

State of Missouri Office of Secretary of State

Case No. AP-09-14

IN THE MATTER OF:

James Staley
33 Maple Creek Court
Wentzville, MO 63385-5022

Wealth Financial International, LLC
17295 Chesterfield Airport Road
Suite 200
Chesterfield, MO 63005

B&B Equity Group, LLC a/k/a
B&B Equity Group, LLC a/k/a
B and B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Robert Koppel
5073 Frontier Lane
Roseville, CA 95747

Larry Banks
c/o B&B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Resources, LLC
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Preservation, Inc.
a/k/a Global Equity Preservation Trust
2485 Grassy Spring Place
Las Vegas, NV 89135

Robert L. Eberle
2485 Grassy Spring Place
Las Vegas, NV 89135

Respondents.

ORDER TO CEASE AND DESIST AND ORDER TO SHOW

CAUSE WHY CIVIL PENALTIES AND COSTS SHOULD NOT BE IMPOSED

On March 12, 2009, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through its Chief Enforcement Counsel, Lori J. Neidel, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

1. James "Jim" Staley ("Staley") is an individual with an address of 33 Maple Creek Court, Wentzville, Missouri 63385. Staley was licensed with the Missouri Department of Insurance, Financial Institutions & Professional Registration as an insurance producer until December 4, 2008. Staley is not registered as a securities agent in Missouri.
2. Wealth Financial International, LLC ("WFI"), is a Missouri limited liability company organized by Staley on February 5, 2008, with an address of 17295 Chesterfield Airport Road, Suite 200, Chesterfield, Missouri 63005. According to the company's filing with the Missouri Secretary of State's Corporations Division, WFI was created to provide financial consulting services.
3. B&B Equity Group, LLC a/k/a B&B Equity Group, LLC a/k/a B and B Equity Group, LLC ("B&B") is a Nevada limited liability company organized on or about January 14, 2008. Its registered agent is Nevada State Corporate Network, Inc., with an address of 777 N Rainbow Boulevard, Suite 250, Las Vegas, Nevada 89107. B&B's officer and managing member is Robert L. Eberle and Robert Koppel, respectively.
4. Robert Koppel ("Koppel") is an individual with an address at 5073 Frontier Lane Roseville, California 95747. Koppel is purportedly the president and managing member of B&B.
5. Larry Banks ("Banks") is an individual who purportedly is president of B&B. No residential or other address is known for Banks.
6. Global Equity Resources, LLC ("GER"), a Nevada limited liability company organized on October 21, 2008. GER's registered agent is Global Equity Preservation, Inc. a/k/a Global Equity Preservation Trust ("GEPT"), using Robert L. Eberle's home address of 2485 Grassy Spring Place, Las Vegas, Nevada 89135.
7. GEPT is a Nevada corporation with an address of 777 N. Rainbow Boulevard, Suite 250, Las Vegas, Nevada 89107-1187. GEPT was organized on or about January 14, 2008, by Susan Miller.
8. Robert L. Eberle ("Eberle") is an individual with an address of 2485 Grassy Spring Place, Las Vegas, Nevada 89135. Eberle is associated with B&B, GEPT and GER.
9. For purposes of this Order, the term "Respondents" refers to Staley, WFI, B&B, Koppel, Banks, GER, GEPT, and Eberle.

