

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

IN THE MATTER OF:)	
)	
SCOTT WILLIAM BURNIM)	
)	File No. 1700111
and)	
)	
THE TRADE GROUP WEST)	
)	
RESPONDENTS.)	

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS:

Scott William Burnim
2005 Costa Del Mar Rd. Unit 633
Carlsbad, CA 92009-6820

The Trade Group West
thetradegroupwest@consultant.com

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND

1. Respondent Scott William Burnim, ("Respondent Burnim") is an individual with a last known address of 2005 Costa Del Mar Rd. Unit 633 Carlsbad, CA 92009-6820.
2. Respondent The Trade Group West ("Respondent Trade Group") is a business with a last known address of thetradegroupwest@consultant.com
3. At all times alleged herein Respondent Burnim served as the Director of Respondent Trade Group.

Temporary Order of Prohibition

2

4. During the time alleged herein Respondents made contact with Illinois residents via email address.
5. On or about October 18, 2016, Respondent Burnim and Respondent Trade Group solicited and induced an Illinois resident ("Investor 1") to pay \$15,000 for a 365 Day Spot Trade agreement ("Agreement #1").
6. Agreement #1 is dated October 18, 2016, signed by Respondent Burnim as the Director of Respondent Trade Group and provides, in part:

[Respondent Trade Group] is a Private Placement organization that offers Spot Trades to our Clients who are interested in receiving a 120% ROI at the end of a 365 day trading period, based on best efforts... Client will have the option to receive 110% of their principle plus the return of their membership fee if their Spot Trade fails to produce the expected 120% ROI at the end of the 365 day term, or the client has the option to remain in the trade until the disbursement of the ROI. The Trade Group West stands by our product.

7. Agreement #1 further states "[t]he Platform will apply their credit line to the amount of the tranche to be traded. Once the tranche is completed based on the length of the trade, the Clients [sic] principle is returned along with the profits generated. The Clients [sic] funds never leave the Platform's account."
8. Agreement #1 provides that "[t]he funds are secured (insured) by the Platform's bond or insurance policy against loss of principle..."
9. Agreement #1 provides that Investor #1 will deposit or wire the sum of \$15,000 to Bank of America in the account name of Respondent Trade Group with account number 3250 7655 3677 and routing number 121000358. Investor #1 made the wire transfer.
10. On or about October 24, 2016, Respondent Burnim and Respondent Trade Group solicited and induced Investor #1 to pay \$100,000 for a 180 Day Spot Trade agreement ("Agreement #2").
11. Agreement #2 is dated October 24, 2016, signed by Respondent Burnim as the Director of Respondent Trade Group and provides, in part:

[Respondent Trade Group] is a Private Placement organization that offers Spot Trades to our Clients who are interested in receiving a 60% ROI at the end of a 180 day trading period, based on best efforts...

Client will have the option to receive 110% of their principle plus the return of their membership fee if their Spot Trade fails to produce the expected 60% ROI at the end of the 180 day term, or the client has the option to remain in the trade until the disbursement of the ROI. The Trade Group West stands by our product.

12. Agreement #2 further states “[t]he Platform will apply their credit line to the amount of the tranche to be traded. Once the tranche is completed based on the length of the trade, the Clients [sic] principle is returned along with the profits generated. The Clients [sic] funds never leave the Platform’s account.”
13. Agreement #2 provides that “[t]he funds are secured (insured) by the Platform’s bond or insurance policy against loss of principle...”
14. Agreement #2 provides that Investor #1 will deposit or wire the sum of \$100,000 to Bank of America in the account name of Respondent Trade Group with account number 3250 7655 3677 and routing number 121000358. Investor #1 made the wire transfer.
15. On or about November 1, 2016, Respondent Burnim and Respondent Trade Group solicited and induced Investor #1 to pay \$140,000 for a 180 Day Spot Trade agreement (“Agreement #3”).
16. Agreement #3 is dated November 1, 2016, signed by Respondent Burnim as the Director of Respondent Trade Group and provides, in part,:

[Respondent Trade Group] is a Private Placement organization that offers Spot Trades to our Clients who are interested in receiving a 60% ROI at the end of a 180 day trading period, based on best efforts... Client will have the option to receive 110% of their principle plus the return of their membership fee if their Spot Trade fails to produce the expected 60% ROI at the end of the 180 day term, or the client has the option to remain in the trade until the disbursement of the ROI. The Trade Group West stands by our product.

17. Agreement #3 further states “[t]he Platform will apply their credit line to the amount of the tranche to be traded. Once the tranche is completed based on the length of the trade, the Clients [sic] principle is returned along with the profits generated. The Clients [sic] funds never leave the Platform’s account.”
18. Agreement #3 provides that “[t]he funds are secured (insured) by the Platform’s bond or insurance policy against loss of principle...”

