

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)	
)	
MARADIA ASSET MANAGEMENT, LLC,)	
its managers, officers, affiliates, subsidiaries,)	
representatives, successors, and assigns, and;)	
XYFIN, LLC, its managers, officers, affiliates,)	
subsidiaries, representatives, successors,)	File No. 1400198
and assigns, and;)	
MARADIA COMMODITIES I, LLC, its)	
managers, officers, affiliates, subsidiaries,)	
representatives, successors, and assigns, and;)	
THOMAS R. DUENSING, an individual, and;)	
WILLEM MARAIS, an individual, and;)	
EDUAN NAUDE, an individual.)	

TEMPORARY ORDER OF SUSPENSION and PROHIBITION

TO THE RESPONDENTS:

**Maradia Asset Management, LLC
(CRD # 168411)
28955 W. Midway Street
Cary, IL 60013**

**Thomas R. Duensing
(CRD # 1893332)
28955 W. Midway Street
Cary, IL 60013**

**The Corporation Trust Company
In Care of Xyfin, LLC
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801**

**Willem Marais
10 Holly Hill Park
Holly Hill Drive
Banstead, Surry, SM72HE
United Kingdom**

**The Corporation Trust Company
In Care of Maradia Commodities I, LLC
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801**

**Eduan Naude
11 Molleno Ave.
Schonenberg Estate, Somerset West
7130, South Africa**

Temporary Order of Suspension and Prohibition
-1400198-

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the offer or sale of securities by any person employed by Respondent Maradia Asset Management, LLC, Maradia Commodities I, LLC, and Xyfin, LLC, is subject to a Temporary Order of Suspension and Prohibition.

FACTS COMMON TO ALL COUNTS

WHEREAS, the Secretary of State finds that the grounds for such Temporary Order of Suspension and Prohibition are as follows:

1. Respondent Maradia Asset Management, LLC, hereafter ("Maradia"), has been a registered Investment Adviser with the State of Illinois since November 15, 2013, and has a last known address of 28955 W. Midway Street, Cary, IL 60013.
2. Respondent Xyfin, LLC, hereafter ("Xyfin"), is a Delaware limited liability company which offered investors promissory notes with varying returns dependent on the length of the notes.
3. Respondent Maradia Commodities I, LLC, hereafter ("MCI"), is a Delaware limited liability company which offered investors the opportunity to invest in the sale of hard commodities in Europe, Africa, and Asia.
4. Respondent Willem Marais, hereafter ("Marais") represents himself as the owner and president of Respondents Xyfin and MCI, is a signatory on both companies' bank accounts located at Metropolitan Bank, and has a last known address of 10 Holy Hill Park, Holy Hill Drive, Banstead, Surry, SM72HE United Kingdom.
5. Respondent Eduan Naude, hereafter ("Naude") represents himself as the director of Respondents Xyfin and MCI, being responsible for all administrations and day to day business activities, is a signatory on both companies' bank accounts located at Metropolitan Bank, and has a last known address of 11 Molleno Avenue, Schonenberg Estate, Somerset West, 7130, South Africa.
6. Respondent Thomas R. Duensing, hereafter ("Duensing"), has been a registered Investment Adviser Representative with the State of Illinois since November 15, 2013. Respondent TRD is the Chief Executive Officer of Respondent Maradia and has a last known address of 28955 W. Midway Street, Cary, IL 60013.

