

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

<b>IN THE MATTER OF:</b>	)	
	)	<b>ORDER TO CEASE AND DESIST</b>
<b>Global Organizational Strategies, LLC,</b>	)	<b>File No. 14068</b>
<b>and David Leavell,</b>	)	
<b>Respondents.</b>	)	
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**WHEREAS**, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

**WHEREAS**, the Division received information regarding alleged securities-related activities of Global Organizational Strategies, LLC (“GOS”) and David Leavell (“Leavell”) (collectively, the “Respondents”); and

**WHEREAS**, based on the information received, the Division decided it was necessary and appropriate to open an investigation pursuant to S.C. Code Ann. § 35-1-602 to determine whether the Respondents had violated, were violating, or were about to violate the Act; and

**WHEREAS**, in connection with the investigation, the Division has determined that evidence exists to support the following findings of fact and conclusions of law:

**I. JURISDICTION**

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

## **II. RESPONDENTS**

2. GOS is a Michigan limited liability company with a last known address of 5859 W. Saginaw Highway “Suite 241,” Lansing, Michigan 48917.<sup>1</sup>

3. David Leavell is Michigan resident with a last known address of 6702 West Willow Highway, Lansing, Michigan 48917.

## **III. FINDINGS OF FACT**

4. In early 2014, a South Carolina investor (the “Investor”) became aware of an investment opportunity offered by the Respondents (the “Investment Opportunity”).

5. Respondent Leavell, acting on his own behalf and on behalf of Respondent GOS, sought investors in the Investment Opportunity and promised exponential returns.

6. The Respondents alleged that the Investor’s funds would be used in obtaining the “lease” of the “bank guarantee” and the subsequent “monetization of the instrument.”

7. However, neither Respondent Leavell nor the Investment Opportunity were registered with the United States Securities and Exchange Commission, with the Division, or exempt from registration.

8. The Respondents further alleged that if the “instrument is not able to be acquired” within thirty-five to fifty business days from the time of the investment the Investor’s funds would be returned to him.

9. On or about April 7, 2014, the Investor wired \$50,000 to the Respondents.

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<sup>1</sup> Respondent GOS’ last known address is a mailbox at a UPS Store in Lansing, Michigan.

10. In exchange for investing his funds with the Respondents, the Investor was promised a return of \$10,000,000 by the Respondents once the “bank instrument” had been “monetized.”

11. Rather than being used to “monetize” a “bank instrument” the money was used by Respondent Leavell on various personal expenses, including food; movie tickets; travel expenses, including at least one trip to the Cayman Islands; and payments to unrelated third parties.

12. In connection with the offer and sale of the Investment Opportunity to the Investor, the Respondents made numerous false and misleading statements and omissions, including, but not limited to the following:

- a. Falsely stating that the Investor’s funds would be used in obtaining a “bank guarantee”;
- b. Falsely stating that GOS was not offering securities and therefore would not need to be registered with the Division; and
- c. Omitting to disclose that the Investor’s funds would be used on personal expenses and other payments unrelated to the “monetization” of a “bank guarantee.”

#### **IV. CONCLUSIONS OF LAW**

13. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, governs the offer and sale of securities in this State.

14. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts, *inter alia*, constitute securities.

15. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in this State unless that security is registered, a federal covered security, or exempt from registration.

16. Pursuant to S.C. Code Ann. § 35-1-402(a), it is unlawful for an individual to transact business as an agent in this State unless that individual is registered or exempt from registration.

17. Pursuant to S.C. Code Ann. § 35-1-402 (d), it is unlawful for an issuer, engaged in offering, selling, or purchasing securities in this State, to employ or associate with an agent who transacts business in this State on behalf of that issuer unless that agent is registered under S.C. Code Ann. § 35-1-402 (a).

18. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person in connection with the offer or sale of a security in this State: (1) to employ a scheme, device, or artifice to defraud; (2) to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

19. Pursuant to S.C. Code Ann. §35-1-604(a)(1), if the Securities Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist

from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

20. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation sought, a statement of the reasons for the order, and notice that, within fifteen (15) days after the receipt of a request in a record from a Respondent, the matter will be scheduled for a hearing as to that Respondent.

21. The Investment Opportunity as offered and sold by the Respondents constitutes an investment contract and is therefore a security as defined by the Act.

22. The Investment Opportunity as offered and sold by the Respondents was neither a federal covered security, exempt from registration, nor registered with the Division and was therefore sold in violation of the Act.

23. Respondent Leavell acted as an unregistered agent in violation of the Act.

24. Respondent GOS employed an unregistered agent in violation of the Act.

25. The Respondents sold securities in this State: (1) while employing a scheme, device, or artifice to defraud; (2) through the making of untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (3) by engaging in an act, practice, or course of business that operated as a fraud or deceit upon another person.

26. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondents be ordered to cease and desist from engaging in the

above enumerated practices which constitute violations of the Act and pay an appropriate civil penalty for their wrongdoing.

**V. CEASE AND DESIST ORDER**

**NOW THEREFORE**, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. The Respondents and every successor, affiliate, control person, agent, servant, and employee of each Respondent, and every entity owned, operated, or indirectly or directly controlled by or on behalf of any Respondent **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301, 35-1-402, and 35-1-501 thereof; and
- b. The Respondents shall jointly and severally pay a civil penalty in the amount of \$30,000.00 if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000.00 for each violation of the Act by that Respondent, and the actual cost of the investigation or proceeding.

**IT IS FURTHER ORDERED** that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that the Respondents may claim to rely upon under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

## **VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING**

The Respondents are hereby notified that they each have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from a Respondent, will schedule the hearing for the requesting Respondent(s).

In the written Answer, a Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and any assessed costs, becoming final as to that Respondent by operation of law.

This Order does not prevent the Division or any other law enforcement agency from seeking additional civil or criminal remedies that are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 10<sup>th</sup> day of October, 2014.

ALAN WILSON  
SECURITIES COMMISSIONER

By: Tracy A. Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

**ISSUANCE REQUESTED BY:**



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IAN P. WESCHLER  
Assistant Attorney General  
Securities Division  
Rembert C. Dennis Building  
1000 Assembly Street  
Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
File Number 14068

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated October 16, 2014, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Global Organizational Strategies, LLC  
5859 W. Saginaw Highway  
Suite 241  
Lansing, MI 48917

Document(s): Order to Cease and Desist

Mailed October 16, 2014 from Columbia, South Carolina.

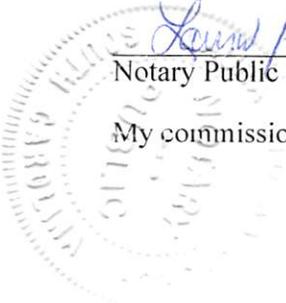
I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By:   
Thresechia P. Navarro  
South Carolina Attorney General's Office  
Securities Division  
Post Office Box 11549  
Columbia, SC 29211-1549  
(803) 734-4731

Subscribed and sworn to before me on  
this 16<sup>th</sup> day of October, 2014.

  
Notary Public for South Carolina

My commission expires: 3-10-18



STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
File Number 14068

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated October 16, 2014, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Mr. David Leavell  
6702 West Willow Highway  
Lansing, MI 48917

Document(s): Order to Cease and Desist

Mailed October 16, 2014 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By: Thresechia P. Navarro

Thresechia P. Navarro  
South Carolina Attorney General's Office  
Securities Division  
Post Office Box 11549  
Columbia, SC 29211-1549  
(803) 734-4731

Subscribed and sworn to before me on  
this 16<sup>th</sup> day of October, 2014.

Laura Slotka  
Notary Public for South Carolina

My commission expires: 3-10-18

