



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

JAMES E. ALDRIDGE, JR.;  
CONCEPT MARKETING INTERNATIONAL; and  
LIBERTY COMMERCE GROUP TRUST,

Respondents.

)  
)  
)  
)  
)  
)  
)

Case No. AP-04-03

Serve: James E. Aldridge, Jr.; Liberty Commerce Group Trust  
and Concept Marketing International at:  
5711 NE Sapphire Place  
Lees Summit, MO 64064

**ORDER TO CEASE AND DESIST**

On the 30<sup>th</sup> day of December 2003, Mary S. Hosmer, Assistant Commissioner for Enforcement, submitted a petition for a cease and desist order. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

**FINDINGS OF FACT**

1. James E. Aldridge, Jr. is an individual with an address at 5711 NE Sapphire Place, Lee's Summit, Missouri 64064.
2. Liberty Commerce Group Trust ("Liberty") purports to be a Missouri business and is a name under which Aldridge does business with an address at 5711 NE Sapphire Place, Lee's Summit, Missouri 64064.
3. Concept Marketing International ("CMI") purports to be a Missouri business and is a name under which Aldridge does business with an address at 5711 NE Sapphire Place, Lee's Summit, Missouri 64064.

4. GSRC Financial, LLC ("GSRC"), was a Nevada limited liability company that was dissolved and has an agent for service of process at 1350 E. Flamingo Road, #343, Las Vegas, Nevada 89119.
5. Continental Fiduciary Management, LLC ("Continental"), was a Nevada Limited Liability Company that was dissolved and has an agent for service of process at 1350 E. Flamingo Road, #343, Las Vegas, Nevada 89119.
6. Gordon Gene Gress is an individual with a last-known address at 215 E. 1<sup>st</sup> Street, Alice, Texas 78332.
7. GSRC and Continental purported to be engaged in the business of raising money from individual, corporate and other investors and placing it with companies that have Gene Gress as Manager and primary numismatic trader.
8. As used in this Cease and Desist Order, the term "Respondents" refers to Aldridge, CMI, and Liberty.
9. On or before June 5, 2000, Aldridge d/b/a CMI solicited investors and/or agents in Illinois, Michigan, Tennessee and Missouri to participate in "wealth building accounts." CMI would establish the accounts where investors' money would be deposited and then CMI would "act as lenders to a company that in turn invests the funds in the rare coin industry."
10. In the solicitation material, Aldridge and CMI stated, in part, as follows:

"After two long years of negotiations and paperwork, CMI proudly announces the opening of additional wealth-building accounts for its families. . . .to receive above-average industry rates to create monthly cash flow for their household. . . .

The first account is called a Syndicated account. The syndicated accounts earn 20% a year on our families' funds with a minimum deposit of \$5,000. This creates monthly income that is paid out quarterly. As your account balance goes up so too will your rate of return. At \$10,000 your account earns 30% a year . . . For \$25,000 and above you receive 40% a year. . . .

The second account is called an Individual account. Individual accounts begin at \$50,000 and above. An Individual account earns either 43% a year or 53% a year dependent upon your initial balance. On a minimum \$50,000 balance you can earn 43% . . . .On a minimum \$100,000 and above you earn 43% . . .or 53% paid annually. . . .

Remember, these accounts can and do close once they have received enough investment capital. . . .

As of June 1, 2000, all new members will be required to enlist a minimum of (3) three syndication members in order to qualify for a referral to our investment accounts. . . .

When other conventional investors are losing money on their silver and gold investment portfolios, we're making money on ours hand over fist. When they are making money on their portfolios then we are really making a killing!"

11. In an unsigned and undated letter purporting to be from the "Board of Trustees" of CMI, potential investors and/or agents were advised in part:

"The sun never sets on the CMI investment world. Contracted field agents and financial professionals forward privileged information to our research center every day. Analysts meticulously check these investments for accuracy and quality and often visit the companies to speak with management. You can be confident that the investment opportunities referred to you are among the finest available.

. . . When hundreds of CMI members, along with a half dozen of agents [sic] around the country, pool their information in alliance with successful families who in turn pool their resources -- investment opportunities keep coming like waves onto a shore. . . . We are all aware of the excessive mediocre and risky investments flooding the market. CMI realized that during times of uncertainty it would be not only prudent but vigilant to pursue global investment opportunities for CMI educated families. . .

Hence, CMI is proud to introduce Liberty Commerce Group Trust (LCG) who has developed an investment relationship with an established private placement company. . . . This private invitation is offered to families with a minimal initial investment of fifty thousand dollars. This a long-term [sic] investment fund and therefore requires a long-term commitment."

