

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
MAXIFLEX, LIMITED LIABILITY CORPORATION)
MAXIFLEX DISTRIBUTION COMPANY,)
 LIMITED LIABILITY CORPORATION)
MAXIFLEX SOUTHEASTERN DISTRIBUTION)
 COMPANY, LIMITED LIABILITY)
 CORPORATION)
GARY VENTRELLA)

RESPONDENTS)

ADMINISTRATIVE
ORDER NO. CD 2010- 0044

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. **MAXIFLEX, LIMITED LIABILITY COMPANY, ("MAXIFLEX")** at all times relevant to the issuance of this Order has been identified as a Louisiana, limited liability company, charter # 35550647K, with a business address of 13602 Highway 421; Saint Francisville, Louisiana, 70775. **MAXIFLEX** is being represented as a specifications developer for advanced surgical devices used in urology.

2. **MAXIFLEX DISTRIBUTION COMPANY, LIMITED LIABILITY COMPANY, ("MAXIFLEX DISTRIBUTION")** at all times relevant to the issuance of this Order purportedly is a Louisiana, limited liability company, with a business address of 13602

Highway 421, Saint Francisville, Louisiana, 70775. **MAXIFLEX DISTRIBUTION** is being represented as a distribution arm of its parent company **MAXIFLEX**.

3. MAXIFLEX SOUTHEASTERN DISTRIBUTION COMPANY, LIMITED LIABILITY CORPORATION, ("MAXIFLEX SOUTHEASTERN") at all times relevant to the issuance of this Order, has been identified as a Louisiana, limited liability company, charter # 36376623K, with a business address of LSU-LA Emerging Technology Center, Building 340, East Parker Street, Suite 240, Saint Francisville, Louisiana, 70803. **MAXIFLEX SOUTHEASTERN** is represented as a distribution arm of its parent company **MAXIFLEX**.

4. GARY VENTRELLA, ("VENTRELLA") at all times relevant to the issuance of this Order, has been identified as the Director/Managing Member of **MAXIFLEX**, **MAXIFLEX DISTRIBUTION** and **MAXIFLEX SOUTHEASTERN**, with a business address of 13602 Highway 421, Saint Francisville, Louisiana, 70775.

STATEMENT OF FACTS

5. In June 2007, a representative of **MAXIFLEX** contacted an Alabama investor soliciting the sale of shares of stock in **MAXIFLEX DISTRIBUTION COMPANY**. On July 5, 2007, an Alabama investor issued a personal check to **MAXIFLEX SOUTHEASTERN** in the amount of \$4,500.00, purchasing one (1) share of **MAXIFLEX DISTRIBUTION** representing a 6% interest in the company.

6. In a letter dated July 15, 2007, from **MAXIFLEX DISTRIBUTION** and signed by managing member **VENTRELLA** the Alabama investor's purchase of one share of stock was confirmed.

7. On May 18, 2010, Commission staff reviewed the Louisiana Secretary of State's, Commercial Division website revealing **MAXIFLEX** as a Limited Liability Company with an initial date of registration of September 9, 2003. As of the company's last filing on

August 6, 2009, the company was listed in "Good Standing". The website further revealed that **MAXIFLEX SOUTHEASTERN** was initially registered as a limited liability company in the State of Louisiana on February 6, 2007. However, the review found no registration for **MAXIFLEX DISTRIBUTION**, the name of the entity issuing stock to the Alabama investor.

8. On May 14, 2010, Commission staff members researched the **MAXIFLEX** website, <http://www.maxiflexllc.com/index-4.html>, confirming the company purportedly produces advanced surgical devices for urology and that **VENTRELLA** is identified as its director. The site further states that the company also has new products currently in research and development that will be marketed on a future date.

9. Furthermore, after review of the **MAXIFLEX** website and the company's operating agreement under the proposed Organizational and Ownership Structure, it appears the company specifically solicits physicians as desired and potential investors.

10. Since February 2010, the Alabama investor on more than one occasion requested a refund of his original investment. On May 19, 2010 **MAXIFLEX** issued the Alabama investor a check (number 992) in the amount of \$4,500.00. The Alabama investor received, accepted and deposited the refund check into his personal account. This refund only represented his investment amount and included no interest incurred by his investment while in the control of **MAXIFLEX**.

11. On May 20, 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 #5.

12. On December 18, 2009, a review of the Commission's registration files disclosed no record of registration for **VENTRELLA** as a Dealer or Agent for securities in the state of Alabama.

CONCLUSIONS OF LAW

13. Section 8-6-2(10), Code of Alabama 1975, identifies stock as a security. The shares of stock offered and sold by the **RESPONDENTS** are securities under the Act.

14. Under Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" defines any partner, officer, or director of a dealer or an issuer as an agent if he otherwise comes within this definition. **VENTRELLA**, acting as Director/Managing Member of **MAXIFLEX**, **MAXIFLEX DISTRIBUTION** and **MAXIFLEX SOUTHEASTERN** allowed the sale of securities into the State of Alabama to wit: shares of stock in **MAXIFLEX DISTRIBUTION** to an Alabama resident and is a securities agent as defined by the act.

15. 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. **VENTRELLA** allowed the sale of unregistered securities in the State of Alabama while himself not being registered with the Commission in violation of the Act.

16. 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 as mentioned in item #5 by the **RESPONDENTS** were neither registered nor exempt from registration in Alabama 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 16th day of August, 2010.

ALABAMA SECURITIES COMMISSION
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BY:



J. Randall McNeill
Deputy Director

