

ROBERTA CROSS GUNS
Special Assistant Attorney General
840 Helena Avenue
Helena, MT 59601
406-444-2040

Attorney for Securities Department

BEFORE THE STATE AUDITOR AND COMMISSIONER OF SECURITIES,
HELENA, MONTANA

IN THE MATTER OF:)	
)	CASE NO.: SEC-2007-93
CARUBA INTERNATIONAL)	(01-25-07-252-C)
BUSINESS CORP.)	
111 N. Pine Island Road, Suite 20)	NOTICE OF PROPOSED AGENCY
Plantation, FL 33324,)	DISCIPLINARY ACTION AND
)	OPPORTUNITY FOR HEARING
TRADEWINDS HOLDING COMPANY)	
P. O. Box 3067)	
Piedra Plat, Oranjestad Aruba)	
Dutch Caribbean)	
)	
THE JUST FOUNDATION)	
2625 Keystone Road, Suite A-3)	
Tarpon Springs, FL 34688)	
)	
LINDA RIPKA, GARY NELSON, IVAN)	
SHEW-A-TJON,)	
)	
Respondents.)	

Staff of the Securities Department (Department) of the office of the State Auditor as Commissioner of Securities of the state of Montana (Commissioner), pursuant to the authority of the Securities Act of Montana, Section 30-10-101, *et seq.*, Montana Code Annotated (2007) (MCA), is proposing to the Commissioner that he take specific action against Caruba International Business Corp. (Caruba), having its principal place of business at 111N. Pine Island Road, Suite 20, Plantation, Florida; Tradewinds Holding Company (Tradewinds), having its principal place of business at Piedra Plat, Oranjestad Aruba, Dutch Carribean; The Just

Foundation (Foundation), having its principal place of business at 2625 Keystone Road, Suite A-3, Tarpon Springs, Florida; Linda Ripka (Ripka); Gary Nelson (Nelson); and Ivan Shew-A-Tjon (Shew-A-Tjon), as identified above for violations of the Montana Securities Act. The Commissioner has authority to take such action under the provisions of Sections 30-10-102, 30-10-107, 30-10-201, 30-10-301, 30-10-304, 30-10-305, and 30-10-309, MCA.

In particular, the Department's staff recommends specific action against Caruba, Tradewinds, the Foundation, Ripka, Nelson and Shew-A-Tjon, including imposition of appropriate fines, appropriate restitution with interest, and revocation or suspension of their respective registrations pursuant to the provisions of the Montana Securities Act.

Service of process is pursuant to § 30-10-107 (8), MCA.

There is probable cause to believe that the following facts, if true, justify and support such specific action.

ALLEGATIONS

1. Caruba International Business Corp. is not now, nor has it ever been registered with the Department in any capacity to conduct securities business. Caruba is domiciled in Plantation, Florida. Caruba is a Florida corporation and its registered agent is Ivan F. Shew-A-Tjon. Caruba is not registered with Montana's Secretary of State.

2. Tradewinds Holding Company is not now nor has it ever been registered with the Department in any capacity to conduct securities business. Tradewinds is domiciled in the Dutch Caribbean. Tradewinds was formerly registered as a Florida corporation. Tradewinds is not registered with Montana's Secretary of State.

3. The Just Foundation is not now nor has it ever been registered with the Department in any capacity to conduct securities business. The Foundation is domiciled in

Tarpon Springs, Florida. The Foundation was a Florida corporation administratively dissolved for failure to file its annual report on September 15, 2006. The Foundation is not registered with Montana's Secretary of State.

4. Linda Ripka is not now nor has she ever been registered in any capacity with the Department. Ripka was previously licensed as a salesperson in the state of Minnesota in 1999. Ripka was a Managing Partner for Caruba International and an authorized representative of an affiliated company Tradewinds Holdings.

5. Ivan Shew-A-Tjon is the registered agent and managing member for Caruba. Shew-A-Tjon is not now nor has he ever been registered with the Department in any capacity.

6. Gary Nelson (Nelson) is the registered agent for The Just Foundation. According to the CRD, Nelson's employer from on or about October 1, 2003 to November 23, 2005 was Abacus Wealth Advisors. Abacus Wealth Advisors and Abacus Solutions appear to be owned by the Foundation. Nelson is not now nor has he ever been registered with the Department in any capacity.

Tradewinds Investments by Complainant 1

7. On or about November 28, 2006, the Department received a complaint from a Montana citizen, identified herein as Complainant 1, regarding two investments Complainant 1 made in Tradewinds. According to Complainant 1, in or near the summer of 2004 Ripka solicited Complainant 1 and several other Montanans to invest in Tradewinds.