12. Potential Investors and/or agents were given a sheet on Liberty letterhead entitled "Instructions For Submitting Funds." Investors were instructed to wire money to GSRC or Continental, depending on whether the investor chose the 53% single payment return or the 43% quarterly return program.
13. Potential investors were instructed to complete an Account Confirmation Form and send it to Liberty. That form states in part, "I understand that these funds will be used to consolidate monies for the purpose of establishing loans to the Numismatic Investment Industry."
14. Liberty distributed to potential investors and/or agents a document entitled "GSRC Financial, LLC and Continental Fiduciary Management, LLC Numismatic Coin Program - A 'Private Placement' Investment Opportunity - Individual Accounts" (the "Offering

Material.")

15. The Offering Material stated, in part, as follows:

"Liberty Commerce Group Trust (LCG) is proud to welcome you into the lucrative industry of Numismatic Rare Coin private placement investments. The following information will introduce you to two companies. The first is GSRC Financial, LLC (GSRC) and the other is Continental Fiduciary Management, LLC (CFM). This information was prepared by LCG, GSRC, and CFM to assist you in the educational process to properly evaluate this investment opportunity.

LCG has an extensive history and track record within the private placement industry and is a client and Agent of GSRC and CFM."

16. The Offering Material stated that principal loan amounts would be utilized for hard asset acquisition of collectible precious metals and rare coins and as cash reserves for interest and future purchases.
17. The Offering Material did not disclose any risks and states, "generally, there are no losses because the coins are purchased at discounts" and "most purchases are from dealers and many offer a ten percent buyback. Therefore, the downside risk on any slower moving inventory is minimal."
18. On or about February 1, 2001 and June 1, 2001, Aldridge d/b/a Liberty entered into two secured promissory notes with Continental for \$50,000 each. Under the terms of the Notes, Continental promised to pay Liberty 10% interest quarterly, commencing 120 days after the notes were credited. All principal and interest to be paid no later than 270 days from the dates of credit. "Repurchase Bonus Interest" in the amount of \$1,500 was to be paid to Liberty 35 days from the date of crediting and \$500 "promotional bonus" was to be paid 35 days after the date of "repurchase." The loan could be extended or "repurchased" again for which Liberty would receive another \$1,500. The notes were purported to be collateralized by gold, silver, rare coins and other assets having market values equal to the face value of the note plus accrued interest.
19. On March 11, 2003, the Missouri Securities Division sent a letter of inquiry to Aldridge and CMI. The letter requested information about program investors, the organization of Liberty and CMI and relationships with GSRC, Continental and Gress. The March 11, 2003 letter also requested statements of the claims of exemption or exceptions from definition upon which Aldridge and CMI were relying in offering the above-described unregistered securities or claim that the security was a federal covered security.
20. Aldridge did not claim an exemption or exception from definition upon which he relied in offering or selling the above-described securities to Missouri investors. In addition, Aldridge did not claim that the security was a federal covered security.

21. Aldridge failed or refused to provide the information requested in the Division's March 11, 2003 inquiry; however on or about April 10, 2003, this Division did receive two separate, but substantially identical, letters from Aldridge. One letter was on CMI letterhead and the other one was on Liberty letterhead. Each letter stated, in part, as follows:

"Neither company, Concept Marketing International or the Liberty Commerce Group Trust has ever engaged in or [sic] does engage in these practices. Concept Marketing International is strictly a sales and marketing company that offers a product for sale to a customer base and pays a commission for the sell [sic] of that product to a sales force. It offers no securities in any form, for sale.

Liberty Commerce Group Trust is a financial education firm, which conducts seminars and continuing educational classes on trust and foundations. This company has never offered securities for sale in any form. . . .

Due to the financially affluent clientele of Concept Marketing International and the Liberty Commerce Group Trust, these companies, on a consistent basis are approached by the financial industry with investment opportunities for our client base. These entities [GSRC, Continental and Gress] approached these companies [CMI and Liberty] with the hopes of soliciting business from their client base. This is the only knowledge, association and reference that we have and can offer on these three entities. As many investment houses approach these companies across the country, we have limited access to any further information on the vendors that attempt to do business with our company. . . ."

22. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for any of the securities offered by the Respondents in the State of Missouri.
23. A check of the records maintained by the Commissioner confirmed no registration for Respondents to offer or sell securities in the State of Missouri.
24. Aldridge has previously been ordered to cease and desist violating §§409.101 and 409.301, RSMo, after being found to be participating in offering an unregistered security in an advanced fee loan program that offered participants "interest free loans". *In the matter of Our Father's Congregation, et al.*, C.D. 91-05 (Slip Op. March 8, 1991, as amended March 18, 1991).
25. As of December 30<sup>th</sup>, 2003, CMI maintained a website at [www.dixon2.com/cmi.htm](http://www.dixon2.com/cmi.htm) that provided a telephone number and advised individuals to contact CMI and stated, among other things, the following:

- Learn how to generate an **additional income** of over **\$100,000** in **12 months**.
- Learn how to acquire the security of a tangible asset savings account like **silver, gold and platinum coins** to secure your existing income, with no out-of-pocket cost to you.
- Learn how to access exclusive investment accounts, that pays you **18% to 40% APY**

Learn how to invest **\$5000**, one time to create a college fund in **10 years** of over **\$150,000** or invest **\$5000** one time to create a retirement account of over **\$90,000 a year for 15 years**.