19. Agreement #3 provides that Investor #1 will deposit or wire the sum of \$140,000 to Bank of America in the account name of Respondent Trade Group with account number 3250 7655 3677 and routing number 121000358. Investor #1 used the \$100,000 from Agreement #2 referred to above and wire transferred the sum of \$40,000 to complete Agreement #3.
20. On or about December 27, 2016, Respondent Burnim and Respondent Trade Group solicited and induced an Illinois resident (“Investor #2”) to pay \$75,000 for a High Yield Investment Contract (“Contract #1”)
21. Contract #1 is dated December 27, 2016, signed by Respondent Burnim as the Director of Respondent Trade Group and provides, in part,:

[Respondent Trade Group] is a Private Investment Fund that offers High Yield Investments to our Clients who are interested in receiving a 60% ROI at the end of a 180 day contract, based on best efforts...Client will have the option to receive 100% of their principle plus the return of their membership fee if their contract fails to produce the expected 60% ROI at the end of the 180 day term, or the client has the option to remain in the contract until the disbursement of the ROI. The Trade Group West stands by our product.

22. Contract #1 further provides [t]he Client’s principal is secured (insured) by the Platform’s bon or insurance policy against loss... The Platform will apply their credit line to the amount of the principal invested. Once the contract is completed, the Clients [sic] principal is returned along with the profits generated.”
23. Contract #1 provides that Investor #2 will deposit or wire the sum of \$75,000 to Bank of America in the account name of Respondent Trade Group with account number 3250 7655 3677 and routing number 121000358. Investor #2 directed the wire transfer to be made.

FAILURE TO REGISTER

24. The Illinois Securities Department (“Department”) re-alleges and incorporates herein the allegations contained in paragraphs 1 through 23 above.
25. Respondents’ activities described above involve the offer and sale of securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (“Act”).

26. Section 5 of the Act provides, *inter alia*, “all securities except those set forth under Section 2a of this Act ... or those exempt ... shall be registered ... prior to their offer or sale in this State.”
27. Respondents failed to file an application for the aforementioned Agreements and Contract with the Illinois Securities Department and as a result the Agreements and Contract were not registered as such prior to their offer and sale in the State of Illinois
28. Section 12.A of the Act provides, *inter alia*, it shall be a violation of any person to offer or sell any security except in accordance with the provisions of the Act.
29. Section 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment advisor, or investment adviser representative, unless registered as such, where registration is required, under the provisions of the Act.
30. Section 12.D of the Act provides, *inter alia*, it shall be a violation for any person “[t]o fail to file with the Secretary of State any application, report or document, required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act ...”
31. At all times relevant herein, Respondents failed to register as either a dealer, salesperson, investment adviser or investment adviser representative pursuant to Section 8 of the Act.
32. Pursuant to the foregoing, Respondents violated Sections 12.A, 12.C and 12.D of the Act.

FRAUD AND DECEIT

33. The Illinois Securities Department (“Department”) re-alleges and incorporates herein the allegations contained in paragraphs 1 through 32 above.
34. At all times relevant herein, Respondents failed to have the funds from Agreements #1, #2 and #3 and Contract #1 secured or insured with an insurance policy.
35. At all times relevant herein, Respondents failed to account for the funds received from Agreements #1, #2 and #3 and Contract #1.
36. Respondents defaulted on Agreements #1, #2 and #3 and Contract #1.
37. In spite of numerous attempts by Investors to achieve repayment on the principal of the Agreements and the Contract and the corresponding interest on those securities, Respondents have failed to make any payments.
38. Section 12.F of the Act provides, *inter alia*, it shall be a violation of the Act for any person “[t]o 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.”

39. Section 12.G of the Act provides, *inter alia*, it shall be a violation of the Act for any person “[t]o 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 the light of the circumstances under which they were made, not misleading.”
40. Section 12.I of the Act provides, *inter alia*, it shall be a violation of the Act for any person, “[t]o employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.”
41. Respondents’ actions, as stated herein, violated Sections 12.F, 12.G and 12.I of the Act.

PROHIBITION

42. The Department re-alleges and incorporates herein the allegations contained in paragraphs 1 through 41 above.
43. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend, for a maximum period of 90 days, by an order effective immediately, the offer, sale or registration of securities by any person, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this 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.
44. The entry of this **Temporary Order of Prohibition** (“Temporary Order”) prohibiting Respondents from offering or selling securities in 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.
45. The aforementioned findings are based upon credible evidence.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Scott William Burnim and The Trade Group West and their partners, officers and directors, agents, employees, members, affiliate, successors and assigns are temporarily **PROHIBITED** from offering, selling or registering securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, 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 the entry of the Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for

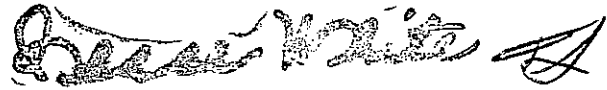
Temporary Order of Prohibition

7

hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 16th day of June 2017.



JESSE WHITE
Secretary of State
State of Illinois

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