

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
MJG ENTERPRISES, INCORPORATED )  
MIKE'S LOCK CLUB )  
ANTHONY MARK BOSCARINO )  
AKA MIKE BROWN )  
AKA ANTHONY KOKAS )  
MARGUERITE JEANE GERHERT )  
AKA MARGUERITE BOSCARINO )  
RONALD N. DAVENPORT )  
RESPONDENTS )  
\_\_\_\_\_  
ADMINISTRATIVE ORDER  
NO. CD 2010- 0006

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. **MJG ENTERPRISES, INCORPORATED ("MJG ENTERPRISES")** is an Arizona domestic corporation described as an internet advertising business. During all times relevant to the issuance of this Order **MJG ENTERPRISES** maintained a business address of 5633 East Lafayette Boulevard, Phoenix, Arizona, 85018.
2. **MIKE'S LOCK CLUB ("MLC")**, is the registered trade name of **MJG ENTERPRISES**. During all times relevant to the issuance of this Order **MLC** operated as an internet sports handicapping entity utilizing an internet address of [www.mikeslockclub.com](http://www.mikeslockclub.com).

3. **ANTHONY MARK BOSCARINO** ("BOSCARINO"), aka **MIKE BROWN**, aka **ANTHONY KOKAS** is the owner and "Director" of **MJG ENTERPRISES**. Although **MJG ENTERPRISES** did maintain a business address as listed above, both **MJG ENTERPRISES** and **MLC** are operated from the residence of **BOSCARINO**, with a home address of 1643 East Sahuaro Blossom Place, Tucson, Arizona 85718.

4. **MARGUERITE JEANE GERHERT** ("GERHERT"), aka **MARGUERITE BOSCARINO** is the wife of Anthony **BOSCARINO**. At all times relevant to the issuance of this Order **GERHART** according to Arizona Secretary of State corporate records, was identified as the President and the incorporating agent of **MJG ENTERPRISES**, with a business address of 5633 East Lafayette Boulevard, Phoenix, Arizona, 85018. Further **GERHART** registered **MLC** with the Arizona Secretary of State as the trade name of **MJG ENTERPRISES** on May 22, 2008.

5. **RONALD N. DAVENPORT** ("DAVENPORT") during all times relevant to the issuance of this Order acted as an Agent of **MLC**, with a business address of 405 East Highway 143, Satsuma, Alabama, 36572 and a home address of 305 South Hummingbird Road, Satsuma, Alabama 36572.

#### STATEMENT OF FACTS

6. In March 2009, the Commission staff learned that **MJG ENTERPRISES**, through its trade name **MLC**, [www.mikeslockclub.com](http://www.mikeslockclub.com), was operating an internet web site as a sports handicapping entity. At some time after January 29, 2009, the web site also began to offer Collateralized Mortgage Obligations and Joint Venture Agreements.

7. Between January 29, 2009 and March 13, 2009, **DAVENPORT**, acting as an agent of **MJG ENTERPRISES** and **MLC**, solicited and secured investment funds from seventeen (17) Alabama residents totaling \$11,730.00, for the purchase of securities, to wit: investment contracts described as "Collateralized Mortgage Obligations" ("CMOs") and Joint Venture Agreements (JVA's"). The investments were described by

**DAVENPORT** as money being "pooled" and forwarded to **MJG ENTERPRISES** as an investment "group" in order to secure larger contracts.

8. Information has been made available to the Commission indicating that **DAVENPORT** has taken part in several "teleconference" calls in which **BOSCARINO**, who represented himself as **MIKE BROWN**, discussed and solicited investments involving the CMO's and JVA's. **DAVENPORT**, in interviews with Commission staff, admits that by adding his names to e-mails, forwarding e-mails to potential investors, then collecting and forwarding investor funds to **BOSCARINO** at **MJG ENTERPRISES** through **MLC**'s bank account, he acted as an agent of **MJG ENTERPRISES** and **MLC**.

9. On November 09, 2007, **GERHERT**, acting as an agent for **MJG ENTERPRISES**, filed for corporate status with the Arizona Corporations Commission for **MJG ENTERPRISES** listing a business address of 5633 East Lafayette Boulevard, Phoenix, Arizona, 85018. In that filing **GERHERT** identified herself as the President of the Corporation. **BOSCARINO**, using the alias of **MIKE BROWN**, was listed as the Director. **GERHERT** represented in the filing that the purpose for the corporation was to conduct the business of "Internet Advertising".

10. On January 11, 2010, a review of the Commission's registration files disclosed no record of registration, or any perfected exemption from registration, in the state of Alabama for the securities described in item number seven.

11. On January 11, 2010, a review of the Commission's registration files disclosed no record of registration for **RESPONDENTS** as a Dealer or Agent for securities in the state of Alabama.

#### CONCLUSIONS OF LAW

12. Section 8-6-2 (10), Code of Alabama 1975, enumerates an "investment contract" as a security. The pooling of funds together into a blind investment pool

represents an investment contract. Therefore, the Collateralized Mortgage Obligations and the Joint Venture Agreements offered and issued by **RESPONDENTS** represent investment contracts and are securities under the Act.

13. 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. By soliciting and effecting the sale of securities, to wit: investment contracts, **BOSCARINO** and **DAVENPORT** represented themselves as agents of **MJG ENTERPRISES** and **MLC** under the Act.

14. 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. **RESPONDENTS** effected sales of securities to wit: investment contracts, in the State of Alabama while not being registered with the Commission in violation of the Act.

15. 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 securities offered and sold by the **RESPONDENTS** were neither registered nor exempt from registration in Alabama at the time of solicitation or sale 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.

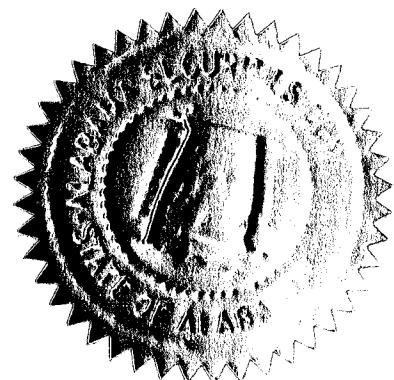
This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

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 1st day of February, 2010.



ALABAMA SECURITIES COMMISSION  
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BY:

Joseph P. Borg  
Director