

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

IN THE MATTER OF:)	
)	File No. 1300450
DENNIS BIRD, an individual,)	

CONSENT ORDER

TO THE RESPONDENTS: **Dennis Bird**
 442 10th Street
 Lincoln, IL 62656

WHEREAS, Dennis Bird (“Bird”) on the 28th day of October, 2014 executed a certain Stipulation to Enter Consent Order (“the Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent Bird has admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the stipulation, Respondent Bird acknowledges, that the Secretary of State makes the following Findings of Facts:

1. Dennis Bird (“Bird”) is an Illinois resident with the last known address of 442 10th Street, Lincoln, IL 62656.
2. Respondent Bird holds a license in the State of Illinois to engage in the offer and sale of Insurance.
3. In or around September 2009, Respondent Bird introduced eleven (11) investors to Global Trade Financial which was established as a platform trade option.

COUNT I

FAILURE TO DO DUE DILIGENCE

4. Respondent Bird, who does not hold a securities license, approached eleven (11) investors, some of which were clients of his insurance business, to invest with him in a platform trade option known as Global Trade Financial.

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5. Between September 2009 and December 2009, the eleven (11) investors provided Respondent Bird with funds amounting to \$300,000.
6. The \$300,000 was then deposited into Respondent Bird's personal bank account.
7. During the period that the Investors' \$300,000 was in Respondent Bird's personal account awaiting to invest in the Global Trade Financial ("Global Trade") platform trade option, a promoter of Global Trade Financial ("Promoter 1") contacted Respondent Bird and iterated to him that the platform was not yet up and running, and recommended a short term investment to invest the Investors funds in until the platform was established.
8. The short term investment recommended by the Promoter 1 was Avalon Overseas Holding, S.A. ("Avalon").
9. Respondent Bird, without doing any research into Promoter 1's skills or background to verify whether she was a registered investment adviser or registered to engaged in securities transactions, decided to discuss the short term investment option in Avalon to the eleven investors to see whether the eleven investors would like to invest in Avalon until Global Trade was established.
10. Moreover, Respondent Bird failed to do any research into the viability of Avalon, and failed to do any background checks on the principal of Avalon. Respondent Bird relied solely on the advice of Promoter 1 and her recommendation to invest in Avalon.
11. As a result, the eleven investors decided to invest in Avalon until Global Trade was running. Respondent Bird then drafted Joint Venture Agreements naming Global Trade the managing partner of the invested funds.
12. The Joint Venture Agreement also named Respondent Bird as the paymaster of the partnership group designating him to disburse the income realized in appropriate proportions based on the individual shares owned by the eleven investors in the master account.
13. The Agreement also states that this is an investment pool to invest in capital investment programs, private placement opportunities, controlled Buy-sell programs and various project funding requirements on behalf of clients. The Agreement states in pertinent part that Global Trade will take a 5% fee of the pooled invested funds and that a short term investment for the month of December was established with Avalon.
14. The Joint Venture Agreement created by Respondent Bird constitutes an "investment contract" and therefore is the offer or sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
15. The eleven investors each signed the Joint Venture Agreements and entrusted Respondent Bird with the funds to be deposited with Global Trade.

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16. On November 20, 2009, Respondent Bird affected a wire transfer from his personal account in the amount of \$225,000, which was wired to Global Trade Financial's Chase Bank account.
17. On December 16, 2009, Respondent Bird affected another wire transfer from his personal account in the amount of \$75,000, which was again wired to Global Trade Financial's Chase Bank Account.
18. Per the terms of the agreement with Global Trade, three members, including Promoter 1, of Global Trade took a 5% fee of the deposited funds. Respondent Bird was not a signatory on the Global Trade bank account.
19. In December 2009, two wire transfers were made from the Global Trade Financial account to Avalon amounting to \$285,250 representing the invested funds minus the 5% fee charged by the Global Trade members.
20. Respondent Bird received a statement in February 2010 from Avalon. After reviewing at the statement, Respondent Bird became concerned about the information in the account statement and requested that the funds be returned to the Global Trade Financial account.
21. Respondent Bird had several conversations with the principal of Avalon regarding the return of the investment, and why it was taking so long to return the funds. Sometime after April 2010, the principal of Avalon stopped responding to Respondent Bird.
22. On information and belief, the principal of Avalon has since left the country with investors' money. To date the eleven investors have not received any return of the \$300,000 invested.
23. Respondent Bird drafted the Joint Venture Agreements with the eleven investors and presented it to each of them. Respondent Bird failed to verify the information presented to him by Promoter 1 or check whether she was registered to engage in investment advisory activities. Moreover, Respondent Bird did not do an independent examination into Avalon to verify whether it was a legitimate investment before presenting this investment to the eleven investors.
24. Section 12.H of the Act states *inter alia* that it shall be a violation of this Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
25. By virtue of the foregoing, Respondent Bird violated Section 12.H of the Act.