8. The Department conducted a standard investigation of Complainant 1's complaint including requests for information from Caruba and Ripka.

9. The Department's investigation of Caruba's website, www.carubapartners.com, indicates "Caruba International is an education-based corporation that assists individuals and

enterprises throughout the world by providing them with the education and information necessary to better manage their assets and financial growth.” However, marketing materials provided by Ripka indicates Caruba markets itself as a multi-level marketing company.

10. In documents provided by Ripka, and on a website that is no longer available, www.arubatradowinds.com, Tradewinds holds itself out as a brokerage firm. Those documents and website indicate, “The objective of Tradewinds Holdings Company is to buy, sell, trade and deal in stocks, bonds and securities of every nature, including puts, calls, straddles and other options, covered and uncovered, of every kind and nature, and commodities of every nature, and futures contract of any nature, on margin or otherwise; and in connection therewith, to borrow money and to pledge any and all stocks, bond, securities, commodities and contracts for the future delivery thereof.” Further the company states, “Tradewind Holding Company is registered on the island of Aruba for the purpose of providing strategic financial opportunities and services. At Tradewinds Holdings we are dedicated to offering our customers innovative investment services. We provide the best in customer service, strict protection of confidentiality and state-of-the-art computer and communication technologies.”

11. Caruba members were encouraged to invest in offerings made by Tradewinds.

12. On or about March 31, 2004, Complainant 1 invested approximately \$8,000 in an investment entitled “Tradewinds Holdings Co., 15%, Paid 6/15/04”. Complainant 1 received an account statement for this investment on or about November 16, 2005. This account statement indicates Complainant 1’s account was opened on or about March 31, 2004. The account statement also indicates Complainant 1’s investment was earning a 15% rate of return monthly from on or about June 15, 2004 to on or about May 16, 2005. The account statement also indicates that on May 16, 2005 a check was issued in the amount of \$11,600. Complainant 1 did

not receive this check or any other monies from Tradewinds. The account statement indicates an account balance of \$8,000.00 as of November 16, 2005.

13. Ripka provided Complainant 1 a document entitled “Tradewinds Holding Company AVV High Yield Fact Sheet.” The fact sheet states that the investment principal is guaranteed and returns are based on the following schedule: “Plan A-pays monthly after 90 days. Plan B- pays annually, funds are rolled-over and compounded.”

14. On or about August 23, 2004, Complainant 1 invested approximately \$15,965 in an investment entitled “Tradewinds Holdings Co., A.V.V.-High Yield”. Complainant 1 received an account statement for this investment on or about December 8, 2005. This account statement indicates Complainant 1’s account was opened on or about August 23, 2004. Further, it indicates an administrative fee of approximately \$478.95 was assessed on or about December 15, 2005. The account statement also indicates Complainant 1’s investment was earning a 10% rate of return monthly from on or about December 15, 2004 to on or about November 15, 2005. The account statement also indicates that on November 15, 2005, the account was closed, and a check was issued in the amount of \$34,069.37. Complainant 1 did not receive this check, or any other monies from Tradewinds.

15. Complainant 1 also received an undated letter in 2004 from Tradewinds stating “We have received your funds in the amount of \$15,965 which will be applied to the Private Placement that will trade on the first of next month.” The letter further states “your statement and check will be mailed on the 15th of January.”

16. The Tradewinds account statements listed Complainant 1’s account number for both investments as 84021-81946.

17. On or about May 9, 2005, Complainant 1 received an email from Tradewinds stating, “March and April payouts are delayed in going out because we are currently waiting on the commission check from Premier.”

18. On or about August 15, 2005, Ripka forwarded Complainant 1 an email from Shew-A-Tjon, a principal for Tradewinds. This email states “the purpose of this letter is to respond to a few dissatisfied investors cluttering the internet.” Shew-A-Tjon alleges that false rumors are being circulated about Tradewinds. Shew-A-Tjon responds to these rumors by telling Tradewinds’ investors that Tradewinds is a respectable company and that “I fully understand the frustration and financial harm the delay in paying out invested funds has caused some of you.”

19. On or about November 17, 2005, Complainant 1 received an email from Tradewinds stating, “all options, withdrawals, mature hedge funds, mature Hypp and Rome trades will be pay by Dec. 31st. We do apologize for the delays.”

20. On or about January 19, 2006, Complainant 1 received an email from Tradewinds stating, “Options and hedge accounts are still being updated and closed. This process has to be completed before we can come up with the total amount due to provide the holding company with so we can have our accountant issue checks. We do not have an estimated date of when these checks will be issued at this time. As soon as we are prepared to issue checks we will notify all members. We do not have an estimated date that Rome or Hypp checks will be issued yet either.”

