

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: )  
Diane Glatfelter, )  
And K2 Unlimited, Inc.; ) File No. 10-00050  
And Robert S. Anderson; )  
And E-Trust Clearing House. )

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AMENDED NOTICE OF HEARING

TO THE RESPONDENTS: Diane Glatfelter  
55 Glad Valley Drive  
Billerica Massachusetts 01821-2616

K2 Unlimited Inc.  
55 Glad Valley Drive  
Billerica Massachusetts 01821-2616

Robert S. Anderson  
275 North Hereford Lane  
Madison Indiana 47250-7740

Robert S. Anderson  
7655 S. Base Road  
Commiskey Indiana 47227-9586

E-Trust Clearing House  
5554 North Scotts Ridge Road  
Madison Indiana 47250-8715

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You are hereby notified, in accordance with Sections 11.E and F of the Illinois Securities Law of 1953 [815 ILCS 5/11.E and F] ("Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at the Secretary of State's office at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 14th day of December, 2010 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos or such other duly designated Hearing Officer of the Secretary of State.

At this hearing, the Illinois Securities Department of the Office of the Secretary of State shall seek entry of an order granting any or all of the following relief:

Prohibition of Respondent Glatfelter and Respondent Anderson from offering or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2) of the Act; and/or

Imposition of fines not to exceed \$10,000 against the Respondent for each violation of the Act described below; entry of orders of public censure; and charging as costs of investigation all reasonable expenses, including attorney's fees and witness fees, in accordance with Section 11.E(4) of the Act.

The grounds for this proposed action are as follows:

**RESPONDENTS SOLD UNREGISTERED SECURITIES IN THE STATE OF ILLINOIS**

1. Diane Glatfelter ("Respondent Glatfelter") is an unregistered individual with an address of 55 Glad Valley Drive in Billerica Massachusetts.
2. K2 Unlimited Inc., ("Respondent K2") is a Massachusetts-based company with an address of 55 Glad Valley Drive in Billerica Massachusetts. Respondent Glatfelter is the CEO and President of K2 Unlimited, Inc.
3. Robert S. Anderson ("Respondent Anderson") is an unregistered individual with multiple addresses in the state of Indiana. Respondent Anderson is, or was, the President of E-Trust Clearing House.
4. E-Trust Clearing House ("Respondent E-Trust") is an asset management firm, chartered in Sweden with its principal place of business in Madison, Indiana.
5. Diane Glatfelter is, or was, also an employee or independent contractor of E-Trust Clearing House.
6. Illinois Investor LLC, ("Illinois Investor") is a registered limited liability company in the State of Illinois.
7. In or around March or April of 2009, Respondent Glatfelter met with representatives of Illinois Investor and offered them an opportunity to invest in a Bank Guarantee Program. As Respondent Glatfelter explained, the investment would pool together investor funds in a joint venture in order to meet the minimum threshold required to qualify for a specific

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Bank Guarantee Program. This particular investment would extend for a ten-month period during which interest would be paid.

8. At the conclusion of the Investment Period, the principal invested in the Bank Guarantee Program would be returned and interest accrued would be paid.
9. During the Investment Period, Illinois Investor was able look up its investment to see how it was progressing via Respondent E-Trust's website. Illinois Investor's account on said website was protected by a password. This password was required to view the status of the investment account in order to protect Illinois Investor's privacy.
10. Respondent E-Trust's website reflected Illinois Investor's initial investment of \$325,000 as a "New Account," established on May 5, 2009 at 8:11 P.M.
11. As of August 20, 2009 at 12:30 P.M., Respondent E-Trust's website showed that Illinois Investor's initial investment of \$325,000 had already accrued a significant amount of interest and now totaled \$780,000.
12. The above Bank Guarantee Program is an offer and sale of an Investment Contract and therefore a security according to Sections 2.1, 2.5 and 2.5a of the Act. Pursuant to Sections 5, 6 and 7 of the Act, all securities that are offered or sold in the State of Illinois are required to be registered prior to their offer or sale in the State of Illinois.
13. That Respondents failed to file an application with the Secretary of State to register the security as required by the Act, and as a result the investment in the Bank Guarantee Program was not registered as such prior to their offer and sale in the State of Illinois.
14. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
15. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document, required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
16. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

**FRAUD OR DECEIT, MISREPRESENTATIONS AND OMISSIONS, AND/OR A  
DEVICE, SCHEME, ARTIFICE TO DEFRAUD**

17. Prior to the conclusion of the ten-month Investment Period, Illinois Investor LLC was presented with an additional investment opportunity by Respondent Glatfelter, on behalf of Respondent Anderson and Respondent E-Trust. Illinois Investor was given the option to receive its principal back at the end of the ten months and invest the earned interest in certain gold mines located out of the country. This gold mine investment was not to

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occur, if at all, until after Illinois Investor's initial ten-month Investment Period, (the "Investment Period") concluded.

18. Prior to the conclusion of Illinois Investor's initial ten-month Investment Period, Respondent Glatfelter contacted Illinois Investor in order to inform Illinois Investor that the gold transaction had been terminated due to turbulence in Guinea, and all of the investment funds were gone.
19. At no point, did Illinois Investor authorize its funds to be invested in said gold mines rather than the original investment in the Bank Guarantee Program.
20. Respondent Glatfelter and Respondent Anderson both failed and refused to notify Illinois Investor that instead Illinois Investor's funds would be invested in said gold mines rather than the original investment in the bank guarantee program.
21. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
22. Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
23. Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
24. By virtue of the foregoing, Respondent Vaneus violated Sections 12.F, 12.G and 12.I of the Act.

**RESPONDENTS ARE SUBJECT TO THE ENTRY OF AN ORDER OF PROHIBITION, CENSURE AND FINE**

25. That pursuant to Section 11.E(2) of the Act provides inter alia, that if the Secretary of State shall find that any person has violated subsection C, D, F, F, G H, I, J or K of Section 12 of the Act, the Secretary of State may by written order permanently prohibit the person from offering or selling securities in this State.
26. That by virtue of the foregoing, Respondents are subject to the issuance of an Order of Prohibition, Fine and/or Censure, and the costs of the investigation.

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You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A link of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 26th day of October, 2010.



JESSE WHITE

Secretary of State

State of Illinois

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Hearing Officer:  
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