

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
GATEKEEPER INVESTMENT GROUP LLC) ADMINISTRATIVE ORDER
ENTERPRISE WORLD TRUST LLC) NO. CD-2016-00 08
DAVID EVANS)
IVOL R. GREEN)
JAMES W. STRICKHAUSEN)
PAUL G. VESNAVER)
LISA HAGAN)
RESPONDENTS)

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. **GATEKEEPER INVESTMENT GROUP LLC ("GIG")** is an Arizona company with a principal business address of 5665 S. Topaz Place, Chandler, Arizona 85249.
2. **ENTERPRISE WORLD TRUST LLC ("EWT")** is a Delaware company with a principal business address of 2513 McCain Boulevard, Suite #210, North Little Rock, Arkansas 72116.
3. **DAVID EVANS ("EVANS")** is a co-managing member and the registered agent of **GIG** with a principal business address of 5665 S. Topaz Place, Chandler, Arizona 85249 and a residential address of 15501 N. Scottsdale Road, Scottsdale, Arizona 85254.

4. **IVOL R. GREEN ("GREEN")** is the managing member of **EWT** with a principal business address of 2513 McCain Boulevard, Suite #210, North Little Rock, Arkansas 72116 and a residential address of 99 Pinedale Circle, Little Rock, Arkansas 72103.

5. **JAMES W. STRICKHAUSEN ("STRICKHAUSEN")** is a co-managing member of **GIG** with a principal business address of 5665 S. Topaz Place, Chandler, Arizona 85249 and a residential address of 19493 Scenic Highway, Fairhope, Alabama 36532.

6. **PAUL G. VESNAVER ("VESNAVER")** is an attorney and owner of **VESNAVER PLLC** with a principal business address of 486 Sunrise Highway, Suite 103, Rockville Centre, New York 11570.

7. **LISA HAGAN ("HAGAN")** is the Compliance Officer for **GIG** with a principal business address of 5665 S. Topaz Place, Chandler, Arizona 85249.

STATEMENT OF FACTS

8. In April 2010, **STRICKHAUSEN** contacted an Alabama resident ("Investor") by phone and offered an investment in a bond program through **STRICKHAUSEN's** company **GIG**. **STRICKHAUSEN** told the Investor that if he invested \$125,000.00 with **GIG**, the Investor would receive a total payback of \$175,000.00 within sixty days. **STRICKHAUSEN** and the Investor have a personal relationship and attended an educational institution at the same time. **STRICKHAUSEN** stated that the Investor's funds would be pooled with other investor funds, and all investor funds would be given to **GREEN**, who would place the investor funds into a bond program.

9. On April 26, 2010, the Investor wired \$125,000.00 to a **GIG** bank account at JPMorgan Chase Bank in Houston, Texas. The signatories on the account are **STRICKHAUSEN** and **EVANS**.

10. On April 26, 2010, after the Investor wired his funds to **GIG**, the Investor participated in a conference call with **EVANS** and **STRICKHAUSEN**. **STRICKHAUSEN**

introduced **EVANS** as "my partner." During this conversation, the Investor asked for details on how the investment program worked. **EVANS** stated that the investment program manager uses an "asset based bond to get a line of credit of which he goes in and then they do these trade programs which generate income." The investor asked, "What is it that is being traded for?" **EVANS** stated, "...in most cases they're buying and selling MTN's, Medium Term Notes." **EVANS** further stated, "That's the way we buy bonds...make a point or two...it just keeps going on and on and they generated these on the billions and billions of dollars level and it's a bank deal." **EVANS** also stated, "The risk is extremely minimal, if any."