COUNT II

ACTING AS AN UNREGISTERED INVESTMENT ADVISER

26. Paragraphs 1 through 25 are herein incorporated by reference.
27. Under Section 2.12b of the Act, an Investment adviser representative means, with respect to an investment adviser who is required to register under this Act, any person who in this State: (1) makes any recommendations or otherwise renders advice regarding securities; (2) manages accounts or portfolios of clients; and (3) determines what recommendations or advice regarding securities should be given.
28. Respondent Bird recommended to the eleven investors the short term investment in Avalon.
29. Respondent Bird collected funds from the eleven investors and placed said funds into his personal bank account. Moreover, Respondent Bird affected a wire transfer from his personal account to the Global Trade Financial account.
30. Respondent Bird took Promoter 1's recommendation and decided to pass this advice on to the eleven investors without doing any other additional research into Avalon before recommending the investment to the eleven investors.
31. The activities of Respondent Bird described in paragraphs 28 through 30 constitute acting as an Investment Adviser Representative in the State of Illinois.
32. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
33. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
34. Section 12.C of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to act as a investment adviser or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.
35. By virtue of the foregoing, Respondent Bird violated Sections 12.A and 12.C of the Act.

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WHEREAS, by means of the Stipulation, Respondent Bird has acknowledged that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. Respondent Bird acknowledges and agrees that he has violated Sections 12.A, 12.C, and 12.H of the Act;
3. WHEREAS, Respondent Bird agrees to be prohibited from engaging in the offer and sale of securities in or from the State of Illinois, and agrees to be prohibited from engaging in any and all investment adviser activities in the State of Illinois;
4. WHEREAS, Respondent Bird agrees to a permanent bar from registering as an investment adviser and/or investment adviser representative in the State of Illinois;
5. WHEREAS, Respondent Bird agrees to a permanent bar from registering as a salesperson in the State of Illinois.
6. WHEREAS, Respondent Bird agrees to cooperate with the Department, including but not limited to providing testimony, evidence, and assistance to the Department in any resulting actions. Moreover, Respondent Bird agrees to waive any and all witness fees/costs in providing his testimony to the Department.


NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. By means of the Stipulation, Respondent Bird has acknowledged and agreed that he will be **PROHIBITED** from the offer and sale of securities in or from the State of Illinois, and will be **PROHIBITED** from engaging in any and all investment adviser activities in the State of Illinois.
2. By means of the Stipulation, Respondent Bird is permanently **BARRED** from registering as an Investment Adviser and/or investment adviser representative in the State of Illinois.
3. By means of the Stipulation, Respondent Bird is permanently **BARRED** from registering as a salesperson in the State of Illinois.
4. By means of the Stipulation, Respondent Bird has acknowledged and agreed that he will cooperate with the Department, including but not limited to providing testimony, evidence, and assistance to the Department in any resulting actions. Moreover, Respondent Bird has acknowledged and agreed to waive any and all witness fees/costs in providing his testimony to the Department.

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5. The Notice of Hearing dated October 20, 2014, as it relates to Respondent Bird will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Order;
6. The entry of this Order ends the Secretary of State Securities Department's formal hearing of this matter.

Entered: This 7th day of November, 2014.



JESSE WHITE
Secretary of State
State of Illinois

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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3 -101 *et seq.* and the Rules and Regulations of the Act (14 111. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.