10. The website for B&B n/k/a GER, states, in part:
 - a. GER's "key strategy" is private insurance lending agreements which allow individual lenders the same quality access to "secure, fixed returns that have previously been only available to lending institutions and large banks;"
 - b. The strength of the program is in the experience GER has in facilitating transactions in the premium financing marketplace and 100% success rate of every transaction since the company's inception;
 - c. GER has two offices in the United States run by four principals. The company's address in Nevada is the same as Eberle's home address and the site also lists an address for a Chesterfield, Missouri, location. [\[1\]](#) The names of the principals are not disclosed;
 - d. "Our Mission and Philosophy is to assist our clients in creating and maintaining investment portfolios that are designed to support their individual goals and desires while reducing taxation and providing for reduction of financial risk with the highest return;" and
 - e. "In the last few years, the secondary market for life insurance has exploded onto the financial planning scene."
11. The GER website describes the investment program as follows:
 - a. a safe lending instrument that yields double digit returns to their lenders;
 - b. "In effect, the lender is simply privately financing insurance premiums" through the protection of an limited liability company and providing a short term loan to an individual in return for double digit returns on their money; and
 - c. "The loan is FULLY collateralized in multiple ways" (emphasis in original).
12. In July 2008, Staley met with a Missouri resident ("MR1") about investing in a premium financing program. Staley told MR1 that MR1 could earn 30% interest in two years, guaranteed.
13. MR1 had three annuities that were recommended by and purchased through Staley. Staley recommended that MR1 surrender those annuity contracts and invest the proceeds in the premium financing program Staley was offering through B&B.
14. Staley told MR1 that MR1's money would be pooled with other investors to pay the annual premiums on a large life insurance policy taken out by a third-party.
15. Staley told MR1 that B&B would organize a limited liability company which would be assigned the rights to the life insurance policy of the insured third-party and would assume the liabilities in connection with funding and maintaining the policy, including amounts owed to investors. Staley told MR1 that MR1 would receive a percentage of the limited liability company.
16. MR1 surrendered the three annuity contracts incurring surrender fees of \$26,438 and invested \$90,000 with B&B through Staley on July 31, 2007.

17. Staley gave MR1 the following documents:

- a. Master Premium Funding Agreement with B&B (the "Premium Funding Agreement");
- b. Fiduciary Instructions and Supplement to Life Insurance Premium Funding Agreement;
- c. Holding Fund Instructions and Supplement to Life Insurance Premium Funding Agreement; and
- d. B&B Premium Funding Addendum.

18. MR1's Premium Funding Agreement states or provides, in part:

- a. "This life insurance premium funding agreement ("agreement") is made this [31] day of [July] 20[08], by and between BSB Equity Group, LLC (hereinafter referred as BSB) and [MR1], (hereinafter referred as "Investor/Lender");"
- b. "B&B with offices at 777 N Rainbow Boulevard, Suite 250, Las Vegas, Nevada 89107-1187 is in the business of facilitating the financing of premiums on life insurance policies;"
- c. "The Investor/Lender's deposits are to be made payable to Global Equity Preservation Trust;"
- d. "BSB will provide . . . information regarding the specific premium funding opportunity(s) in the form of life insurance policies that have been priced and approved for sale on the secondary life insurance market. If after reviewing this information the Investor/Lender wishes to participate in the described policy the Investor/Lender will sign and return lender documents, including his participation in the LLC which has been specifically created to fund the premiums for that specific policy. Upon BSB's receipt of the executed LLC, BSB will notify the Escrow holder that funds currently on deposit have been assigned to a specific LLC for the purpose of funding the insured's premiums for which that LLC was expressly created;"
- e. that the investor's return on investment is represented by his share of Magnuson LLC;
- f. The Investment is "for a period of two years at a fixed rate of THIRTY percent (30%) of the loan plus a portion of the profit on the sale of the policy not to exceed FORTY percent (40%) of the loan;"
- g. "Funds committed are not liquid and no funds will be available until the loan has been repaid;"
- h. The limited liability company in exchange for providing the premium financing would receive among other documents, the following executed by the borrower in favor of the limited liability company:
 - i. secured promissory note;

- ii. collateral assignment of the life insurance policy; and
 - iii. life insurance policy financing agreement.
 - i. Should the insured die within the loan period, prior to the sale of the policy on the secondary market, investor's lien on the policy shall be paid prior to any disbursement of funds to the insured's beneficiaries;
 - j. "Investor/Lender appoints GEPT as the Fiduciary Agent for the purpose of holding funds for participation and investment in the process known as life insurance premium funding;" and
 - k. The commitment to fund such the subject policies is not be final until the investor has received policy information and been given the opportunity to advise BSB if he/she wishes to decline the lending opportunity.
19. The Premium Funding Agreement bears MR1's signature and a date of July 31, 2008, but is not executed by B&B Equity.
20. The B&B Premium Funding Addendum provided to MR1 provides, in part:
- a. The Investor/Lender agrees to deposit \$90,000 with GEPT "for the purpose of funding premium financing loan for life insurance policy(ies);"
 - b. Term of the loan is 24 months;
 - c. dollar amount of loan is \$90,000;
 - d. fixed return on dollar amount of loan is thirty percent (30%) over the 24 month period; and
 - e. projected share of profits upon the sale of the policy (as reflected on the Policy Valuation Analysis).
21. On or about August 13, 2008, MR1 received a letter informing MR1 that: a) MR1's \$90,000 had been invested in the Nathan S. Magnuson LLC (hereinafter "Magnuson LLC"), and used to fund the annual premium on American General Life Insurance ("AIG") policy number UI0061349L; b) MR1 owned 26.67% of the Magnuson LLC; and c) the articles of organization would be sent to MR1 within 30 days. The cover letter was signed by Banks as president of B&B. Among others, the following documents were included with the August 13, 2008, correspondence to MR1:
- a. Policy Valuation Analysis;
 - b. AIG policy information;
 - c. Irrevocable Life Insurance Trust Agreement;
 - d. Collateral Assignment of Life Insurance Policy;
 - e. Secured Promissory Note between Magnuson LLC (Lender) and Insured Irrevocable LIT (Borrower); and