- Learn how to **reduce your tax liability** on this type of income **by 97% or more with full disclosure to the IRS**
- Learn how to **convert over 90% of your personal expenses** to a tax shelter entity, also **with full disclosure to the IRS**.
- Learn how to give to your favorite charity and create a tax credit and a **lifetime income for your family**.
- Learn how to **protect 100% of your new earned wealth** from the ravages of lawsuit, probate, death and inheritance taxes.

(Emphasis in original)

26. In connection with the offer of securities to Missouri residents, Respondents omitted to state the following material facts:
- a. That the securities were not registered in the State of Missouri;
  - b. That Respondents were not registered to sell securities in the State of Missouri;
  - c. That there were risks associated with investing in these securities; and
  - d. That a prior Cease and Desist Order had been issued against Aldridge for offering to sell unregistered securities.
27. This Order is in the public interest.

## CONCLUSIONS OF LAW

1. Section 409.401(o), RSMo Cumulative Supp. 2002, includes any note and an evidence of indebtedness within the definition of a security. The investments described in the above findings of fact constitute securities.
2. Section 409.101, RSMo 2000, provides that it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly
  - (1) to employ any device, scheme, or artifice to defraud,
  - (2) to make any untrue statement of a material fact or to 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, or
  - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Respondents omitted to state material information necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading.

3. Section 409.201, RSMo 2000, provides that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under sections 409.101 to 409.419. Respondents' actions stated above constitute violations of this Section.
4. Section 409.301, RSMo 2000, provides that it is unlawful for any person to offer or sell any security in this state unless (1) it is registered under this act; (2) the security or transaction is exempted under section 409.402; or (3) it is a federal covered security. The conduct described in the above findings of fact constitutes violations of this section.
5. Section 409.402(f), RSMo Cumulative Supp. 2002, provides that the burden of proving an exemption, qualification as a federal covered security, or an exception from a definition is upon the person claiming it. As described in the above findings of fact, Respondents failed to prove an exemption from registration, qualification as a federal covered security, or an exception from the definition of a security.
6. Section 409.408(a), RSMo 2000, provides that the refusal to furnish information within a reasonable time to be fixed by the commissioner, shall be proper ground for the entry of an order by the commissioner suspending the right to sell such security. Respondents' failure to furnish information as required by the Commissioner, as described in the above findings of fact, constitutes proper grounds for the entry of this Order.

**ORDER**

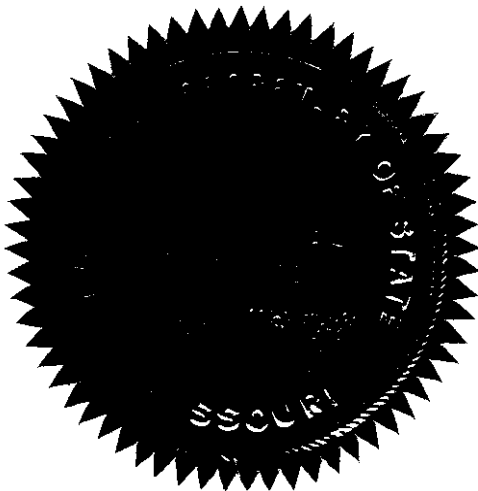
**NOW, THEREFORE,** it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order are prohibited from:

- A. Offering or selling notes or evidences of indebtedness in Concept Marketing International; Liberty Commerce Group Trust; Continental Fiduciary Management, LLC or GSRC Financial, LLC;
- B. Violating §409.101, RSMo 2000, by omitting to state material facts in connection with the offer, sale or purchase of securities to Missouri residents or from the State of Missouri, including, but not limited to, the following:
  - 1. That the securities are not registered in the State of Missouri;
  - 2. That Respondents are not registered to sell securities in the State of Missouri;
  - 3. That there were risks associated with investing in these securities; and
  - 4. That a prior Cease and Desist Order had been issued against Aldridge for offering to sell unregistered securities.
- C. Violating §409.301, RSMo 2000 by offering or selling any security that is not registered with the commissioner, unless the security is a federal covered security or has an effective exemption from registration.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 23<sup>rd</sup> DAY OF January, 2004.

MATT BLUNT  
SECRETARY OF STATE



DOUGLAS M. OMMEN  
COMMISSIONER OF SECURITIES