

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

RESOURCE LIABILITY CEE GEMS LIMITED)	ADMINISTRATIVE ORDER
MICHAEL KENNEDY)	NO. CD-2015-0017
WENDEE KUNZLER)	
)	
<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. RESOURCE LIABILITY CEE GEMS LIMITED ("RLCGL"), is an entity purportedly organized in 1991 in Asia. RLCGL represents its business address to be 16 C Gil Puyat Avenue, Makati, Manila 1200, Philippines.
2. MICHAEL KENNEDY (KENNEDY), is a resident of Alabama and acted on behalf of RLCGL, with a mailing address of 2308 Nail Court, Phenix City, Alabama 36869.
3. WENDEE KUNZLER (KUNZLER), is a resident of Idaho and acted on behalf of RLCGL, with a mailing address of 311 Augusta Drive, Arco, Idaho 83213.

STATEMENT OF FACTS

4. On or about March 19, 2014, the Commission received information that RLCGL was operating a website, <http://www.resourcesceegems.com>, which it used to promote various investment opportunities.

5. The RLCGL website asserts the following about RLCGL's business:

- "Resources Liability Cee Gems Limited is [sic] investment management portfolio corporation, which trades [sic] mainly in metals, bank instruments, currency [sic], and finance capital projects as well [sic] offers business loans to the clients who have capital project [sic] to set up."
- "Resources Liability Cee Gems Limited undertake managerial actions to add enviable value to investor's [sic] controlled asset or resources."
- "Investments/payouts are made through Paypal, Credit card, LR, AP"
- "All funds above \$2,500 are insured with insurance certificate from USA insurance company provided to us from their [sic] bank. Lower amount is also insured but through consolidated [sic] insurance account."

6. According to the website, RLCGL offers the following plans with varying minimum investment amounts, payouts, and bonuses:

- Plan A- The forex investment plan: requires a minimum investment of \$1,000, and promises a 25% monthly "payout." The plan also offers a bonus of \$200 or more, which can be cashed out at any time.
- The stocks shares investment plan: requires a minimum investment of \$2,500, and promises a 27% to 30% monthly "payout." The plan also offers a 10% bonus, which can be cashed out at any time.
- The gold investment plan: requires a minimum investment of \$10,000, and promises 35% monthly "payout." The plan also offered a 15% bonus, which can be cashed out at any time.

7. Information from the website can be viewed by anyone with internet access, including residents of Alabama.

8. In addition to the initial investment opportunities described in the plans, RLCGL offers a referral program. Under the referral program, individuals can earn a percentage of interest on each investment made by those recruited.

9. On or about November 12, 2012, a California investor (CI) was contacted by KUNZLER and KENNEDY to discuss investment opportunities in RLCGL. According to CI, the investment funds would be pooled, invested, and managed by KUNZLER and KENNEDY. During the conversation, KUNZLER and KENNEDY successfully “recruited” CI and instructed CI to wire the funds to a Solid Trust Pay account. Email correspondence reflects that on November 13, 2012, KUNZLER confirmed receipt of the investment. Records collected during the course of the investigation reveal that the CI’s payment was credited to the Solid Trust Pay account belonging to KENNEDY.

10. Between on or about November 12, 2012 and through December 2013, CI received regular updates from KENNEDY stating that the investments were generating high returns, but that the “payouts have been backlogged.” Shortly thereafter, communications from KUNZLER and KENNEDY ceased.

11. A review of the registration files maintained at the offices of the Alabama Securities Commission revealed that neither RESOURCE LIABILITY CEE GEMS LIMITED, MICHAEL KENNEDY, or WENDEE KUNZLER have ever been registered to offer or sell securities in the State of Alabama, nor was there a perfected exemption from registration to issue, offer, or sell any security in the State of Alabama.

CONCLUSIONS OF LAW

12. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a “security” includes investment contracts. The various investment opportunities offered by RLCGL through KUNZLER and KENNEDY constitute “investment contracts”, and are therefore securities as defined in the Act.

13. Pursuant to Section 8-6-2(5), Code of Alabama 1975, an issuer is “every person who proposes to issue, has issued or shall hereafter issue any security.” Section 8-6-2(7), Code of Alabama 1975 defines “person” to include a “corporation created under the laws of this or any other state, country, sovereignty, or political subdivision thereof, a

partnership, an association...and any unincorporated organization." RLCGL by issuing securities, to wit: investment contracts, is an issuer as defined in the Act.

14. Section 8-6-2(2), Code of Alabama 1975 defines an agent as "[a]ny individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities". KUNZLER and KENNEDY, by soliciting investors to invest in RLCGL, acted as agents of RLCGL as defined in 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 an agent or dealer for securities unless he or she is registered under the Act. KUNZLER and KENNEDY as agents of RESOURCE LIABILITY CEE GEMS LIMITED effected securities transactions, without benefit of registration with the Commission, in violation of the Act.

16. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in the state of Alabama unless: the security 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/or sold by Respondents, to wit: investment contracts, issued by RESOURCE LIABILITY CEE GEMS LIMITED were neither registered, nor exempt from registration, and were offered and/or sold in violation of the Act.

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, 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 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 RESPONDENTS 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 18th day of August, 2015.



ALABAMA SECURITIES COMMISSION
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BY: 

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