088 Santiam River Court, Rancho Cordova, California 95670. A check of the USPS website on February 29, 2012, shows that the certified mail was "Refused," then that same day "Undeliverable as Addressed." The certified mail has not been returned to the Division.
6. On March 2, 2012, Blandin contacted the Communication's Office for the Secretary of State regarding the C&D Order and left Blandin's telephone number.
7. On March 5, 2012, investigators in the Enforcement Section called Blandin and left a voice message.
8. On March 12, 2012, an investigator in the Enforcement Section spoke with Blandin by telephone and Blandin stated that he would be retaining the services of an attorney. Blandin also stated that he did not have a permanent address, so none was provided. Blandin did provide an email address.
9. On March 12, 2012, an investigator in the Enforcement Section forwarded a copy of the C&D Order by email to the email address provided by Blandin. No response was received from Blandin.

10. On March 29, 2012, an investigator in the Enforcement Section sent a follow-up email to Blandin asking for confirmation of the first email. No response was received from Blandin.
11. On May 31, 2012, an investigator in the Enforcement Section again forwarded a copy of the C&D Order by email to the email address provided by Blandin. On June 4, 2012, Blandin responded to the investigator that Blandin had received the email.
12. Respondent Blandin and Respondent GenShare failed to request a hearing within the time allowed by Section 409.6-604, RSMo. (Cum. Supp. 2011), and did not otherwise contact or communicate with the Commissioner at any time.
13. On October 1, 2012, the Commissioner issued a Consent Order as to Respondent Lori Arzamendi in this matter.
14. On October 5, 2012, the Commissioner issued a Consent Order as to Respondents eCity, Inc., and Benedict H. Van in this matter.
15. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist as to Respondent Blandin and Respondent GenShare.
16. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each of Respondent Blandin and Respondent GenShare for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2011).
17. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of one thousand dollars (\$1,000) against Respondent GenShare for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2011).
18. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of ten thousand dollars (\$10,000) against Respondent Blandin for violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011).
19. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of ten thousand dollars (\$10,000) against Respondent GenShare for violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011).
20. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of ten thousand dollars (\$10,000) against each of Respondent Blandin and Respondent GenShare for violations of Section 409.5-501, RSMo. (Cum. Supp. 2011).
21. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondent Blandin and Respondent GenShare, jointly and severally, to pay the costs of the investigation in this matter in the amount of three thousand dollars (\$3,000).

#### **FINDINGS OF FACT**

22. The Commissioner adopts and incorporates the Findings of Fact, paragraphs 1 through 7, 9 through 29, and 35 through 42, in the C&D Order as to Respondent Blandin.
23. The Commissioner adopts and incorporates the Findings of Fact, paragraphs 1 through 7, 9 through 29, and 35 through 42, in the C&D Order as to Respondent GenShare.

#### **CONCLUSIONS OF LAW**

24. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 59 through 68, 73 through 74, 76, 78, and 89 through 94, in the C&D Order, as to Respondent Blandin.
25. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 59 through 72, and 84 through 94, in the C&D Order, as to Respondent GenShare.
26. This Order is in the public interest, necessary for the protection of investors and consistent with the purposes intended by the Missouri Securities Act of 2003.

#### **ORDER**

**NOW, THEREFORE**, it is hereby ordered that:

- A. The Cease and Desist Order entered in Case Number AP-12-04 on February 21, 2012, is **FINAL** as to Respondents Blandin and GenShare.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), Respondent Blandin and Respondent GenShare shall each

pay a separate civil penalty in the amount of two thousand dollars (\$2,000), to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2011). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Blandin and Respondent GenShare shall deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), Respondent GenShare shall pay a civil penalty in the amount of two thousand dollars (\$2,000), to the State of Missouri for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2011). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent GenShare shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), Respondent Blandin shall pay a civil penalty in the amount of one thousand dollars (\$1,000), to the State of Missouri for violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Blandin shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), Respondent GenShare shall pay a civil penalty in the amount of one thousand dollars (\$1,000), to the State of Missouri for violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent GenShare shall deliver this payment to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), Respondent Blandin and Respondent GenShare shall each pay a separate civil penalty in the amount of ten thousand dollars (\$10,000), to the State of Missouri for violations of Section 409.5-501, RSMo. (Cum. Supp. 2011). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Blandin and Respondent GenShare shall deliver these payments to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- G. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2011), Respondent Blandin and Respondent GenShare shall pay the additional sum of three thousand dollars (\$3,000) as reimbursement for the costs of the investigation and administration of this matter. Respondent Blandin and Respondent GenShare shall be jointly and severally liable for this amount. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and paid within thirty (30) days of the date of this Order. Respondent Blandin and Respondent GenShare shall deliver this payment to the Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- H. Pursuant to Section 409.6-604(f), RSMo. (Cum. Supp. 2011), this matter shall be referred to the Missouri Attorney General's Office to collect the penalties and costs described in the Order, as necessary.
- I. Respondent Blandin and Respondent GenShare shall pay their own costs and attorney's fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 25<sup>TH</sup> DAY OF OCTOBER, 2012.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of October, 2012, a copy of the foregoing Final Order to Cease and Desist and Order Imposing Civil Penalties and Costs as to Respondents Enrico Blandin and GenShare Acquisition, Inc., in the above styled case **was mailed by U.S. mail to:**

Stephen M. Wurzburg  
Pillsbury Winthrop Shaw Pittman LLP  
2475 Hanover Street  
Palo Alto, California 94304  
ATTORNEY FOR RESPONDENTS  
ECITY, INC., and BENEDICT VAN

**and by certified mail, return receipt requested to:**

Genshare Acquisition, Inc.  
Enrico Blandin, Registered Agent  
6329 Rain Meadows Lane  
Citrus Heights, California 95621

Enrico Blandin  
11088 Santiam River Court  
Rancho Cordova, California 95670

Lori Arzamendi  
224 Tattinger Court  
El Dorado Hills, California 95762

**And by-hand delivery to:**

Mary S. Hosmer  
Assistant Commissioner  
Missouri Securities Division

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John Hale, Specialist