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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

CORPORATE ASSET GROUP, INC., JIM
BARRY, and MICHAEL C. REMUS,

Respondents.

SDO - 083- 01

SUMMARY ORDER TO CEASE AND DESIST
AND NOTICE OF INTENT TO IMPOSE FINES

Case No. 01 - 08 - 324

THE STATE OF
WASHINGTON TO:

Corporate Asset Group, Inc.
1868 N. University Drive, #104
Plantation, Florida 33322

Jim Barry
Michael C. Remus
Corporate Asset Group, Inc.
1868 N. University Drive, #104
Plantation, Florida 33322

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Corporate Asset Group, Inc., Jim Barry, and Michael C. Remus have each violated the Securities Act of Washington and that their violations justify the entry of an order against each by the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to investors and to the public, and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I. RESPONDENTS

1. Corporate Asset Group, Inc. ("CAG Inc.") is a Florida for-profit corporation authorized to do business March 28, 2001. CAG Inc. is an independent sales office for issuers of securities, charging the issuer to

1 offer and sell securities to potential investors. CAG Inc.'s principal place of business is located at 1868
2 North University Drive, #104, Plantation, Florida. CAG Inc. is not registered as a foreign corporation
3 authorized to do business in Washington.

4 2. Jim Barry ("Barry") is a commissioned salesperson working for CAG Inc.

5 3. Michael C. Remus ("Remus") is a commissioned salesperson working for CAG Inc.

6 **II. NATURE OF THE VIOLATIONS**

7 4. Beginning in early 2001, Respondents sent, or caused to be sent, unsolicited e-mail messages to
8 Washington residents on behalf of their client, Republic Cash Advance, Inc. ("RCA"). RCA is engaged in the
9 check cashing and payday loan business in Florida. The e-mail solicitations sought investors for RCA's check
10 cashing businesses, described the investments as involving "equity positions" in check cashing stores, and
11 promised guaranteed returns ranging from 20% to 40% annually. Recipients of the e-mail solicitations were
12 instructed to complete and return via e-mail an attached electronic form providing their name, physical
13 address, telephone number, and e-mail address. On or about July 15, 2001, a Washington resident (the
14 "resident") responded to such a solicitation.
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16 5. On or about July 25, 2001, the resident received a call from a salesperson with CAG Inc. The caller,
17 Respondent Barry, stated he was responding to the resident's e-mail, and was offering an investment in
18 membership units issued by RCA. Barry said that RCA was raising \$1,000,000 for the expansion of their
19 check cashing business to Dade County, Florida. Barry stated that RCA, located in Tempe, Arizona, had 27
20 existing check cashing stores, was planning on opening 300 new stores in the next five years, and was
21 offering investors 30% guaranteed annual returns.

22 6. The resident expressed interest in the investment and told Barry that he had \$100,000 available to invest.
23 Barry transferred the resident to his supervisor, Respondent Michael Remus, who stated that the RCA's Dade
24

1 County partnership was almost fully funded, but that he could reserve some membership units for the
2 resident. Remus said that he would put together offering materials and fax them to the resident that day.

3 7. On or about July 25, 2001, the resident received two faxes from Remus. One fax included a private
4 placement memorandum dated May 1, 2001, for Quick Cash Advance of Dade County, LLC. The other fax
5 included materials describing the check cashing business, a subscription agreement, and a copy of Remus'
6 business card. Both faxes were sent with a cover sheet identifying CAG Inc. as "an affiliate of" RCA. The
7 business card identified Remus as an Accounting Director for CAG Inc.

8 8. On August 12, 1999, the Pennsylvania Securities Commission issued a Summary Order to Cease and
9 Desist against RCA to halt the offer and sale of unregistered securities. On December 18, 2000, the Illinois
10 Securities Department issued a Temporary Order of Prohibition against RCA and their officers, directors,
11 employees, and agents. The Temporary Order prohibited the named respondents from offering or selling
12 unregistered securities in Illinois.

13 9. The offering documents sent to the Washington resident by Respondents failed to provide financial
14 information about RCA; failed to provide sufficient business histories for the officers of RCA; failed to
15 disclose risks associated with the lack of operating history and profitability; and failed to disclose the
16 existence of the Pennsylvania and Illinois orders. Furthermore, neither Barry nor Remus verbally disclosed
17 the existence of the orders.

