

4. Ashley Murcko (MURCKO), at all time relevant, was an investor and representative of USA, with a residential and business address of 7561 Gunter Rd., Pensacola, FL 32526.

STATEMENT OF FACTS

5. On March 13, 2009, an Alabama resident met FOREHAND at a restaurant in Dothan, Alabama. The Alabama resident listened as FOREHAND gave an investment solicitation presentation. FOREHAND presented to the Alabama resident copies of documents purported to be invoices for the purchase of thousands of sets of cookware. Some information on each invoice was blanked out, such as company name making the order and address where the cookware was to be shipped. The Alabama resident believed ELITE was purchasing cookware with investor money raised by USA. The Alabama resident believed the cookware would be resold by colleges as a profitable student fund raising project. The redacted invoices were used by FOREHAND to induce the Alabama resident to invest. Subsequently, the Alabama resident gave FOREHAND a \$40,000 check for investment, dated March 13, 2009. The Alabama resident received an Investment Receipt Acknowledgement from FOREHAND in receipt. The Investment Receipt Acknowledgement stated "Thank you for your investment; ELITE by USA."

6. In May 2009, Alabama residents met MURCKO at their residence. MURCKO presented information on investing with USA. MURCKO described USA as a company owned and operated by FOREHAND. MURCKO described the investments and returns she made with USA. In order to invest, MURCKO gave the Alabama residents the bank name and account to deposit their investment directly with USA. With the information provided by MURCKO, the Alabama residents went to the bank and deposited \$70,000 by cashier's check directly into the USA account. On May 12, 2009, the Alabama residents received an e-mail from MURCKO. The e-mail, addressed to FOREHAND, provided him with information on the investment with a copy forwarded to the Alabama residents. The e-mail described the investment as; "date: 5/12/2009, amount: \$70,000, 30% bonus: \$21,000, total investment: \$91,000, rate: 150%, term: 90 days, maturity date: 08/12/2009 interest earned: \$136,500 total due at maturity: \$227,500."

7. On July 23, 2009, another Investor, who is a Florida resident traveled to Dothan, Alabama and met FOREHAND. The Florida resident met FOREHAND at a restaurant and heard an investment presentation given by him. The Florida resident decided to invest and gave FOREHAND \$20,000 in cash and a \$10,000 check dated July 23, 2009. The Florida resident subsequently received an Investment Receipt Acknowledgement from FOREHAND. The Investment Receipt Acknowledgement, acknowledged the \$30,000 investment by the Florida resident. The Investment Receipt Acknowledgement stated "Thank you for your investment; ELITE by USA." The investment was for a four month period with the possibility of renewing for another available investment program. A return of 175%; \$52,500 plus a profit sharing bonus of (20%) \$6,000 on the principal only, plus the investment of \$30,000, a total of \$88,500 would be paid or renewed at the end of the term which was November 23, 2009.

8. On August 1, 2009, the Florida resident again traveled to Dothan, Alabama and met FOREHAND. The Florida resident heard an investment presentation given by FOREHAND. The Florida resident decided to again invest and gave FOREHAND a \$10,000 check dated August 1, 2009 made out to USA. The Florida resident was also informed how to use money from his IRA to invest with USA. FOREHAND told the Florida resident that if he converted his standard IRA to a Roth IRA, he would then be able to use that money for investment. FOREHAND stated that he should transfer his IRA to Entrust Freedom, of 4560 Via Royale #1, Fort Myers, Florida, 33919. On August 19, 2009 the Florida resident wrote a check to Entrust Freedom in the amount of \$56,500. Entrust invested \$56,000 with USA on behalf of the Florida resident. The Florida resident subsequently received a promissory note from FOREHAND. The promissory note acknowledged receipt from Entrust Freedom for the Florida resident's IRA in the amount of \$56,000 on August 27, 2009 by FOREHAND and USA. Payment terms of the promissory note to the Florida resident were for the principal invested of \$56,000 plus a return of 175% for the four month investment plus a 20% bonus on principal, to be repaid in full on or before December 27, 2009. FOREHAND agreed to pay any and all attorney and collection fees.