11. On April 26, 2010, after the Investor wired his funds, he received by e-mail a promissory note, dated April 26, 2010 from **STRICKHAUSEN**. The promissory note was written on **GIG** letterhead. It states;

"For value received, the undersigned (**STRICKHAUSEN**) promise to pay to the order of (Investor)...the sum of one hundred (sic) thousand (sic) twenty-five thousand (\$125,000.00) dollars, together with interest thereon of fifty thousand (\$50,000.00) dollars, a total of one hundred seventy-five (\$175,000.00) dollars within sixty days of having received the funds from (Investor). In addition to the above, **GIG** agrees to pay the lender an amount of three million (\$3,000,000.00) dollars...within one hundred & eighty (180) days of having received the funds from the lender."

The promissory note identifies **STRICKHAUSEN** as Co-Managing Partner of **GIG**.

12. **STRICKHAUSEN** told the Investor that **EVANS** was the person who drafted the promissory note because **EVANS** is an attorney and CPA.

13. According to a review of the JPMorgan Chase Bank records of **GIG**, the Investor's \$125,000.00 wire was received on April 26, 2010. On April 30, 2010, \$90,000 of the Investor's funds were wired to a Bank of America account, in the name of **EWT**. **GREEN** is the owner of the **EWT** account at Bank of America.

14. The Investor did not receive any funds within the promised time frames of 60 days and 180 days. As of the date of this Order, the Investor received only a \$50.00 payment from **STRICKHAUSEN**, which was in August 2013. The Investor received no

other funds from any of the **RESPONDENTS**.

15. On April 21, 2011, the Investor participated in a conference call with **GREEN** and **STRICKHAUSEN**. During this conversation the Investor told **GREEN** that he was in a serious financial situation due to the lack of payment. **GREEN** stated, "It's looking real good for us...so we should have some funds in next week."

16. On April 21, 2011, the Investor placed another phone call to **GREEN**. The Investor reiterated that he was in a serious financial condition and needed his funds returned. **GREEN** stated, "We should have some funds next week."

17. On June 2, 2011, the Investor participated in a conference call with **STRICKHAUSEN**, **GREEN**, **EVANS** and other investors. During the call, **GREEN** stated, "We have a number of instruments that (are) actually assigned to Enterprise World Trust. We will be the holder of them and we can get those monetized...if they can cut it Friday or Monday and we will have funds on that one next week...and maybe we could get everybody's funds and everybody happy..."

18. On June 9, 2011, the Investor participated in a conference call with **STRICKHAUSEN**, **GREEN**, **EVANS** and other investors. During this call **GREEN** stated, "We do have the verbiage approved. And we're in the process now of monetizing the instrument, which Enterprise World Trust is the owner beneficiary of that instrument. And that we're in the process of liquid monetize right now. So as quickly as we get that monetized or any other things that come in, then I'd be able to give you funds back quickly...looks like somewhere around a week to 10 days we'll all have money." The Investor asked for **STRICKHAUSEN**'s thoughts on the situation, and **STRICKHAUSEN** said, "I know that all of these are legitimate programs...the programs that Ivol (**GREEN**) is telling you about, they are real. There is just nothing bogus or anything like that."

19. In December 2011, the Investor called **EVANS** regarding the failure of **STRICKHAUSEN** and **GIG** to repay the investment funds. **EVANS** stated that within the last two weeks, he and **STRICKHAUSEN** discovered the following:

“every one of these trades that they’ve got in the United States, are in fact, computerized and they are on the Homeland Securities database...Jim (**STRICKHAUSEN**) told me the other day (that) Ivol (**GREEN**) has told us that he would have the money in his bank for the transfer guarantee and that it’s accepted. That means that the bank has agreed to accept the money with the paymaster.”

20. From April 24, 2010 to February 22, 2016, the Investor received several hundred e-mails from **STRICKHAUSEN** promoting the investment program and stating that all investors would receive their funds in the near future.

21. On September 16, 2015, **STRICKHAUSEN** sent an e-mail to the Investor identifying **VESNAVER** as “our attorney/paymaster.” **STRICKHAUSEN** further stated that **VESNAVER** had provided an update regarding the investment and that the deal would be closing next week.