18 10. Respondents Corporate Asset Group, Inc., Jim Barry, and Michael C. Remus are not currently registered
19 to offer or sell securities in the State of Washington, have not previously been so registered, and no claim of
20 exemption for such offers or sales is on file with the Division.

21 11. The membership units issued by RCA and offered and sold by Respondents are not currently registered
22 in the State of Washington, have not previously been so registered, and no claim of exemption for said
23 securities or transactions is on file with the Division.

12. The Securities Administrator finds that the continued offering of membership units in the manner described in Tentative Findings of Fact, Section II, paragraphs 4 through 11, and Respondents' continued operation as unregistered broker-dealers and/or salespersons, presents a threat to the investing public.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

1. The offer and/or sale of RCA membership units by Respondents constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).
2. Respondents have each violated RCW 21.20.140 by offering and/or selling said securities while no registration or notification of claim of exemption for said securities was or is on file with the Division.
3. Respondents have each violated RCW 21.20.040 by offering and/or selling said securities while not registered as broker-dealers or securities salespersons in the State of Washington.
4. Respondents have each violated RCW 21.20.010 in connection with the offer and/or sale of said securities because the representations made to potential investors regarding the promised return, security, and liquidity of the investment, and projections of future sales growth, were made with no reasonable basis in fact. Respondents also omitted material facts in their solicitation that made the statements made in that solicitation misleading. Additionally, the acts, practices, and course of business conduct engaged in by Respondents served to operate as a fraud or deceit upon investors.

EMERGENCY

Based upon the foregoing, the Securities Administrator finds that an emergency exists, and that Respondents' continued violations of RCW 21.20.140, RCW 21.20.040, and RCW 21.20.010 constitutes a

1 threat to the investing public. The Securities Administrator finds that a Summary Order to Cease and Desist
2 from those violations is in the public interest and necessary for the protection of the investing public.

4 **SUMMARY ORDER**

5 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED that
6 Respondents Corporate Asset Group, Inc., Jim Barry, and Michael C. Remus, their partners, officers,
7 directors, employees, affiliates, subsidiaries, predecessors, and successors, and any person acting on their
8 behalf with express, implied, or apparent authority to do so, shall each cease and desist from violation of
9 RCW 21.20.140, the securities registration section of the Securities Act of Washington.

10 It is further SUMMARILY ORDERED that Respondents, their partners, officers, directors, employees,
11 affiliates, subsidiaries, predecessors, and successors, and any person acting on their behalf with express,
12 implied, or apparent authority to do so, shall each cease and desist from offering and/or selling securities in
13 violation of RCW 21.20.040, the broke-dealer and salesperson registration section of the Securities Act.

14 It is further SUMMARILY ORDERED that Respondents, their partners, officers, directors, employees,
15 affiliates, subsidiaries, predecessors, and successors, and any person acting on their behalf with express,
16 implied, or apparent authority to do so, shall each cease and desist from violation of RCW 21.20.010, the
17 anti-fraud section of the Securities Act of Washington.
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19 **NOTICE OF INTENT TO IMPOSE FINES**

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21 Based upon the offer to a Washington resident of unregistered securities, by unregistered broker-dealers
22 and/or salespeople, the misrepresentations and omissions contained in that offer, and upon the above
23 Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondents have
24 committed two or more knowing or reckless violations of the Securities Act such that the imposition of fines
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1 is required pursuant to RCW 21.20.395. Therefore, the Securities Administrator intends to order that
2 Respondents shall be jointly and severally liable for and pay a fine in the amount of \$5,000 per violation, for a
3 total of \$10,000.
4

5 **AUTHORITY AND PROCEDURE**

6 This Order is entered pursuant to the provisions of RCW 21.20.390 and RCW 21.20.395, and is
7 subject to the provisions of Chapter 34.05 RCW. Respondents may each make a written request for a
8 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
9 HEARING accompanying this order. If any Respondent does not request a hearing, as to that Respondent,
10 the Securities Administrator intends to adopt the above Tentative Findings of Fact, Conclusions of Law,
11 and Summary Order as final and impose the fines sought.
12

13 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**
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16 ENTERED this 17th day of October, 2001.
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19 Deborah R. Bortner
20 Securities Administrator

21 Approved by:

21 Presented by:

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23 _____
24 Michael E. Stevenson
25 Chief of Enforcement

22
23 _____
24 Anthony W. Carter
25 Securities Examiner