9. On August 31, 2009, a second Alabama resident met FOREHAND at an acquaintance's residence in Samson, Alabama. The second Alabama resident listened as FOREHAND gave an investment presentation. FOREHAND presented the Alabama resident a printed flyer that stated: "Hello, I am Ed Forehand, a Financial Consultant assisting clients in financial management. I would like to introduce to you one of the greatest opportunities I've seen in a long while. Let me first tell you what this program is not. It is not a net working or multi-level marketing program where a few people make a lot of money and a lot of people make little or none. It is not a pyramid, it is not a business you have to work, and it is not a program where one is pressured to participate. It is however, an opportunity for participants to receive an excellent return on an investment without any pressure whatsoever. I will simply share with you the program and you decide for yourself if it is something of interest to you."

10. FOREHAND stated he was making a request for individuals to invest in order to buy and sell high quality cookware. FOREHAND stated that an acquaintance of many years began selling the product. The product was later introduced to schools and colleges to be sold as a fund raiser. The program grew and a plan was developed to provide a line of credit for the schools and colleges. Funds were needed as the manufacturer of the cookware required payment before shipping. Investors' funds were pooled and used to provide that line of credit.

11. FOREHAND represented that the program had grown from a project developed for one of the nation's larger colleges, which he did not identify, as a fund raiser. The first Initial order was for 100,000 units and at the end of their sales promotion had sold 116,000 units which totaled more than \$16,000,000 dollars. FOREHAND stated another sales promotion resulted in sales of more than 160,000 units at a cost of more than \$25,000,000. FOREHAND alleged that an unidentified college with eight campuses, had plans for another promotion anticipating sales in excess of 200,000 cookware units. FOREHAND alleged that another unidentified college with 36 campuses learned of the success of the first college and began the same program.

12. FOREHAND represented that as of June 1, 2009, both unidentified colleges were successful and the sales program continued to grow. FOREHAND stated he had worked with

the program for about 5.5 years. During that time FOREHAND helped many earn hundreds of thousands of dollars and in some cases millions. FOREHAND represented there were three investors of one million dollars or more with several between five hundred thousand and one million dollars. FOREHAND stated he had earned serious money in this program. FOREHAND represented that everyone who participated had earned a good return and no one has lost a single penny to date.

13. At the end of the meeting the second Alabama resident gave FOREHAND a check made out to USA in the amount of \$25,000. The second Alabama resident subsequently received an Investment Receipt Acknowledgement from FOREHAND. The Investment Receipt Acknowledgement stated the investment of \$25,000 was for a twelve month period with a possibility of renewing for another available investment program. A return of 400%; \$100,000 plus the investment of \$25,000 for a total of \$125,000 would be paid or renewed at the end of the term August 31, 2010. The Investment Receipt Acknowledgement stated "Thank you for your investment; ELITE by USA."

14. A review of the Registration files of the Commission, disclosed no record of registration or exemption from registration for the RESPONDENTS as a Broker-Dealer or Investment Advisor in the state of Alabama, or any record of registration for FOREHAND as Agent or Investment Advisor Representative.

15. The securities offered and sold by Respondents to the Alabama investors are neither registered nor exempt from registration in the state of Alabama.

CONCLUSIONS OF LAW

16. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of security includes any Note or Investment Contract. The investments made by the Alabama investors were evidenced by Notes and Investment Contracts and are therefore securities under the Act.

17. Pursuant to Section 8-6-2(2), Code of Alabama 1975, an agent is any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. FOREHAND's actions, as described herein, establish that FOREHAND and MURCKO acted as agent of USA and ELITE in the offer or sale of a security as set forth in the Act.

18. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under the Act. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered. FOREHAND, MURCKO, USA and ELITE are not registered as an agent or broker dealer in the state of Alabama. FOREHAND, MURCKO, USA and ELITE have effected securities transactions with a number of both Alabama and non-Alabama residents in violation of the Act.

19. Pursuant to Section 8-6-4, Code of Alabama 1975, "It is unlawful for any person to offer or sell any security in this state unless: It is registered under this article; The security is exempt from registration under section 8-6-10; or the transaction is exempt under section 8-6-11." The securities offered by **RESPONDENTS**, to wit: NOTES and INVESTMENT CONTRACTS were neither registered nor exempt from registration in violation of the Act.

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

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

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the respondents, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against

RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 15th day of June, 2010.



ALABAMA SECURITIES COMMISSION
P.O. Box 304700
Montgomery, AL 36130-4700
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "J. Randall McNeill", is written over the printed name.

J. RANDALL MCNEILL
DEPUTY DIRECTOR