f. Life Insurance Policy Funding Agreement.

22. The Policy Valuation Analysis provided to MR1 includes:

- a. the name of the insured;
- b. the policy number and insurer;
- c. the face value of the policy as \$2,500,000;
- d. the insured's life expectancy as 120 months;
- e. the premium as \$250,000 for year one and zero for year two;
- f. an origination fee of \$87,500 (35%);
- g. an "approved sale price on the secondary market" of \$482,625; and
- h. total return on investment as \$482,625.

23. The Secured Promissory Note sent to MR1 by B&B dated May 9, 2008 (the MR1 Note"), reads, in part:

- a. ". . . as trustee of the Nathan S. Magnuson irrevocable life insurance trust created and existing under the laws of the state of Nevada, (the Borrower) pursuant to that certain Trust Agreement unconditionally promises to pay to the order of "lender names" a Nevada limited liability company, on the Maturity [sic] date . . . the sum of each agreed amount actually borrowed from the Lender [sic], . . . together with interest on the unpaid balance plus origination fee for each amount borrowed . . . the interest shall accrue annually at a rate of fifteen percent (15%) per annum"; [\[2\]](#)
- b. "The Borrower shall use all the proceeds of this Note solely for the purposes of paying the insurance premiums to the insurance company and origination fees to the lender";
- c. "This Note and all amounts due hereunder are secured by that certain Collateral Assignment of Life Insurance Policy";
- d. "The entire outstanding principal amount and all accrued and unpaid interest under this Note shall be due and payable by the Borrower to the Lender either: (a) the day following the two (2) year anniversary of the date of this Note ("the Maturity Date"); (b) the date of the death of (enter insured's name) the insured under the Insurance Policy, (c) the date of any breach, and (d) the date of any default"; and
- e. "Borrower agrees to maintain the insurance policy that secures this note and Borrower also agrees to maintain in full force and effect the Collateral Assignment securing the Borrower's obligations to Lender. Borrower shall not surrender the insurance policy or permit the insurance policy to lapse or otherwise terminate or borrow any funds against the insurance policy as a policy loan."

24. The MR1 Note is signed by the borrower but not by anyone as or on behalf of the "Lender."
25. During its investigation, the Enforcement Section received information provided to MR1 regarding AIG Life Insurance Policy Number UI0061349L. That information included:
 - a. The Insured's life expectancy, determined July 24, 2008, by a third party actuary, was between 115 months and 166 months;
 - b. The annual premium amount for this policy was \$115,550;
 - c. The \$115,550 premium must be paid annually until the insured dies or the maturity date of the policy, which is 2053;
 - d. The Insured's policy is a flexible premium adjustable life insurance policy, with a maturity date of April 28, 2053;
 - e. AIG may automatically effect a partial surrender or reduce the death benefits;
 - f. AIG will receive \$3,570.75 per month for the first five years as an expense charge; and
 - g. The policy may be assigned as a security for an obligation but the insurance company would not be bound by an assignment unless it is received in writing at the issuer's home office.[\[3\]](#)
26. On or about October 15, 2008, Koppel sent MR1 a Membership Certificate evidencing MR1's membership in the Magnuson LLC, and a copy of the limited liability company's charter. The Membership Certificate was not executed by anyone authorized to do so by the Magnuson LLC. The letter stated, in part:

