

1 **STATE OF WASHINGTON**  
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3 **SECURITIES DIVISION**

4 IN THE MATTER OF DETERMINING ) Order No.: S-11-0692-12-SC01  
5 Whether there has been a violation of the )  
6 Securities Act of Washington by: ) STATEMENT OF CHARGES AND NOTICE OF INTENT  
7 ) TO ENTER ORDER TO CEASE AND DESIST, TO  
8 Petra Alluis dba Global Asset Research and ) IMPOSE FINES AND TO CHARGE COSTS  
9 Recovery, )  
10 )  
11 )  
12 Respondent. )

13 **THE STATE OF WASHINGTON TO:** **Petra Alluis dba Global Asset Research and Recovery.**

14 **STATEMENT OF CHARGES**

15 Please take notice that the Securities Administrator of the state of Washington has reason to believe that  
16 Respondent, Petra Alluis doing business as Global Asset Research and Recovery, has violated the Securities Act of  
17 Washington and that those violations justify the entry of an order of the Securities Administrator under RCW  
18 21.20.390 to cease and desist from such violations and to charge costs, and under RCW 21.20.395 to impose a fine.  
19 The Securities Administrator finds as follow:

20 **TENTATIVE FINDINGS OF FACT**

21 Respondents

22 1. Petra Alluis (“Alluis”) conducts business under the fictitious business name Global Asset Research and  
23 Recovery (“GARR”), which is registered in Orange County, California. Alluis is believed to reside in California.  
24 GARR is purportedly in the business of purchasing civil court judgments and distressed debt portfolios, then  
25 collecting on the debt for a profit. Alluis is also the founder of the Judgment Recovery Institute of Advanced  
Learning (“JRIAL”), which is a business that purportedly trains individuals to start their own judgment recovery  
business. Alluis acted as a coach for JRIAL students. As a JRIAL coach, Alluis conducted long-distance trainings  
whereby she interacted with students through JRIAL’s website, by telephone, and by email. In 2001, Alluis filed a  
voluntary bankruptcy petition, which resulted in a standard discharge.

26 Nature of the Offering

27 2. In 2009 and 2010, Alluis offered and sold to her JRIAL students, at least one of whom was a Washington  
28 resident, agreements in which she promised to pay up to twice their investment amount. Alluis told investors that she  
29 would pool their money in a fund that would contribute to the purchase of a debt portfolio to be resold for a profit.  
30 Alluis collected at least \$25,000 of investors’ funds.

31 3. Alluis solicited interest in JRIAL through a website, a blog, and other internet postings. Students purchased  
32 access to JRIAL trainings and materials through the website www.jrinstitute.com. Sometime after completing several

1 coaching sessions, Alluis would present her JRIAL students with an opportunity to invest their funds in a purportedly  
2 low risk venture. Alluis directed communications regarding this opportunity via email and telephone into Washington  
3 and other states.

4 4. Alluis told prospective investors that her friend owns a business, Capitol Management Investment Group  
5 (“CMIG”), that buys large bundles of defaulted credit card debt from banks at well below face value. Alluis also told  
6 prospective investors that she had been allowed to invest in CMIG as a favor. Alluis explained that alone she did not  
7 have the funds to make the \$75,000 minimum investment with CMIG. Alluis further explained that, if she was able to  
8 raise \$75,000 or more, her friend would reserve a place for her in one of CMIG’s debt portfolio deals. Alluis told  
9 prospective investors that CMIG buys debt portfolios worth millions of dollars and identified at least one debt  
10 portfolio as having a face value exceeding \$14,000,000. Alluis also told prospective investors that CMIG had already  
11 secured the purchase and resale of the debt portfolios.

12 5. Alluis solicited her JRIAL students to provide her with funds so that she could invest in a debt portfolio that  
13 CMIG had secured for purchase and resale. Pursuant to a document entitled “POOL Investment Agreement,” Alluis  
14 promised to repay each investor’s principal investment plus interest after she received her return from CMIG. Under  
15 the agreement, Alluis referred to herself as an “Investee” who was accepting investments of \$2,000 or more. Alluis  
16 offered payout terms of 10, 30, 60 or 90 days. Alluis promised investors either a doubling of their investment if they  
17 chose to participate in the 90 day term, or one percent simple interest per day for the 10, 30, or 60 day terms.

