



STATE OF TENNESSEE  
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE SECURITIES DIVISION, )  
)  
Petitioner, )  
) OI No. 2016-0002  
vs. ) Order No. 17-006  
)  
INVESTINGCI.COM a/k/a INVESTING2GO )  
a/k/a SEL INVESTMENTS, LTD., )  
TOMAS GOLDMARK, BEN DANIELS, )  
STEPHEN BLUNDELL and )  
ELIZABETH BLUNDELL, )  
)  
Respondents. )

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ORDER TO CEASE AND DESIST

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This Order issues as the result of a Petition, and its Exhibits attached thereto, filed by the Tennessee Securities Division (“TSD”) of the Department of Commerce and Insurance (“Department”). This Order is based upon the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. The Tennessee Securities Act of 1980, TENN. CODE ANN. §§ 48-1-101 to 48-1-201 (2012) (“Act”), places the responsibility for the administration of the Act on the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”). The TSD is the lawful agent through which the Commissioner discharges this responsibility. TENN. CODE ANN. § 48-1-115 (2012).

2. The TSD is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. TENN. CODE ANN. § 48-1-116 (2012).

3. Respondent InvestingCI, LLC ("InvestingCI") is a Florida based limited liability company with a registered agent for service of process of Paracorp, Inc., 155 Office Plaza Drive, 1st Floor, Tallahassee, FL 32301. There is no indication that InvestingCI is or was authorized to do business in the State of Tennessee by the Tennessee Secretary of State. InvestingCI is not, and has not been, registered with the TSD as a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative.

4. Respondents Stephen and Elizabeth Blundell are, upon information and belief, citizens and residents of the United Kingdom, each with a last known business and residential address of 1 Cranshaw Fold Bam, Common End Adlington, Chorley, Lancashire PR7 4DW United Kingdom. Stephen Blundell is, upon information and belief, a Director of InvestingCI. Elizabeth Blundell is, upon information and belief, the Secretary for InvestingCI. At all relevant times, Stephen and Elizabeth Blundell were not registered with the TSD as broker-dealers, broker-dealer agents, investment advisers, or investment adviser representatives.

5. Respondent Tomas Goldmark ("Goldmark") is, upon information and belief, a citizen of the United Kingdom with last known business addresses of c/o The Financial Services Center, Stoney Ground, PO Box 1823, Kingstown VC0100, St.Vincent & The Grendines; 530 Lytton Avenue, Palo Alto, CA 94301; 47461 York House Green Lane West; Preston, England PR3 1PR; and 530 Lytton Avenue, Palo Alto, CA 94301. At all relevant times, Goldmark was not registered with the TSD in any capacity.

6. Respondent Ben Daniels ("Daniels") is, upon information and belief, a citizen and resident of the United Kingdom, with last known business addresses of c/o The Financial Services Center, Stoney Ground, PO Box 1823, Kingstown VC0100, St. Vincent & The Grenadines; 47461 York House Green Lane West Preston, England PR3 1PR; and 530 Lytton Avenue, Palo Alto, CA 94301. At all relevant times, Daniels was not registered with the TSD in any capacity.

7. At all relevant times, Respondents conducted a securities related business through Respondent InvestingCI, which acted as a broker-dealer of securities by effecting transactions in securities on behalf of at least two Tennessee investors.

8. Between September 2008 and January 2015, Goldmark and Daniels, acting as broker-dealer agents, offered to sell or sold unregistered securities from, in, or into Tennessee in the cumulative amount of at least sixteen thousand, nine hundred dollars (\$16,900) to at least two (2) Tennessee investors.

9. Each of the sales of the binary options contracts by the Respondents meet the definition of "Investment Contract" as defined by the Tennessee Supreme Court in *King v. Pope*, 91 S.W.3d 314 (Tenn. 2002), wherein the Court defines an investment contract and establishes that an investment contract is a "security" within the meaning of the Act.<sup>1</sup>

10. The first security purchased in the transactions referred to in paragraph 8. was an investment contract between investor CLB and InvestingCI, through their agent, Goldmark, in the amount of seven thousand, nine hundred dollars (\$7,900).