"On behalf of B and B Equity Group, LLC, I want to take this opportunity to thank and congratulate you for your investment of \$90,000 executed in favor of the Nathan S. Magnuson, I, LLC In [sic] exchange for 26.67% of the company."
27. The Magnuson LLC company charter shows the limited liability company was organized on August 25, 2008, by GEPT of 2485 Grassy Spring Place Las Vegas, Nevada 89135[\[4\]](#) and the limited liability company's managing member as B&B.
28. On or about December 3, 2008, Staley met MR2. Staley gave MR2 a business card identifying Staley as president of WFI. Staley told MR2 that by investing for a period of six months, MR2 could earn 10% on his investment, guaranteed.
29. Staley gave MR2 the following documents on GER letterhead:
 - a. Master Premium Funding Agreement;
 - b. Holding Fund Instructions to Global Equities Preservation Trust and Supplement to Life Insurance Premium Funding Agreement;

- c. Fiduciary Instructions and Supplement to Life Insurance Premium Funding Agreement;
 - d. Premium Funding Addendum; and
 - e. Authorization to Transfer Funds and Execute Loan.
30. MR2 stated to an investigator with the Enforcement Section, among other things, that MR2 believed the investment was guaranteed to be paid at the end of six months and had no idea how the funds were to be generated except that Staley told him that he had several buyers lined up to purchase the policies in six months.
31. On or about December 3, 2008, MR2 invested \$50,000 through Staley with GER.
32. The Master Premium Funding Agreement provided to MR2 and dated December 3, 2008, states or provides, in part:
- a. The life insurance premium funding agreement was made December 3, 2008, between GER and MR2;
 - b. "GER with offices in Nevada at 777 N. Rainbow Boulevard, Suite 250, Las Vegas, Nevada 89107-1187, [5] is in the business of facilitating the financing of premiums on life insurance policies;
 - c. The "Investor/Lender's" deposits are to be made payable to GEPT;
 - d. MR2's return is represented by his shares of two limited liability companies: 1) the "Olson III LLC" and 2) the "Thompson V LLC;"
 - e. The investment is for a period of six months at a fixed rate of ten percent (10%) of the total amount of the loan;
 - f. The Olson III LLC and Thompson V LLC, in exchange for providing premium financing loans, would receive, among others, the following documents executed by the borrower in favor of the limited liability company:
 - i. secured promissory note;
 - ii. collateral assignment of the life insurance policy; and
 - iii. life insurance policy financing agreement;
 - g. Investor/Lender appoints GEPT as the fiduciary agent "for the purpose of holding funds for participation and investment in the process known as life insurance premium funding;" and
 - h. "The commitment to fund such policy(ies) shall not be final until the Lender has received this information and been given the opportunity to advise GER if he/she wishes to decline the lending opportunity."
33. The Premium Funding Addendum signed by MR2 and Staley as the agent for GER on December 3, 2008, states, in part:

- a. "The Investor/Lender agrees to deposit the sum of FIFTY THOUSAND dollars (\$50,000) with Global Equity Preservation Trust the Fiduciary Agent for the purpose of funding Premium Financing Loan(s) for Life Insurance Policy(ies), which will be allocated as set forth herein;"
 - b. Term of the loan is six months;
 - c. The dollar amount of the loan is \$50,000; and
 - d. There is a fixed return of ten percent (10%) of the dollar amount invested.
34. The Authorization to Transfer Funds and Execute Loan provided to MR2 indicates that MR2's funds were placed in two limited liability companies:
- a. \$37,481 to the Olson III LLC; and
 - b. \$12,519 to the Thompson V, LLC.
35. MR2 was not given information about the two limited liability companies in which MR2's money was placed nor information on the policies funding the limited liability companies.
36. On or before January 7, 2009, Staley talked to a 62 year-old Missouri resident ("MR3") about investing. Staley told MR3 that MR3 would earn a 30% fixed rate return for a term of two years in the premium funding program through GER. Staley assured MR3 there was no risk to the investment.
37. Staley promised MR3 a 6% signing bonus (\$24,000) if she committed her funds before January 15, 2009. MR3 understood that Staley was going to pay this money from his personal commission.
38. MR3 surrendered three annuities incurring an early withdrawal penalty of approximately \$38,000.
39. MR3 invested \$400,000 from the proceeds of the annuities through Staley with GER on January 7, 2009.
40. A Master Premium Funding Agreement provided to MR3 reads, in part:
- a. "This Life Insurance Premium Funding Agreement ("Agreement") is made this [7th] day of [January] 20[09] by and between Global Equity Resources, LLC (hereinafter referred as GER) and [MR3], (hereinafter referred as "lender")"
 - b. "The Lender understands that his return on loan interest is represented by his share of the specific LLC bearing the Insured's name which is []"; [\[6\]](#) and
 - c. "Lender understands that his loan is for a period of 24 months at a fixed interest rate of (thirty) 30% of the total amount of the loan."
41. The Master Premium Funding Agreement provided to MR3 is essentially the same as that provided to MR1 and MR2 and described above, as to the documents the

