

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

HERITAGE DIAMOND JOINT VENTURE	)	
HERITAGE CAPITAL PARTNERS FUNDS LLC	)	ADMINISTRATIVE ORDER
BRENT J ANDERSON	)	NO. CD-2010-0017
JAMES P MCKEON	)	
<u>RESPONDENTS</u>	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having 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. **HERITAGE DIAMOND JOINT VENTURE ("HDJV")** is allegedly a business venture formed by HERITAGE CAPITAL PARTNERS FUNDS LLC, whereby investors described as "Joint Ventures" would purchase a prorated amount of "interest" in the Venture Offering. This particular Venture Offering involved the purchase and sale of rough cut and polished diamonds. HDJV has a business address of 701 N. Green Valley Parkway, Suite 200, Henderson, Nevada, 89074.

2. **HERITAGE CAPITAL PARTNERS FUNDS LLC., ("HERITAGE")** is a Nevada Limited Liability company with a business address of 701 North Green Valley Parkway, Suite 200 Henderson, Nevada 89074. **HERITAGE** is The Managing Venturer of the Joint Venture HDJV.

3. **BRENT ANDERSON ("ANDERSON")** is the managing member of HERITAGE according to corporate filings with the Nevada Secretary of State, with a business address of 701 North Green Valley Parkway, Suite 200 Henderson, Nevada 89074. **ANDERSON**'s signature can be found on the Heritage Diamond Joint Venture Agreement, issued to the Alabama resident, as the company representative.

4. **JAMES P MCKEON ("MCKEON")** is listed as the resident agent of HERITAGE according to corporate filings with the Nevada Secretary of State, with a business address of 701 North Green Valley Parkway, Suite 200 Henderson, Nevada 89074.

## STATEMENT OF FACTS

5. The Commission is in receipt of information that in February 2009, **HERITAGE** and its agents, **ANDERSON** and **MCKEON**, without benefit of registration as a securities dealer or agent in the State of Alabama solicited an Alabama resident to purchase unregistered securities, to wit: Interest in **HDJV**.

6. It was represented to the Alabama resident that his \$15,000.00 "interest" investment in the Joint Venture would be pooled with other investor funds and would be used to purchase and sell \$1.5 million of rough and/or polished diamonds over a period of six (6) months. At the end of that period the investor could either cash out or reinvest in another block of diamonds.

7. On December 7, 2009, a review of the Registration files of the Alabama Securities Commission revealed no registration for the RESPONDENTS as a Broker Dealer, Securities Agent, Investment Advisor (IA) or Investment Advisor Representative (IAR) in the state of Alabama.

8. The "interest" being offered in the joint venture is considered securities and is not registered or exempt from registration with the Alabama Securities Commission.

## CONCLUSIONS OF LAW

9. Section 8-6-2 (10), Code of Alabama 1975, includes in the definition of a "security" any certificate of interest or participation in any profit-sharing agreement, subscription, or investment contract. The "interest" in **HDJV** offered by the RESPONDENTS to the Alabama resident is a security as defined by the Act.

10. 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 offered and sold an investment contract to wit: "interest" in **HDJV** to an Alabama resident. RESPONDENTS were never registered as a Securities dealer or agent. The offer and/or sale of securities to an Alabama resident by RESPONDENTS without benefit of registration is a violation of Section 8-6-3(a), Code of Alabama 1975.

11. 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 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 involving "interest" in HDJV sold by the RESPONDENTS was not registered under the act or subject to any perfected securities or transactional exemption and is a violation of Section 8-6-4, Code of Alabama 1975.

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

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

Additionally, if the allegations set forth herein are found to be true, though 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 cost 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 **HERITAGE DIAMOND JOINT VENTURE, HERITAGE CAPITAL PARTNERS FUNDS LLC., BRENT J. ANDERSON, and JAMES P. MCKEON** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 6<sup>th</sup> day of April, 2010.

ALABAMA SECURITIES COMMISSION  
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Montgomery, AL 36130-4700  
(334) 242-2984

BY:  
JOSEPH P. BORG  
Director