22. From October 5, 2015 to April 6, 2016, the Investor received 19 e-mails from **STRICKHAUSEN** with an attached document identified as a “safekeeping receipt extension.” There were a total of 19 different safekeeping receipt extensions with various dates for the “term” of each receipt. Each receipt contained a signature represented to be from **VESNAVER** and was on letterhead from **VESNAVER**’s law firm. Each receipt stated;

“I, Paul G. Vesnaver, Esq., do hereby unconditionally guarantee and swear under penalty of perjury, that I have on deposit in a secure location, the herein stated valuable asset...I hereby attest the bond(s) is/are in my possession and control to be delivered personally by myself to the buyer, upon completion of the transaction. In the event the buyer does not accept the bond(s) they will be returned to the Depositor named below.”

The only name listed below is **VESNAVER**. Some of the receipts identified the assets held by **VESNAVER** to be “Lung Tsing – U – Hai Railway Bonds 10MM Sterling, Super Petchilis 1913.” One receipt identified the assets as “Republic of China Lung Tsing – U – Hai Railway 20 Sterling 5% Gold Loan Bonds of 1913.”

23. From February 24, 2016 to March 22, 2016, **HAGAN** sent at least 10 e-mails to the Investor stating that she was responding to the Investor's questions previously sent to **STRICKHAUSEN**. **HAGAN** identified herself as the "Compliance Officer." She stated in her e-mails that the investors would be receiving their funds in the near future.

24. On April 15, 2016, a review of the Commission's registration files disclosed no record of registration for **GIG**, **EWT**, **VESNAVER**, **EVANS**, **GREEN**, **STRICKHAUSEN**, nor **HAGAN** as a broker dealer, broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama. Neither **GIG**, **EWT**, **EVANS**, **GREEN**, **STRICKHAUSEN**, **VESNAVER** nor **HAGAN** are currently registered nor have ever been registered with the Commission in any capacity.

CONCLUSIONS OF LAW

25. Pursuant to Code of Alabama 1975, §8-6-2(10), the definition of security includes any note or other evidence of indebtedness. The definition also includes any "investment contract" in which a return is promised on an investment based on the efforts of others. The investment solicited, sold and issued by **RESPONDENTS** was structured in the form of a promissory note, was an investment contract, and is a security under the Act.

26. Pursuant to Code of Alabama 1975, §8-6-2(2), an agent is any individual who represents an issuer or dealer in effecting transactions in securities. **STRICKHAUSEN** represented **GIG** in soliciting investment in the investment contracts and is an agent under the Act.

27. Pursuant to Code of Alabama 1975, §8-6-2(5) an issuer is any person who proposes to issue, has issued, or shall issue any security. **GIG** is an issuer under the Act.

28. Pursuant to Code of Alabama 1975, §8-6-3(a) it is unlawful for any person to transact business in this state as a dealer or agent unless such person is registered under

the Act. **STRICKHAUSEN** acted as an agent in the solicitation and sale securities issued by **GIG**, while not registered as an agent with the Commission in violation of the Act.

29. Pursuant to Code of Alabama 1975, §8-6-4 it is unlawful to offer or sell any security in this state unless the security is registered or subject to a perfected exemption from registration. The securities offered and sold by **STRICKHAUSEN** and **GIG** were neither registered nor subject to a perfected exemption from registration and were offered and sold in violation of the Act.

30. Pursuant to Code of Alabama 1975, §8-6-17(a)(1) it is unlawful for any person, in connection with the offer or sale of a security, directly or indirectly, to employ any device, scheme or artifice to defraud. **RESPONDENTS** employed a scheme, commonly referred to as a prime bank scam or advance fee loan scheme, to fraudulently induce investment and to perpetuate continued participation in the program by an Alabama investor, 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 RESPONDENT 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 5th day of August, 2016.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
Montgomery, AL 36104
(334) 242-2984

BY:

Joseph P. Borg
Director

A handwritten signature in black ink, appearing to read "Joseph P. Borg". A curved line or flourish is drawn below the signature.