borrower would execute in favor of the limited liability company and provide MR3.

42. A Premium Funding Addendum provided to MR3 provides, in part:
 - a. "The Investor/Lender hereby agrees to deposit the sum of four hundred thousand dollars (\$400,000) with Global Equities Preservation Trust, the Fiduciary Agent, for the purpose of funding Premium Financing Loan(s) for Life Insurance Policy(ies) which will be allocated as set forth herein;"
 - b. That the term of the loan is 24 months;
 - c. That the dollar amount of the loan is \$400,000; and
 - d. There is a fixed return of thirty percent (30%) on the dollar amount invested.
43. A subpoena duces tecum was duly issued to and served upon Staley on February 2, 2009, requiring him to appear personally before the Chief Enforcement Counsel to testify and to bring with him certain documents.
44. Staley failed to appear on the date specified in the above-referenced subpoena and has not otherwise contacted the Chief Enforcement Counsel.
45. A check of the records maintained by the Missouri Commissioner of Securities confirms that:
 - a. there is no registration or notice filing indicating the status as a "federal covered security" for the securities offered by the Respondents;
 - b. Respondent Staley is not a registered securities agent in Missouri; and
 - c. none of the Respondents are registered as a broker-dealer in Missouri.
46. Respondents omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading when, in connection with the sale of securities in Missouri, Respondents failed to state:
 - a. there was no registration or notice filing indicating the status as a "federal covered security" for the securities offered by the Respondents;
 - b. Respondent Staley is not a registered securities agent in Missouri;
 - c. Respondents are not registered as a broker-dealer in Missouri;
 - d. AIG, the issuer of the Magnuson life insurance policy, would receive \$3,570.75 per month for the first five years after issuance of the policy as an expense charge;
 - e. to MR2 or MR3 the origination fee that GER would receive; or
 - f. if the policy did not sell on the secondary market in two years, the Magnuson LLC would need to attract additional investors to continue paying the premiums or risk the policy lapsing.

47. Respondents made misstatements of a material fact, in connection with the sale of securities in Missouri, when Respondents stated:
 - a. to MR1 that the premiums for Magnuson's policy was \$250,000 when in fact it was \$115,550;
 - b. to MR1 that Magnuson's policy value in two years on the secondary market was \$482,625, when in fact, the market value of the policy on the secondary market in two years could not be known; or
 - c. the investment was guaranteed.

II. STATUTORY PROVISIONS

48. Section 409.1-102(28), RSMo. (Cum. Supp. 2008), defines a security, in part, to include a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement.
49. Section 409.1-102(28)(D), RSMo. (Cum. Supp. 2008), defines "investment contract" as an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investor.
50. Section 409.1-102(28)(E), RSMo. (Cum. Supp. 2008), states, in part, that an investment contract may include, among other contracts, "an interest in a limited partnership and a limited liability company. . . ."
51. Section 409.1-102(20), RSMo. (Cum. Supp. 2008), defines "person" in part, as an individual, corporation, business trust, partnership, limited liability company, or any other legal or commercial entity.
52. Section 409.1-102(26), RSMo. (Cum. Supp. 2008), defines "sale" to include, "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value." That same section defines "offer to sell" as "every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."
53. Section 409.3-301, RSMo. (Cum. Supp. 2008), states:

It is unlawful for a person to offer or sell a security in this state unless:

 1. The security is a federal covered security;
 2. The security, transaction, or offer is exempted from registration under sections 409.2-201 to 409.2-203; or
 3. The security is registered under this act.
54. Under Section 409.4-401(a), RSMo. (Cum. Supp. 2008), it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this act as a broker-dealer or is exempt from registration.

