

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
)	
WESTOVER ENERGY TRADING)	
 PARTNERS, LLC.)	
RAMCO AND ASSOCIATES, LLC.)	ADMINISTRATIVE ORDER
MERCATOR ASSOCIATES, LLC.)	NO. CD 2013- 00₀₃
YAMAN HUSEYIN SENCAN)	
STEPHEN MERRY)	
)	
 RESPONDENTS)	

CEASE AND DESIST ORDER

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

RESPONDENTS

1. **WESTOVER ENERGY TRADING PARTNERS, LLC., (WESTOVER)** at all times relevant to the issuance of this Order represented itself as Delaware limited liability company, with a business address of 515 Madison Avenue, 29th Floor, New York, New York 10022. **WESTOVER** represents itself as the manager of a "proprietary trading platform."

2. **RAMCO AND ASSOCIATES, LLC., (RAMCO)**, aka **RAMCO 1 BUSINESS TRUST**, at all times relevant to the issuance of this Order, was also represented as a Delaware limited liability company with a business address of 945 Inverlochy Drive, Fallbrook, CA 92028. Records indicate that **RAMCO** co-managed the same "proprietary trading platform" as operated by **WESTOVER**.

3. **MERCATOR ASSOCIATES, LLC., (“MERCATOR”)**, Central Registration Depository # 112903, during all times relevant to the issuance of this Order was a broker-dealer operating with a business address of 121 Richmond Street West, Suite 60, Toronto, M5H 2K1 Canada with a branch office located at 1298 Prospect Street, Suite 2K, LaJolla, CA 92037-3625.

4. **YAMAN HUSEYIN SENCAN (SENCAN)**, Central Registration Depository #1791513, during all times relevant to the issuance of this Order was the registered principal and President of **MERCATOR**. **SENCAN** reportedly maintains a residential address of 1821 Horseman’s Lane, Rancho Sante Fe, CA 92091.

5. **STEPHEN MERRY (“MERRY”)**, Central Registration Depository # 2794745, during all times relevant to the issuance of this Order has been identified as a principal in **RAMCO** with a residential address of 15650 Blue Crystal Trail, Poway, CA 92028.

STATEMENT OF FACTS

6. The Commission is in possession of information alleging that in 2008 **SENCAN**, while acting in his position as President of **MERCATOR**, contacted an Alabama resident and explained to him an investment opportunity in a high frequency trading program designed to buy and sell stocks in rapid succession. **SENCAN** identified the investment as being in **WESTOVER** but stated invested funds would first have to be deposited into an account of **RAMCO**. Furthermore, **SENCAN** advised the Alabama resident any invested funds would have to be co-mingled with **SENCAN’S** funds.

7. After the 2008 initial solicitation, the Alabama resident entered into an investment contract with **WESTOVER** and **RAMCO** on August 3, 2009 when he invested \$104,000.00 in the form of a wire transfer to **RAMCO** to be used in **WESTOVER**.

8. Subsequent to the initial investment, the Alabama investor made an additional

investment of \$100,000.00 on November 13, 2009, the Alabama resident investor received an e-mail from **SENCAN** containing an investment contract entitled a “Co-Investment Agreement” which explained an automated proprietary trading platform and the relationship between the entities and the investors; the agreement was to be executed between **RAMCO**, **WESTOVER**, **SENCAN** and the investor.

9. On November 20, 2009, at **SENCAN’S** request, the Alabama investor executed a “Non-Disclosure/Circumvention/Solicitation Agreement” stating that he had not been solicited by **SENCAN** and had, on his own, requested information regarding the investment opportunity in **WESTOVER** and **RAMCO** from **SENCAN**, who was representing **MERCATOR**.

10. A review of the State of Delaware, Secretary of State, Division of Corporations’ records identified all three of the named entities as having filed as Limited Liability Companies. **MERCATOR** was formed on March 29, 2001, and the company is still in good standing. **RAMCO** was formed on January 9, 2008, but has been in a “void” status since June 1, 2011, due to non-payment of franchise taxes. **WESTOVER** was formed March 26, 2008, but cancelled voluntarily as of February 14, 2012.

11. A review of the Financial Industry Regulatory Authority’s (“FINRA”), Central Registration Depository website reveals that **SENCAN** was barred permanently as a principal from the securities industry as of August 1, 2011 for violation of “FINRA” rule 2010, National Association of Securities Dealers rules 2110, 3010, 3011(B), and 3011(E). These charges were based upon **SENCAN’S** failure to reasonably supervise the activities of a member firm’s personnel who engaged in the charging of excessive commissions, sharing commissions with non-member firms and misusing funds on deposit with the firm. Furthermore, the Commission has evidence indicating **SENCAN** is still actively involved in advising investors of the status and values of their accounts in **WESTOVER**.

12. On February 6, 2013, a review of the Commission’s registration files disclosed no

record of registration nor any perfected exemption from registration in the State of Alabama for the investment contract entitled a "Co-Investment Agreement".

13. On February 6, 2013, a review of the Commission's registration files disclosed no record of registration for **SENCAN** or **MERRY** as a Dealer or Agent for securities in the state of Alabama.

14. The review of the Commission's registration files of February 6, 2013 revealed no history of registration of **MERCATOR** as a broker dealer in the state of Alabama.

CONCLUSIONS OF LAW

15. Section 8-6-2(10), Code of Alabama 1975, enumerates an "investment contract" as a security. The "Co-Investment Agreement" offered by the **RESPONDENTS** are investment contracts which are defined as securities under the Act.

16. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **SENCAN**, by soliciting and effecting sales of securities, to wit; investment contracts entitled "Co-Investment Agreement" to Alabama residents is an "Agent" as defined by the Act.

17. Section 8-6-2(3), Code of Alabama 1975, defines a "Dealer" as, "any person engaged in the business of effecting transactions in securities for the account of others or for his own account. **MERCATOR** and **WESTOVER** effected transactions in the securities of **WESTOVER** and **RAMCO** for others accounts and are dealers as defined by the Act.

18. Section 8-6-2(5), Code of Alabama 1975, defines an "Issuer" as every person who proposes to issue, has issued or shall hereafter issue any security. **RAMCO**

WESTOVER and **MERRY** issued or caused to be issued investment contracts to Alabama investors and are issuers as defined by the Act.

19. 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. **SENCAN** sold securities in the State of Alabama while not being registered as an agent with the Commission in violation of the Act.

20. Section 8-6-3(a), Code of Alabama 1975 states: It is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered. **MERCATOR**, **WESTOVER**, **RAMCO** and **MERRY** employed **SENCAN** to solicit Alabama investors to purchase the investment contracts in **WESTOVER** and **RAMCO** when **SENCAN** was not registered as an agent with the Commission in the State of Alabama and as Issuers are in violation of the Act.

21. Section 8-6-4, Code of Alabama 1975 states: It is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security is exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The investment contract entitled a "Co-Investment Agreement", was neither registered nor subject to a perfected exemption from registration in Alabama and was offered and sold by **RESPONDENTS** 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 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 20th day of February, 2013.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over the printed name and title. The signature is stylized and extends across the text.

Joseph P. Borg
Director