COUNT I

FRAUD IN THE OFFER AND SALE OF SECURITIES

7. Respondents Duensing and Maradia introduced some of his clients to two investment opportunities whereby his clients invested, an estimated \$4 Million, in two different LLC's purported to operate in the U.S., South Africa, England, and Switzerland, one of which was Xyfin, LLC which was a note program used to fund/finance trade transactions, and the other, Maradia Commodities I, LLC, which dealt in the sale of hard commodities.
8. Investments procured by Respondents Duensing and Maradia were made directly to Respondents Xyfin and MCI. From here, these investments were wire transferred, at the direction of Respondent Marais, to various companies located overseas, including other companies controlled by Respondents Marais and Naude.
9. Respondents Duensing and Maradia did not receive any fees from their clients in recommending these investments, however between April 2013 and February 2014, Respondents Duensing and Maradia received \$178,603.11 in wire transfers from three different bank accounts; one held by Xyfin, one held by MCI, and another account opened by Respondents Marais and Naude called Maradia Investments, LLC.
10. In or around February 2014, Respondent Duensing attended a meeting in London with Respondents Marais and Naude. At this meeting Respondent Duensing learned that funds he had raised from several clients to invest in the LLCs referenced above had been misappropriated and were now unaccounted for.
11. Of the \$4 million that Respondent Duensing had raised from his clients, only \$600,000 had been paid back, leaving an estimated \$3.4 million which Respondents Duensing and Maradia cannot account for.
12. During an interview conducted by the Department on April 30, 2014, Respondents Maradia and Duensing were asked if they performed a reasonable due diligence search into the validity of LLCs. Duensing responded by stating that Respondents did not do a criminal background check on the principals of the LLCs, failed to verify any operations of the LLCs, failed to verify what the funds, which they raised, would be used for, failed to verify any bank accounts of the LLCs, failed to contact and verify current customers of the LLCs, and took everything the principals of the LLCs iterated to Respondents and passed it on to their clients.
13. In Illinois, Investment advisers owe a fiduciary duty to their clients and therefore the investment adviser stands in a special relationship of trust and confidence with its clients. As a fiduciary, an investment adviser has an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients.
14. Section 8.E(1)(c) of the Act states *inter alia* that the registration of a investment adviser or investment adviser representative may be denied, suspended or revoked if the

Temporary Order of Suspension and Prohibition
-1400198-

Secretary of State finds that the investment adviser or investment adviser representative has failed to account for any money or property, or has failed to deliver any security, to any person entitled thereto when due or within a reasonable time thereafter.

15. Section 12.F of the Act states *inter alia* 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.
16. Section 12.J(2) of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person when acting as an investment adviser or investment adviser representative by any means or instrumentality, directly or indirectly engages in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.
17. By virtue of the Foregoing, Respondents Duensing and Maradia each violated Sections 8.E(1)(c), 12.F, and 12.J(2) of the Illinois Securities Law of 1953.
18. Respondent Marais, as the president of Respondents Xyfin and MCI and signatory on accounts held by both LLCs, has not returned the funds invested by Respondent Duensing's clients, an estimated \$3.4 million, and has failed to make any payments on the notes held by the investors since March 2014.
19. Respondent Naude, as director of Respondents Xyfin and MCI and signatory on accounts held by both LLCs, cannot account for the funds invested by Respondent Duensing's clients. Respondent Naude has failed to return the funds to investors, and has failed to make payments on the notes currently outstanding. On information and belief, Respondent Naude has filed a liquidation action in South Africa against Xyfin and Maradia companies.
20. Section 12.F of the Act states *inter alia* 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.
21. Section 12.I of the Act states *inter alia* 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.
22. By Virtue of the forgoing, Respondents Marais and Naude each violated Sections 12.F and 12.I of the Illinois Securities Law of 1953.

COUNT II

ACTING AS AN UNREGISTERED INVESTMENT ADVISER

23. During the interview referenced in paragraph 5, Respondents stated that they began selling securities in the above referenced LLCs in June 2012. Respondents Maradia and Duensing registered with the State of Illinois as an investment adviser and investment adviser representative, respectfully, in November 2013.
24. Section 8.A of the Act states *inter alia* that every investment adviser and investment adviser representative shall be registered as such with the Secretary of State.
25. Section 12.A states *inter alia* that it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
26. Section 12.C of the Act States it shall be a violation of the provisions of this Act for any person to act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.
27. By virtue of the Foregoing, Respondents Duensing and Maradia each violated Sections 12.A and 12.C of the Illinois Securities Law of 1953.