Just Foundation Investments by Complainant 1

21. Ripka provided a “dear donor” letter, dated November 4, 2004, that claimed the Foundation is tax-exempt under IRS Code section 501(c)(3). The letter stated Just “is guided by

its mission, which encompasses the board of trustees' humanitarian need to benefit mankind. Our mission is to develop world class equine facilities for disabled children.”

22. Included with the “dear donor” letter was a “contribution package” for investors to contribute to the Foundation. Investors or “donors” could make checks payable to the Foundation or wire money to a Bank of America account. The package indicated the Foundation “will invest funds by way of a ‘credit-only account’ which secures funds during the term of investment.” The package indicated the investor or “donor” will then receive endowment income benefits to be paid monthly beginning in February 2005. An included “endowment chart” indicates that investors or “donors” will receive a 1000% return on their donation to the Foundation.

23. On or about November 18, 2004, Complainant 1 invested in the Foundation by a certified check in the amount of \$20,000. Complainant 1 alleges Ripka also solicited this investment.

24. On or about August 17, 2006, Complainant 1 received an email from Ripka stating, “Steve has been awarded from the court to get the money from his bad guy which he has three attorneys working (on this) due to the different states and country where the bad guy put the money. At this time, his attorneys recover(ed) enough to pay out 10% owing to Just Foundation people. They know where the funds are, but have to go thru the hoops and hurdles to get it.” Further, Ripka states, “I’m at no point feeling we will not be paid, but it’s just not moving as quickly as we want it to. Believe you me, I want the funds just as much, as I am more upset it’s not earning while we are waiting. I’ll keep you posted as I find anything out that is fact and not hearsay. Hang in there with patience.” To date Complainant 1 has received no monies from the Foundation or Ripka for his investment in the Foundation.

Tradewinds Investments by Complainant 2

25. On or about February 28, 2007, another Montana citizen identified herein as “Complainant 2” filed a similar complaint with the Department naming Ripka and Tradewinds.

26. On or about February 4, 2005, Complainant 2 invested approximately \$5,000 in a Tradewinds Hedge Fund. Complainant 2 received an account statement for this investment on or about October 6, 2005. This account statement indicates Complainant 2’s account was opened on or about February 4, 2005. The account statement also indicates Complainant 2’s investment was earning a rate of return between 9.2% and 10.4% monthly from on or about February 4, 2005 to on or about August 5, 2005. The account statement also indicates that on October 6, 2005, “Hedge Fund Mature”, and a check was issued in the amount of \$7,974.82. Complainant 2 did not receive this check, or any other monies from Tradewinds.

Based on the foregoing allegations, the Department submits the following:

CONCLUSIONS OF LAW

1. The State Auditor is the Commissioner of Securities (Commissioner) pursuant to § 30-10-107, MCA.
2. The administration of the Securities Act of Montana, § 30-10-101, MCA *et seq.* is under the supervision and control of the Securities Commissioner. § 30-10-107, MCA.
3. The Securities Act of Montana shall be construed to protect investors, persons engaged in securities transactions, and the public interest. § 30-10-102, MCA.
4. Respondents violated the requirements of § 30-10-201, MCA because none of them were registered to conduct securities business in Montana.
5. Respondents violated the requirements of § 30-10-202, MCA because none of the investments offered by Respondents were registered in Montana.

6. Respondents violated § 30-10-301 (1) (b), MCA when they offered and sold unregistered securities in Montana while omitting the material fact that such registration is required by law.

7. Respondents violated § 30-10-301 (1) (b), MCA when they offered and sold unregistered securities in Montana while omitting the material fact that Respondents were not registered to conduct securities business in Montana as required by law.

8. Respondents violated § 30-10-301 (1) (b), MCA when they offered and sold unregistered securities in Montana while omitting the material fact that the promised rate of return on the investments was unrealistic and false.

9. Respondents violated § 30-10-301 (1) (c), MCA when they engaged in the act, practice or course of business of offering and selling unregistered securities in Montana.

10. Respondents violated § 30-10-301 (1) (c), MCA when they engaged in the act, practice or course of business of offering and selling unregistered securities in Montana without Respondents being registered to conduct securities business in Montana.

11. Respondents violated § 30-10-301 (1) (c), MCA when they engaged in the act, practice or course of business of misrepresenting investment returns earned by Montana residents via fraudulent account statements.

12. Respondents violated § 30-10-301 (1) (c), MCA when they engaged in the act, practice or course of business when Respondents continually misrepresented to Montana investors that the investors would have their principal plus interest returned to them.

13. Respondents violated § 30-10-301 (1) (c), MCA, when they engaged in the act, practice or course of business of offering and selling unregistered securities with promises of unrealistic and false investment returns.