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<sup>1</sup> The elements of an investment contract are: (1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise. *King* at 321.

11. The second security purchased was an investment contract between investor MB and InvestingCI, through their agent, Goldmark, in the amount of eight thousand dollars (\$8,000).

12. The investment contracts offered and sold by the Respondents were not registered with the TSD for sale in Tennessee, were not the subjects of any exemption filings made with the TSD, were not exempted from the registration requirements of the Act, and do not qualify as covered securities pursuant to the Act.

13. At all relevant times, InvestingCI was not registered in Tennessee as an investment adviser, investment adviser representative, broker-dealer, or broker-dealer agent.

14. At all relevant times, Goldmark, Daniels, Stephen Blundell, and Elizabeth Blundell were not registered in Tennessee as broker-dealers or broker-dealer agents, investment advisers, or investment adviser representatives.

15. At no time did Respondents disclose to investors that the securities offered and sold were not registered with the TSD.

16. At no time did the Respondents establish that the Tennessee investors were "accredited investors" within the meaning of the law when they solicited and received investment funds.

17. In two (2) known instances, the capital accounts of investors were falsely represented by Respondents and/or their agents to be "insured" against loss and that only small portions of the capital accounts would be exposed to any one risk.

18. Respondents have, upon information and belief, as recently as July of 2016, continued to offer to sell or to sell securities without the sellers or the securities being registered with the TSD.

## CONCLUSIONS OF LAW

### *Respondents Sold Unregistered Securities in Tennessee*

19. The facts as stated demonstrate that Respondents sold securities in Tennessee that were not registered with the TSD to be sold in Tennessee. It is unlawful for any person to sell any security in this state unless it is registered under the Act, the security or transaction is exempted under the Act, or the security is a covered security. TENN. CODE ANN. §§ 48-1-102(17)(A) and 48-1-104(a) (2012).

20. Respondents' sales of unregistered securities provide grounds under TENN. CODE ANN. § 48-1-116(a) (2012) for the entry of an Order to Cease and Desist all securities activities.

### *Respondents Offered to Sell or Sold Securities Without Being Registered to Offer or Sell Securities from, in, or into Tennessee*

21. The facts as stated demonstrate that Respondents InvestingCI, Stephen Blundell and Elizabeth Blundell affected the sale of securities from, in, or into Tennessee as broker-dealers, investment advisers, or investment adviser representatives through their agents, Goldmark and Daniels. The transactions that affected the sale of securities were executed on behalf of InvestingCI, Stephen Blundell, and Elizabeth Blundell and were made by Goldmark and Daniels. The Respondents sold these securities from, in, or into Tennessee without being registered under the Act to offer to sell or to sell securities from, in, or into Tennessee. By affecting the sale of securities from, in, or into Tennessee for the accounts of at least two (2) Tennesseans, the Respondents acted as a broker-dealer and/or as broker-dealer agents in violation of TENN. CODE ANN. § 48-1-109(a) (2012).

22. The Respondents' offers to sell or sales of securities without being registered with the TSD to engage in the offering/selling of securities from, in, or into Tennessee provides adequate grounds under TENN. CODE ANN. § 48-1-116(a) (2012) for the entry of an Order to

Cease and Desist all securities activities.

***Respondents Engaged in Securities Fraud***

23. The facts as stated demonstrate that the Respondents made false representations to Tennessee investors regarding limits to the exposure of their investments to any particular transaction.

24. The facts as stated demonstrate that Respondents failed to disclose to Tennessee investors that they and their company, InvestingCI, were not registered to sell securities.

25. Pursuant to TENN. CODE ANN. § 48-1-121(a)(2) (2012):

(a) It is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to:

...

(2) Make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading...[.]

26. The failure of the Respondents to disclose these material facts provides grounds under TENN. CODE ANN. § 48-1-116(a) (2012) for the entry of an Order to Cease and Desist all securities activities.

