

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

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

CONSENT ORDER

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**

WHEREAS, Thomas R. Duensing, personally and on behalf of Maradia Asset Management, LLC, on the 6th day of February, 2015 executed a certain Stipulation to Enter into this Consent Order (“the Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, to effect permanent settlement of any claims or charges against Thomas R. Duensing and Maradia Asset Management, LLC relating to the matter described herein, by means of the Stipulation, Respondents Thomas R. Duensing and Maradia Asset Management, LLC have admitted to the jurisdiction of the Secretary of State, Securities Department, and have consented to the entry of this Consent Order.

WHEREAS, no Findings of Facts or Conclusions of Law contained in the Stipulation shall be given preclusive or prejudicial effect against Thomas R. Duensing and Maradia Asset Management, LLC in the course of any future proceeding by any party other than by the Secretary of State to enforce this Consent Order.

FACTS COMMON TO ALL COUNTS

WHEREAS, by means of the Stipulation, Thomas R. Duensing and Maradia Asset Management, LLC acknowledge, while neither admitting nor denying the truth thereof, that the following allegations shall be adopted as the Secretary of State’s Findings of Fact:

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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 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.
3. Xyfin, LLC, hereafter ("Xyfin"), is a Delaware limited liability company which offered investors promissory notes with varying returns depending on the length of the notes.
4. 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.
5. Willem Marais, hereafter ("Marais") represents himself as the owner and president of Xyfin and MCI, hereafter ("the LLCs"), 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.
6. Eduan Naude, hereafter ("Naude") represents himself as the director of 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.
7. That on January 16, 2015, the Illinois Securities Department issued a Final Order of Prohibition against Xyfin, MCI, Marais, and Naude which permanently prohibited them from the offer and sale of securities in or from the State of Illinois. This action arose out of each Marais and Naude's failure to respond to the allegations of fraud as set out in the Temporary Order of Prohibition dated November 5, 2014, within the proscribed thirty day period, thereby admitting to the Secretary of State's findings of facts.

COUNT I

FAILURE TO DO DUE DILIGENCE

WHEREAS, by means of the Stipulation, Duensing and Maradia acknowledge, while neither admitting nor denying the truth thereof, that the following allegations shall be adopted by the Secretary of State regarding Count I:

8. 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 which was a note program used to fund/finance trade transactions, and the other, MCI, which dealt in the sale of hard commodities.

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9. Investments procured by Respondents Duensing and Maradia were made directly to Xyfin and MCI. From here, these investments were wire transferred, at the direction of Marais, to various companies located overseas, including other companies controlled by Marais and Naude.
10. 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 reimbursements totaling \$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.
11. In or around February 2014, Respondent Duensing attended a meeting in London with 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.
12. 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.
13. 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 he had done research into the LLCs but also admitted that Respondents did not do a criminal background check on the principals of the LLCs, did not independently investigate the day-to-day operations of the LLCs, lacked access to verify the LLCs' bank accounts' activities, and relied upon certain statements made by the principals of the LLCs in discussions with their clients.
14. 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.
15. Section 8.E(1)(c) of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") states *inter alia* that the registration of an investment adviser or investment adviser representative may be denied, suspended or revoked if the 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.
16. 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.

COUNT II

ACTING AS AN UNREGISTERED INVESTMENT ADVISER

WHEREAS, by means of the Stipulation, Duensing and Maradia acknowledge, while neither admitting nor denying the truth thereof, that the following allegations shall be adopted by the Secretary of State regarding Count II:

17. During the interview referenced in paragraph 13, 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.
18. 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.
19. Section 12.A of the Act 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.
20. 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.

COUNT III

MAKING FALSE STATEMENTS TO THE SECRETARY OF STATE

WHEREAS, by means of the Stipulation, Duensing and Maradia acknowledge, while neither admitting nor denying the truth thereof, that the following allegations shall be adopted by the Secretary of State regarding Count III:

21. Pursuant to 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.
22. 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:

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“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 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.”

23. Respondent Duensing answered this question: “No,” indicating that he was not involved in outside business activity.
24. Respondents Maradia and Duensing have not amended their U-4 forms since their initial application.
25. Respondent Duensing never disclosed in his U-4 filing that he was participating in the offer or sale of investments in Xyfin and MCI.
26. Moreover, Respondent Duensing never disclosed his insurance agency held under Thomas R. Duensing & Associates as an outside business.
27. 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.
28. 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.
29. 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.

WHEREAS, to effect permanent settlement of any claims or charges against Duensing and Maradia relating to the matter described herein, by means of the Stipulation Respondents Duensing and Maradia acknowledge, while neither admitting nor denying the truth thereof with

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the exception that Respondents admit to Illinois's jurisdiction over this matter, 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 Act;
2. WHEREAS, Respondents Maradia and Duensing agree to withdraw their applications with the Secretary of State, and Maradia shall not re-apply;
3. WHEREAS, Respondent Duensing acknowledges and agrees not to register as an investment adviser representative or act as a principal of an investment adviser as defined by the Act, 815 ILCS 5/2.12b, 5/2.12a, in the State of Illinois;
4. WHEREAS, Respondent Duensing acknowledges and agrees not to register as a salesperson as defined by the Act, 815 ILCS 5/2.9, in the State of Illinois;
5. WHEREAS, Respondent Duensing 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 Duensing agrees to waive any and all witness fees/costs in providing his testimony to the Department.

NOW IT IS HEREBY ORDERED THAT:

By means of stipulation, Respondents Maradia and Duensing shall WITHDRAW their applications with the Secretary of State as investment adviser and investment adviser representative, respectfully, and Maradia shall not re-submit an application with the Illinois Secretary of State;

By means of stipulation, Respondent Duensing SHALL NOT register as an investment adviser representative or act as a principal of an investment adviser as defined by the Act, 815 ILCS 5/2.12b, 5/2.12a, in the State of Illinois;

By means of stipulation, Respondent Duensing SHALL NOT register as a salesperson as defined by the Act, 815 ILCS 5/2.9, in the State of Illinois;

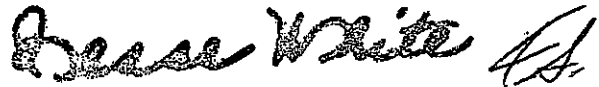
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By means of stipulation, Respondent Duensing SHALL cooperate with the Department, including but not limited to providing testimony, evidence, and assistance to the Department in any resulting actions. Moreover, Respondent Duensing SHALL waive any and all witness fees/costs in providing his testimony to the Department.

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

Dated: This 9th day of February, 2015.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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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.