55. Under Section 409.4-402(a), RSMo. (Cum. Supp. 2008), it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or exempt from registration.

56. Section 409.5-501, RSMo. (Cum. Supp. 2008), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

1. To employ a device, scheme, or artifice to defraud;
2. To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
3. To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

57. Section 409.5-503(a), RSMo. (Cum. Supp. 2008), reads, in part, "[i]n a[n] . . . administrative proceeding under this act, a person claiming an exemption, exception, preemptions, or exclusion has the burden to prove the applicability of the claim."

58. Section 409.6-604(a), RSMo. (Cum. Supp. 2008), states:

If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act

59. Section 409.6-604(b), RSMo. (Cum. Supp. 2008), states:

An order under subsection (a) is effective on the date of issuance If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law.

60. Section 409.6-604(c), RSMo. (Cum. Supp. 2008), reads in part as follows: "The final order may make final, vacate, or modify the order issued unless under subsection (a)."

61. Section 409.6-604(d), RSMo. (Cum. Supp. 2008), states:

In a final order under subsection (c), the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation.

62. Section 409.6-604(e), RSMo. (Cum. Supp. 2008), states:

In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act These funds may be paid into the investor education and protection fund.

III. CONCLUSIONS OF LAW

Multiple Violations of Offering or Selling an Unregistered Security

63. Paragraphs 1 through 62 are incorporated by reference as though fully set forth herein.
64. Respondents offered or sold MR1 a security as described in paragraphs 12-27.
65. Respondents offered or sold MR2 a security as described in paragraphs 28-35.
66. Respondents offered or sold MR3 a security as described in paragraphs 36-42.
67. At all times relevant, records maintained by the Commissioner of Securities contained no registration, granted exemption or notice filing indicating the status as a "federal covered security" for the securities offered to MR1, MR2 or MR3 and sold by the Respondents as a "federal covered security."
68. The Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2008), when they offered or sold securities without those securities being registered, exempt or a federal covered security.
69. The Respondents' offer or sale of securities that were not registered, exempt or a federal covered security constitutes an illegal act, practice, or course of business and thus such action is subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations by Respondent Staley of Transacting Business as an Unregistered Agent

70. Paragraphs 1 through 62 are incorporated by reference as though fully set forth herein.
71. At all times relevant, records maintained by the Commissioner of Securities contained no registration for Respondent Staley to transact business as an agent in the state.
72. Respondent Staley violated Section 409.4-402(a), RSMo. (Cum. Supp. 2008), when he offered or sold securities to MR1, MR2, or MR3 without being registered or exempt from registration as an agent.
73. Respondent Staley's actions in transacting business as an unregistered agent constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

74. Paragraphs 1 through 62 are incorporated by reference as though fully set forth herein.
75. At all times relevant, records maintained by the Commissioner of Securities contained no registration for any of the Respondents as a broker-dealer in the state.
76. Respondents violated Section 409.4-401(a), RSMo. (Cum. Supp. 2008), when they engaged in the business of effecting transactions in securities for the accounts of others without being registered or exempt from registration.
77. Respondents' actions in effecting a transaction in securities without registration constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Making an Untrue Statement of a Material Fact in Connection with the Sale of a Security

78. Paragraphs 1 through 62 are incorporated by reference as though fully set forth herein.
79. In the connection with the offer or sale of a security, Respondents made an untrue statement of a material fact when they stated:
 - a. The premium for MR1 insured's life insurance policy is \$250,000, when in fact the premium is \$115,550;
 - b. The policy in MR1's LLC had a value on the secondary market of \$482, when in fact, the policy's value on the secondary market could not be determined at the time; or
 - c. The investment is guaranteed.
80. Respondents' actions of making an untrue statement of a material fact as described above is a violation of Section 409.5-501(2), RSMo. (Cum. Supp. 2008).
81. Respondents' actions in making an untrue statement of a material fact constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Omitting to State a Material Fact in Connection with an Offer or Sale of a Security

82. Paragraphs 1 through 62 are incorporated by reference as though fully set forth herein.
83. In the connection with the offer or sale of a security, Respondents omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading, when Respondents omitted to state:

- a. the security offered was not a registered security in the State of Missouri, nor exempt and not a federal covered security;
 - b. Respondents were not registered as a broker-dealer in the State of Missouri;
 - c. Staley was not registered as an agent in the State of Missouri;
 - d. the issuer on MR1 insured's policy would receive \$3,570.75 per month for the first five years as an expense charge;
 - e. to MR2 or MR3 the origination fee that GER would receive; or
 - f. if the policy did not sell on the secondary market in two years the limited liability company would need to attract additional investors to continue paying the premiums or risk the policy lapsing.
84. The Respondents violated Section 409.5-501(2), RSMo. (Cum. Supp. 2008), when they omitted to state a material fact necessary to make statements made not misleading, in connection with the offer, sale or purchase of a security.
85. Respondents' actions in omitting to state material facts constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).
86. This order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2008).

IV. 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 are prohibited from:

- A. offering or selling securities in this state unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under Sections 409.2-201 to 409.2-203; or (3) the security is registered under this act.
- B. transacting business in this state as an agent unless registered under this act as an agent or is exempt from registration as an agent.
- C. transacting business in this state as a broker-dealer unless registered under this act as a broker-dealer or is exempt from registration.
- D. violating or materially aiding in any violation of Section 409.5-501(2), RSMo. (Cum. Supp. 2008), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition

for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008), 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 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.4-401(a), RSMo. (Cum. Supp. 2008), 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 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Staley for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2008), in a final order, unless Respondent requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2008), in a final order, unless Respondents request a hearing and show cause why an award should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2008), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made to the agency.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 31ST DAY OF MARCH, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

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



State of Missouri

Office of Secretary of State

Case No. AP-09-14

IN THE MATTER OF:

James Staley
33 Maple Creek Court
Wentzville, MO 63385-5022

Wealth Financial International, LLC
17295 Chesterfield Airport Road
Suite 200
Chesterfield, MO 63005

B&B Equity Group, LLC a/k/a
B\$B Equity Group, LLC a/k/a
B and B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Robert Koppel
5073 Frontier Lane
Roseville, CA 95747

Larry Banks
c/o B&B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Resources, LLC
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Preservation, Inc.
a/k/a Global Equity Preservation Trust
2485 Grassy Spring Place
Las Vegas, NV 89135

Robert L. Eberle
2485 Grassy Spring Place
Las Vegas, NV 89135

Respondents.

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2008), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

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 State Information Center, Room 229
600 West Main Street
Jefferson City, Missouri, 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 31ST day of March, 2009, copies of the foregoing Order and Notice in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

James Staley
33 Maple Creek Court
Wentzville, MO 63385-5022

Wealth Financial International
17295 Chesterfield Airport Road
Suite 200
Chesterfield, MO 63005

B&B Equity Group, LLC a/k/a
B\$B Equity Group, LLC a/k/a
B and B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Robert Koppel
5073 Frontier Lane
Roseville, CA 95747

Larry Banks, President
c/o B&B Equity Group
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Resources, LLC
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Global Equity Preservation, Inc.
a/k/a Global Equity Preservation Trust
2485 Grassy Spring Place
Las Vegas, NV 89135

Susan Miller, Director and CEO
777 N. Rainbow
Suite 250
Las Vegas, NV 89107

Robert L. Eberle
2485 Grassy Spring Place
Las Vegas, NV 89135

And hand delivered to:

Lori Neidel
Chief Enforcement Counsel
Securities Division

John Hale
Specialist

[1] There are over 30 businesses at the Chesterfield address shown on the website. None of them are GER, B&B or WFI. The only entity associated with Staley that was formerly located there is Passion For Truth Ministries, Inc., organized by Staley on April 22, 2008.

[2] Without the Promissory Note identifying the Nathan S. Magnuson, LLC as the lender the trust is promising to pay, it would seem that MR1 has no rights under the note.

[3] Although MR1 received a Collateral Assignment of Life Insurance it was not executed by the insurer and according to AIG an assignment has not been filed on the policy issued to Nathan S. Magnuson.

[4] This is different from the address filed with the Nevada corporations agency. It is, in fact, Eberle's address; Eberle is also a director of B&B.

[5] The address for the Nevada corporate agent that created B&B and GEPT. Both were organized on the same day by Eberle.

[6] The insured's name is not filled in the line spacing which appears to be present to indicate the limited liability company that MR3 was to be invested in.