COUNT III

MAKING FALSE STATEMENTS TO THE SECRETARY OF STATE

28. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, investment advisers and investment adviser representatives are required to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the investment adviser and investment adviser representative experience a change that renders any information contained in the initial application for registration inaccurate.
29. Respondents Maradia and Duensing filed their U-4 forms as an investment adviser and investment adviser representative, respectfully, on November 15, 2013. On their U-4 forms Respondent Duensing answered the following question:

"Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following

Temporary Order of Suspension and Prohibition

-1400198-

details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during security trading hours, and briefly describe your duties relating to the other business.”

30. Respondent Duensing answered this question; “No,” indicating that he was not involved in outside business activity.
31. Respondents Maradia and Duensing have not amended their U-4 forms since their initial application.
32. Respondent Duensing never disclosed in his U-4 filing that he was participating in the offer or sale of investments in Xyfin and MCI which he received compensation for.
33. Moreover, Respondent Duensing never disclosed his insurance agency held under Thomas R. Duensing & Associates as an outside business.
34. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of an investment adviser representative may be suspended or revoked if the Secretary of State finds that such investment adviser representative has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine an investment adviser representative’s business repute or qualifications.
35. 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.
36. Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the act for any person to make or cause to be made in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
37. By Virtue of the foregoing, Respondents Maradia and Duensing each violated Sections 12.D and 12.E of the Illinois Securities Law of 1953.
38. Section 11.F(2) of the Act states *inter alia* the Secretary of State may temporarily prohibit, for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities, or the offer or sale of securities by any person, or the business of rendering investment advice without the notice and prior hearing in this subsection

Temporary Order of Suspension and Prohibition

-1400198-

prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.

39. The entry of this **Temporary Order** suspending and prohibiting **Respondents Maradia Asset Management, LLC, Xyfin, LLC, Maradia Commodities I, LLC, Thomas R. Duensing, Willem Marais, and Eduan Naude** from offering or selling securities, or from engaging in any course of business related to investment adviser activities, in or from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW IT IS HEREBY ORDERED THAT:

*Respondent **MARADIA ASSET MANAGEMENT, LLC**, and any representative or employee, is SUSPENDED and PROHIBITED from the offer or sale of securities in or from the State of Illinois, and SUSPENDED and PROHIBITED from engaging in any course of business related to investment adviser activities in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.*

*Respondent **XYFIN, LLC**, and any representative or employee, is SUSPENDED and PROHIBITED from the offer or sale of securities in or from the State of Illinois, and SUSPENDED and PROHIBITED from engaging in any course of business related to investment adviser activities in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.*

*Respondent **MARADIA COMMODITIES I, LLC**, and any representative or employee, is SUSPENDED and PROHIBITED from the offer or sale of securities in or from the State of Illinois, and SUSPENDED and PROHIBITED from engaging in any course of business related to investment adviser activities in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.*

*Respondent **THOMAS R. DUENSING** is SUSPENDED and PROHIBITED from the offer or sale of securities in or from the State of Illinois, and SUSPENDED and PROHIBITED from engaging in the business of an investment adviser representative in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.*

*Respondent **WILLEM MARAIS** is SUSPENDED and PROHIBITED from the offer or sale of securities in or from the State of Illinois, and SUSPENDED and PROHIBITED from engaging in the business of an investment adviser representative in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.*

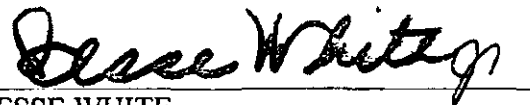
Temporary Order of Suspension and Prohibition

-1400198-

Respondent **EDUAN NAUDE** is **SUSPENDED** and **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **SUSPENDED** and **PROHIBITED** from engaging in the business of an investment adviser representative in or from the State of Illinois for a period of 90 days, effective November 5, 2014, subject to further order of the Secretary of State.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 5th day of November, 2014.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Frank Loscuito
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-7319

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to Enforcement Attorney, Frank Loscuito, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

Temporary Order of Suspension and Prohibition

-1400198-

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Departments website:

<http://www.cyberdriveillinois.com/departments/securities/abtil.html>