

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
RESOURCE DEVELOPMENT INTERNATIONAL) ADMINISTRATIVE ORDER
DAVID EDWARDS) NO. CD- 2004-0017
JAMES EDWARDS)
RONALD W SMITH)
)
RESPONDENTS)

CEASE AND DESIST ORDER

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

RESPONDENTS

1. Resource Development International, LLC ("RDI") is incorporated in the state of Nevada, with a business address of 4301 S. Pine Street, Suite 32, Tacoma, Washington 98409. It was formed in January 1999 and dissolved in August 2000. RDI claimed to be a Joint Venture International Restricted Private Placement Program.
2. David Edwards ("D. EDWARDS") acts as the president of RDI with a business address of 4301 S. Pine Street, Suite 32, Tacoma, Washington 98409. At all times relevant to the violations set forth herein, D. EDWARDS acted as an agent of RDI.
3. James Edwards ("J. EDWARDS") is the father of D. EDWARDS and; together with his son; owns and/or controls RDI. J. EDWARDS has a business

address of 4301 S. Pine Street, Suite 32, Tacoma, Washington 98409. At all times relevant to the violations set forth herein, J. EDWARDS acted as an agent of RDI.

4. Ronald W Smith ("SMITH") was the owner of Smith Financial Services, Inc., incorporated in the state of Alabama, with a business address of 3860 Timberline Way, Birmingham, AL 35243. At all times relevant to the violations set forth herein, SMITH acted as an agent of RDI.

STATEMENT OF FACTS

5. The Commission has received information from an Alabama resident stating that RDI, D. EDWARDS, J. EDWARDS, and SMITH solicited and/or sold unregistered securities; described as promissory notes; in the State of Alabama at a guaranteed 4 percent return per month. The complainant stated that SMITH provided information which facilitated the complainant making an investment with RDI. As a result of the solicitation, an investment of \$100,000.00 was lost.

6. A review of the files of the Commission disclosed no record of registration of RDI, D. EDWARDS, J. EDWARDS, or SMITH as registered securities agents/dealers in the state of Alabama. A review of the files of the Commission disclosed no record of registration, or exemption from registration, of the securities of RDI.

7. On March 27, 2002, the U.S. Securities and Exchange Commission ("SEC") announced that it had obtained emergency court orders to shut down a nationwide, \$98 million investment scheme and to attempt to recover victims' money. In the complaint filed with the U.S. District Court in Dallas, Texas, the SEC alleged that RDI and its two principals, David and James Edwards the father-son team; defrauded more than 1,300 investors nationwide in an investment scheme that targeted retirement funds.

8. The SEC's complaint alleges that RDI and the EDWARDS violated Section 5(a) sale or delivery after sale of unregistered securities, Section 5(c)

necessity of filing registration statement, and Section 17(a) use of interstate commerce for purpose of fraud or deceit of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") Regulation of the Use of Manipulative and Deceptive Devices. The complaint also charges the Edwards with violations of Section 15(a) of the Exchange Act. In addition to the emergency relief set out above, the SEC is seeking preliminary and permanent injunctions, disgorgement and civil penalties, and repatriation orders against all the respondents, and disgorgement and prejudgment interest against the relief defendants.

9. On June 28, 2002, Lawrence J. Warfield, CPA, the Receiver for RDI filed an amendment to the original complaint which added Ronald Smith as a respondent of RDI.

CONCLUSIONS OF LAW

10. RDI is not registered as a securities dealer in the state of Alabama. Transacting business in the State of Alabama as a securities dealer while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

11. D. EDWARDS is not registered as a securities agent in the state of Alabama. Transacting business in the State of Alabama as a securities agent while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

12. J. EDWARDS is not registered as a securities agent in the state of Alabama. Transacting business in the State of Alabama as a securities agent while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

13. SMITH is not registered as a securities agent in the state of Alabama. Transacting business in the State of Alabama as a securities agent while unregistered is a violation of § 8-6-3(a), Code of Alabama, 1975.

14. The securities of RDI being offered for sale by the EDWARDS; as set forth in paragraph five above; are not registered, nor exempt from registration, in the state of Alabama. The sale of unregistered, non-exempt securities into, within, or from the state of Alabama is a violation of § 8-6-4, Code of Alabama, 1975.

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

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

ACCORDINGLY, IT IS HEREBY ORDERED that, RDI, D. EDWARDS, J. EDWARDS, and SMITH **CEASE AND DESIST** from further offers or sales of any security into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this 23rd day of August, 2004

ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700
BY:
JOSEPH P. BORG
Director