18 6. Alluis directed investors to submit their funds to her via check or wire transfer to GARR’s business bank  
19 account. After she received investors’ funds, Alluis sent investors a series of emails indicating that investors had been  
20 or will soon be paid. Alluis failed to repay at least two investors.

#### 21 *Washington Investor*

22 7. On or about March 26, 2010, Alluis solicited a Washington resident by telephone to invest in the CMIG debt  
23 portfolio opportunity described above. On or about March 29, 2010, the Washington resident mailed a \$10,000  
24 payment to Alluis. The Washington resident opted for the 90 day term in order to double the \$10,000 investment.  
25 After the 90 days passed, Alluis told the Washington resident that she had yet not received the payout. Alluis  
eventually also told the Washington resident that the money was tied up in the Financial Crimes Enforcement  
Network. Still, Alluis assured the Washington resident that the money would be paid soon. Alluis never paid the  
Washington resident.

#### 26 Registration Status

27 8. Respondent, Petra Alluis doing business as Global Asset Research and Recovery, is not currently registered to  
28 sell securities in the state of Washington and has not previously been so registered.

#### 29 Misrepresentations and Omissions

30 9. Respondent failed to provide material information regarding the investments she offered and sold, including

1 but not limited to: financial statements, use of proceeds, details about who would be managing investors' funds,  
2 disclosures regarding the value of debt to be purchased, Respondent's financial situation, a reasonable basis for  
3 income projections, the risks of investing, authentication of CMIG's existence as a legal entity, and details about  
4 CMIG's business and financial background. Respondent also failed to disclose her bankruptcy history.

5 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

6 **CONCLUSIONS OF LAW**

- 7 1. The offer or sale of investment agreements as described above constitute the offer and/or sale of a security as  
8 defined in RCW 21.20.005(14) and (17).  
9 2. The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such an  
10 offer and/or sale is on file with the Securities Administrator, state of Washington.  
11 3. The offer and/or sale of said securities is in violation of RCW 21.20.010 because Respondent made  
12 misstatements of material fact or omitted to state material facts necessary in order to make the statements made, in  
13 light of the circumstances under which they were made, not misleading.

14 **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

15 Pursuant to RCW 21.20.390(1) and based upon the above Tentative Findings of Fact and Conclusions of Law,  
16 the Securities Administrator intends to order that Respondent, Petra Alluis doing business as Global Asset Research  
17 and Recovery, shall cease and desist from violations of RCW 21.20.010 and RCW 21.20.140.

18 **NOTICE OF INTENT TO IMPOSE A FINE**

19 Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law,  
20 the Securities Administrator intends to order that Respondent, Petra Alluis doing business as Global Asset Research  
21 and Recovery, shall be liable for and shall pay a fine of \$10,000.

22 **NOTICE OF INTENT TO CHARGE COSTS**

23 Pursuant to RCW 21.20.390, and based upon the Tentative Findings of Fact and Conclusions of Law, the  
24 Securities Administrator intends to order that Respondent, Petra Alluis doing business as Global Asset Research and  
25 Recovery, shall be liable for and shall pay investigative costs of at least \$1,000.

**AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW and is subject to the  
provisions of Chapter 34.05 RCW. The Respondent, Petra Alluis doing business as Global Asset Research and  
Recovery, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not make a hearing  
request in the time allowed, the Securities Administrator intends to adopt the above Tentative Findings of Fact and  
Conclusions of Law as final and to enter a permanent order to cease and desist as to the Respondent, to impose any  
fines sought against the Respondent, and to charge any costs sought against the Respondent.

Signed and Entered this 23rd day of January 2013.



William M. Beatty  
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason  
Chief of Enforcement

Drew Stillman  
Enforcement Attorney

Reviewed by:



Jack McClellan  
Financial Legal Examiner Supervisor