14. Respondents violated § 30-10-201 (13) (g), MCA and § 6.10.126 (2), ARM, when they committed an unethical practice of issuing account statements to Montana investors with misleading information about the return on their investments..

PUBLIC INTEREST

For any and all of the reasons set forth above, it is in the public interest and will protect Montana investors to:

1. Issue a cease and desist order barring Respondents from further violations of the Act;
2. Order Respondents to pay administrative fines in an amount and upon such terms and conditions as supported by the evidence and determined at hearing of this matter;
3. Order Respondents to pay restitution to the Complainants, including the statutory 10% interest from the date of the wrong-doing; and
4. Take such other actions which may be in the public interest and necessary and appropriate for the protection of Montana investors.

RELIEF SOUGHT

1. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-201, MCA pursuant to § 30-10-305, MCA;
2. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-201 (13) (k), MCA pursuant to § 30-10-305, MCA;
3. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-202, MCA pursuant to § 30-10-305, MCA;
4. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-301 (1) (b), MCA pursuant to § 30-10-305, MCA;
5. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-301 (1) (c), MCA pursuant to § 30-10-305, MCA;

6. Order Respondents to pay fines not to exceed \$5,000 for each identifiable violation of § 30-10-201 (13) (g), MCA and § 6.10.126 (2), ARM pursuant to § 30-10-305, MCA;
7. Order Respondents to pay restitution to the Complainants, including the statutory 10% interest from the date of the wrong-doing; and
8. Any other such relief allowed by law or required by justice.

STATEMENT OF RIGHTS

You are entitled to a hearing to respond to this notice, present evidence and arguments on all issues involved in this case. You have a right to be represented by an attorney at any and all stages of this proceeding. You may demand a formal hearing before a hearing examiner appointed by the Commissioner pursuant to the Montana Administrative Procedure Act, §§ 2-4-601, MCA, et seq. including § 2-4-631, MCA. If you demand a hearing, you will be given notice of the time, place and the nature of the hearing.

If you want to contest the proposed action under the jurisdiction of the Commissioner, you must advise the Commissioner within 15 days of the date you receive this notice. You must advise the Commissioner of your intent to contest the proposed action by writing to Roberta Cross Guns, Special Assistant Attorney General, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. Your letter must clearly indicate whether you demand a hearing or whether you waive formal proceedings and, if so, what informal proceedings you prefer for disposition of this case. Pursuant to § 2-4-603(2), MCA, you may not request to proceed informally if the action could result in suspension, revocation or any other adverse action against a professional license. Should you request a hearing on the matters raised in this Notice, a hearing must be held within 45 days of the request, unless postponed by mutual consent of the parties pursuant to § 33-1-701 (2), MCA.

Should you request a hearing, you have the right to be accompanied, represented, and advised by counsel. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of Application of American Smelting and Refining Co., (1973), 164 Mont. 139, 520 P.2d 103.

CONTACT WITH SECURITIES COMMISSIONER'S OFFICE

If you have questions or wish to discuss this matter, please contact Roberta Cross Guns, legal counsel for the State Auditor, at 840 Helena Avenue, Helena, MT, 59601, (406)-444-2040 or within Montana, (800)-332-6148. If an attorney represents you, please make any contacts with this office through your attorney.

POSSIBILITY OF DEFAULT

Failure to give notice or to advise of your demand for a hearing or informal procedure within 15 days will result in the entry of a default order imposing the disciplinary sanctions against you and your license, without further notice to you, pursuant to 6.2.101, ARM and the Attorney General's Model Rule 10, 1.3.214.

DATED this 22nd day of January, 2008.

JOHN MORRISON
State Auditor and ex-officio
Commissioner of Securities and Insurance

By: Roberta Cross Guns
Roberta Cross Guns
Special Assistant Attorney General

CERTIFICATE OF SERVICE

This is to certify that on this 22nd day of January, 2008, a copy of the foregoing was served upon the following persons by depositing a copy of the action in the U.S. Mail, certified, return receipt requested, postage prepaid, addressed to:

Linda Ripka
6241 Fairfax Trail
Warsaw, Minnesota 55087

Ivan Shew-A-Tjon
1802 N. University Drive, #102-33
Plantation, Florida 33322

Gary Nelson
2625 Keystone Road, Suite A-3
Tarpon Springs, FL 34688

Caruba International Business Corp.
111 N. Pine Island Road
Suite 201
Plantation, FL 33324

Tradewinds Holding Company
8930 W. State Road 84, #301
Davie, FL 33324-4456

Just Foundation
2625 Keystone Road, Suite A-3
Tarpon Springs, FL 34688

Robert Cross Jones
State Auditor's Office