

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
GORSLINE FINANCIAL SERVICES, LLC)
ROBERT ALEXANDER GORSLINE)
AKA: ALEX GORSLINE)
) ADMINISTRATIVE ORDER
) NO. CD-2019-0018
RESPONDENTS)

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. **GORSLINE FINANCIAL SERVICES, LLC ("GFS")**, is a Georgia based limited liability company with a business address of 5232 Wild Cedar Drive, Buford, GA 30518.

2. **ROBERT ALEXANDER GORSLINE ("GORSLINE")**, at all times relevant, has identified himself as the organizer and principal of GFS, with a business address of 5232 Wild Cedar Drive, Buford, GA 30518. GORSLINE uses the alias **ALEX GORSLINE**. GORSLINE was previously registered in North Carolina, South Carolina, and Georgia, as a broker dealer agent from April 1991 until August 2004. GORSLINE'S CRD number is 2118930.

STATEMENT OF FACTS

3. Woodbridge Group of Companies, LLC, to include but not limited to, Woodbridge Wealth, and Woodbridge Mortgage Investment Fund 4, LLC, are all Delaware Limited Liability Companies with a business address of 14140 Ventura Blvd Suite 302, Sherman Oaks, CA 91423, hereinafter to be collectively known as "Woodbridge." Woodbridge raised

capital from investors nationally, including Alabama residents, by offering and selling “First Position Commercial Mortgages,” also referred to as “Secure Bridge Loans.”

4. At all times relevant, **GORSLINE** represented himself as a Woodbridge sales agent through **GFS**. **GORSLINE** offered and sold a Woodbridge First Position Commercial Mortgage to at least one Alabama resident. **GORSLINE** was to receive a three percent (3.00%) “referral fee” from Woodbridge for the sale; however, Woodbridge filed for bankruptcy within one month of the sale, and no commission was paid to **GORSLINE**.

5. Woodbridge Mortgage Investment Fund 4 filed a Form D, Notice of Exempt Offering of Securities, with the United States Securities and Exchange Commission (“SEC”) as a security under Regulation D, Rule 506(b) on November 21, 2016, and notice filed in the State of Alabama on February 2, 2017.

6. On November 9, 2017, an Alabama resident invested \$35,200.00, via a self-directed IRA, through **GORSLINE** for interest in a First Position Commercial Mortgage through Woodbridge Mortgage Investment Fund 4, LLC. In exchange for the monetary investment, Woodbridge issued a promissory note indicating the promise to pay the Alabama investor “the principal sum of Thirty-Five Thousand Two Hundred and 00/100 Dollars (\$35,200.00), together with interest.” The Alabama investor was to receive monthly interest payments at the rate of six percent (6.00%) per annum directly from Woodbridge Mortgage Investment Fund 4, LLC.

7. **GFS** filed a Certificate of Existence with the Georgia Secretary of State on July 30, 2014. The Corporation was dissolved on December 7, 2016, for failure to file its annual registration and/or failure to maintain a registered agent; however, **GORSLINE** continued to do business under **GFS** through the sale of Woodbridge to the Alabama investor.

8. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on December 17, 2018, disclosing no record of registration for **GFS** as a broker dealer or investment advisor.

9. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on December 17, 2018, disclosing no record of registration for

GORSLINE as a broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

CONCLUSIONS OF LAW

10. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes any note, stock, or evidence of indebtedness. The promissory note issued by Woodbridge, and offered and sold by **RESPONDENTS**, is a security under the Act.

11. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of a security includes an investment contract. The securities offered and/or sold by **RESPONDENTS**, more specifically a "First Position Commercial Mortgage" issued by Woodbridge, require the investor to invest in a common enterprise with the expectation of profits from the significant managerial efforts of others. Therefore, the security offered and/or sold by **GFS** and **GORSLINE** is an investment contract and is a security as defined by the Act.

12. Pursuant to 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. **GORSLINE** effected the sale of a security with an Alabama resident and is an agent of **GFS** as defined under the Act.

13. Pursuant to Section 8-6-2(3), Code of Alabama 1975, the definition "Dealer" includes any person engaged in the business of effecting transactions in securities for the account of others. **GFS** effected sale of a security on behalf of an Alabama resident, and is a dealer as defined 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. By offering and selling a security, to wit: a First Position Commercial Mortgage, **GORSLINE** acted as an agent of **WOODBRIDGE**, while employed and operating as Principal of **GFS**, in the state of Alabama without the benefit of registration in violation of the Act.

15. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any dealer or

issuer to employ an agent unless the agent is registered. GFS employed an unregistered agent, namely **GOSRLINE**, in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the 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**, Gorsline Financial Services, LLC, and Robert Alexander Gorsline, 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 15th day of May, 2019.

ALABAMA SECURITIES COMMISSION
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BY:
JOSEPH P. BORG
Director