

State of Missouri
Office of Secretary of State

Case No. AP-10-31

IN THE MATTER OF:

JAMIE B. CAMPANY, et al.,

Respondents.

CONSENT ORDER AS TO RESPONDENT FRANK GAUDINO

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division ("Enforcement Section") has alleged that Frank Gaudino, ("Gaudino") committed acts in violation of Section 409.803.1, RSMo. (2000) and Section 409.810, RSMo. (2000).
2. Respondent Gaudino and the Enforcement Section desire to settle the allegations and matters raised by the Enforcement Section relating to the Respondent Gaudino's alleged conduct.

CONSENT TO JURISDICTION

3. Respondent Gaudino and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over the Respondent Gaudino and these matters pursuant to Sections 409.800 to 409.863, RSMo. (2000).
4. Respondent Gaudino and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.823, RSMo. (2000).

WAIVER AND EXCEPTION

5. Respondent Gaudino waives his right to a hearing with respect to this matter.
6. Respondent Gaudino waives any right that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent Gaudino specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent Gaudino stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent Gaudino and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent Gaudino agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent Gaudino's (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner of Securities is not a party; or (c) right to make public statements that are factual.
10. Respondent Gaudino agrees that Respondent Gaudino is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent Gaudino neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Respondent Gaudino is a resident of Palm Beach County, Florida. Intermittently, from September 2004 through January 2008, Respondent Gaudino was registered with the National Futures Association as an Associated Person. His records show no adverse regulatory awards, arbitration proceedings nor Commodity Futures Trading Commission actions against Respondent Gaudino.

13. In or about December, 2006 and into early 2007, but no later than April 2007, Respondent Gaudino took a sales position with Respondent enterprise Seedub Capital Ventures, Inc. ("SCV"), located in Palm Beach, Florida. Respondent Gaudino was informed by management that SCV was a branch of Respondent The Bullion Group, Inc. ("Bullion Group"). Respondent Gaudino worked singularly for SCV.
14. On February 10, 2010, Respondent Gaudino provided the Enforcement Section with his voluntary statement of the matters alleged in the August 25, 2010 Order initiating this matter, which information he affirms as part of this Order as true and correct.
15. During the period of December, 2006 through no later than April of 2007, Respondent Gaudino solicited the public for the purchase of precious and industrial metals on behalf of SCV and its affiliated entities. The names of the persons to be solicited were provided by SCV. Respondent Gaudino has no specific recollection of soliciting Missouri investors nor had he maintained any records of his activity on behalf of SCV, as those records were owned by SCV.
16. On August 25, 2010, the Enforcement Section alleged Respondent Gaudino solicited a Missouri resident on behalf of the Respondent Bullion Group, on the market opportunities to invest in gold and silver. The investment could be made on margin and the charges would be a onetime fee of fifteen percent (15%) of the purchase price. The resident agreed to receive and did receive investment materials from The Bullion Group.
17. The Missouri resident had no prior experience in investing in precious metals. On November 7, 2006 the resident received documents to open an account that failed to delineate commissions and fees, describe what services will be provided, and provide detail on the margin account arrangements. On that same date the Missouri resident made his first investment in silver for five thousand eight hundred forty dollars (\$5,840).

II. CONCLUSIONS OF LAW

18. The Commissioner finds Respondent Gaudino violated Section 409.803.1 RSMo. (2000) and Section 409.810 RSMo. (2000).
19. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent Gaudino and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent Gaudino and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent shall pay a civil penalty of five thousand dollars (\$5,000). This payment shall be sent within ten (10) days of the effective date of this Consent Order to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the State of Missouri. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri; and
2. Respondent shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 7TH DAY OF APRIL, 2011.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

Nathan Soendker
Chief Enforcement Counsel

Frank Gaudino, RESPONDENT

Approved as to Form:
J. B. Grossman
Attorney for Respondent Gaudino