27. The facts as stated demonstrate that Respondents made material misrepresentations to Tennessee investors regarding the risks associated with investing in the products that they and their company, InvestingCI, offered and sold in Tennessee.

***Respondents' Ongoing Unlawful Conduct Warrants the Issuance of an Order to Cease and Desist***

28. The Commissioner finds this action is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act pursuant to TENN. CODE ANN. §§ 48-1-116(a) and (b) (2012). In addition,

the Commissioner has determined that prior notice of this Cease and Desist Order is not in the public interest and would be detrimental to the protection of investors. TENN. CODE ANN. § 48-1-116(e)(2)(A) (2012). Respondents' ongoing unlawful conduct necessitates an Order to Cease and Desist all such unlawful activity to prevent the Respondents from continuing to sell unregistered securities while not being registered to offer to sell or to sell securities in Tennessee by simply changing the name or form of the offerings being made in order to hide the unlawful nature of their conduct.

29. The facts as stated demonstrate that Respondents, who are not registered with the TSD to offer to sell or to sell securities from, in or into Tennessee, are continuing to offer to sell or to sell securities from, in, or into Tennessee that are not registered with the TSD for sale in Tennessee.

30. Respondents' continuing unlawful conduct provides grounds under TENN. CODE ANN. §§ 48-1-116(a) and 48-1-116(e)(2)(A) (2012) for the entry of an Order to Cease and Desist all securities activities.

### **ORDER**

**NOW, THEREFORE**, in consideration of the foregoing, it is **ORDERED** that:

1. Respondents **SHALL COMPLY** with the Act and all rules promulgated thereunder.

2. The Respondents **SHALL CEASE AND DESIST** any further conduct as a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative from, in or into the state of Tennessee until such time as he or she is effectively registered with the TSD to engage in such activity.

3. The Respondents, and any successor entities, **SHALL IMMEDIATELY CEASE**

**AND DESIST** from the issuance, offer to sell, or sale of any security, including but not limited to, investment contracts, loan agreements, stock or any other investment interest or security in InvestingCI, LLC, or any product or offering of InvestingCI, LLC, including any successor entities or individuals, to any “person,” as that term is defined under the Act, until such time as any such security is: 1) deemed by the TSD to be registered with the TSD for sale in Tennessee; 2) deemed by the TSD to be exempted from the registration provisions of the Act; or 3) deemed by the TSD to be a covered security, as that term is defined in the Act.

4. Respondents **SHALL CEASE AND DESIST** any further conduct in violation of the Act’s prohibition against engaging in securities fraud, including but not limited to, by failing to disclose material information to investors or by making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

5. All entities or persons in any way assisting, aiding, or helping the aforementioned Respondents in any of the aforementioned violations of the Act, **SHALL CEASE AND DESIST** all such activities in violation of the Act.

6. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which Respondents might be engaged.

7. Entry of this Order to Cease and Desist shall not in any way restrict the TSD or the Commissioner of the Department from taking further action with respect to these or other possible violations of the Act, or any of the rules promulgated thereunder, by Respondents.

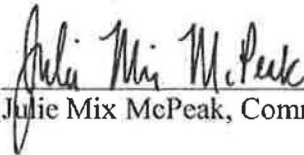
8. You are advised that you have the right to a hearing as to all matters raised in this Order to Cease and Desist. If you wish to exercise your right to a hearing, please notify:



**FRANK BORGER-GILLIGAN  
ASSISTANT COMMISSIONER FOR SECURITIES  
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE  
DAVY CROCKETT TOWER, 8<sup>TH</sup> FLOOR  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243**

9. Such request must be received within thirty (30) days from the date of entry of this Order to Cease and Desist. This Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 22 day of September, 2017.

  
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Julie Mix McPeak, Commissioner

**APPROVED FOR ENTRY:**

  
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Frank Borger-Gilligan  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

**ISSUANCE REQUESTED BY:**



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Charles S. Herrell (BPR# 018035)  
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Department of Commerce and Insurance  
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500 James Robertson Parkway  
Nashville, Tennessee 37243