

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 20, 2018

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2018-00007

RESULTS AUCTIONS, LLC,
and
CLIFTON RAY KADERLI,
Defendants

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Results Auctions, LLC ("RA") and Clifton Ray Kaderli ("Kaderli," collectively, the "Defendants") pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

RA is a Virginia limited liability company with a last known address of 116 North Loudoun Street, Winchester, Virginia 22601, and Kaderli is the owner and managing member of RA. RA was organized for the purpose of offering and selling securities in the form of promissory notes, allowing it to pool investor funds and purchase inventories of firearms from auctions and estates.

The Division alleges that in 2014 the Defendants offered and sold unregistered securities to a Virginia investor ("Virginia Investor") without themselves registered to offer and sell securities in Virginia. The Defendants failed to disclose the existence of this Virginia Investor to

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the Division when resolving similar alleged violations addressed in the Commission's Settlement Ordering Case No. SEC-2013-00011.¹

Based on the investigation, the Division alleges the Defendants violated § 13.1-504 (B) of the Act by employing an unregistered agent in the offer and sale of securities and § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-521 (A) of the Act to impose a civil penalty, by § 13.1-521 (C) of the Act to order the defendant make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendants neither admit nor deny the allegations herein but admit to the Commission's jurisdiction and authority to enter into this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendants have made an offer of settlement to the Commission wherein the Defendants will abide by and comply with the following terms and undertakings:

(1) The Defendants will pay Seventy-nine Thousand Two Hundred Fifty-five Dollars and Ninety Cents (\$79,255.90) in restitution to the Virginia Investor in the form of certified funds within five (5) years of this Order as follows:

a. Within one hundred twenty (120) days of the entry of this Order, the Defendants will pay Five Thousand Dollars (\$5,000) in restitution to the Virginia Investor;

¹ *Commonwealth of Virginia, ex rel., State Corporation Commission v. Results Tax Liens Management, LLC, Results Auctions, LLC, Clifton Ray Kaderli, LLC, Greg A. Buttler, and Adolf Crosby Wood*, Case No. SEC-2013-00011, 2014 S.C.C. Ann. Rept. 508, Settlement Order (Mar. 13, 2014).

b. By the 30th of each month, for the next consecutive fifty-nine (59) months, the Defendants will pay One Thousand Two Hundred Fifty Dollars (\$1,250) to the Virginia Investor, and following these payments, a payment in month sixty (60) of Five Hundred Five Dollars and Ninety Cents (\$505.90);

c. Within fifteen (15) days of each payment identified in (a) and (b) above, the Defendants will submit to the Division a copy of the payment transmittal, or other proof of payment to the Virginia Investor, containing the date in which payment was made, and the payment amount to the Virginia Investor.

The Division has recommended that the Commission accept the offer of settlement of the Defendants.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Division, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendants in settlement of the matter set forth herein is hereby accepted.

(2) The Defendants shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, or taking such other action it deems appropriate on account of the Defendants' failure to comply with the terms and undertakings of the settlement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Clifton Ray Kaderli, Results Auctions, LLC, 232 Mackenzie Lane, Stephenson, Virginia 22656;
and a copy shall be delivered to the Commission's Office of General Counsel and Division of
Securities and Retail Franchising.

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2018-00007

RESULTS AUCTIONS, LLC,
and
CLIFTON RAY KADERLI,
Defendants

ADMISSION AND CONSENT

Results Auctions, LLC ("RA") and Clifton Ray Kaderli ("Kaderli," collectively, the "Defendants") admit to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admit nor deny the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendants further state that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Results Auctions, LLC

Date: 8/7/18

By: Clifton Ray Kaderli

Its: Managing Member

Clifton Ray Kaderli

Date: 8/7/18

Clifton Ray Kaderli