

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-11-0692-14-FO01
Whether there has been a violation of the)
Securities Act of Washington by:) ENTRY OF FINDINGS OF FACT AND CONCLUSIONS
) OF LAW AND FINAL ORDER TO CEASE AND DESIST,
Petra Alluis dba Global Asset Research and) TO IMPOSE A FINE, AND TO CHARGE COSTS
Recovery,)
)
Respondent.)

INTRODUCTION

On January 23, 2013, the Securities Administrator of the state of Washington issued a Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, To Impose Fines and To Charge Costs, Order Number S-11-0593-13-SC01 (hereinafter referred to as “Statement of Charges”), against Respondent, Petra Alluis dba Global Asset Research and Recovery. The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (hereinafter referred to as “Notice of Opportunity for Hearing”) and an Application for Adjudicative Hearing (hereinafter referred to as “Application for Hearing”), were served on Respondent, Petra Alluis dba Global Asset Research and Recovery, on January 29, 2013. The Notice of Opportunity for Hearing advised Respondent, Petra Alluis dba Global Asset Research and Recovery, that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondent, Petra Alluis dba Global Asset Research and Recovery, failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against the Respondent to cease and desist from violations of the Securities Act.

The Securities Administrator makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

Respondent

1. Petra Alluis (“Alluis”) conducts business under the fictitious business name Global Asset Research and Recovery (“GARR”), which is registered in Orange County, California. Alluis is believed to reside in California. GARR is purportedly in the business of purchasing civil court judgments and distressed debt portfolios, then 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

1 whereby she interacted with students through JRIAL's website, by telephone, and by email. In 2001, Alluis filed a
2 voluntary bankruptcy petition, which resulted in a standard discharge.

3 Nature of the Offering

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

8 3. Alluis solicited interest in JRIAL through a website, a blog, and other internet postings. Students purchased
9 access to JRIAL trainings and materials through the website www.jrinstitute.com. Sometime after completing several
10 coaching sessions, Alluis would present her JRIAL students with an opportunity to invest their funds in a purportedly
11 low risk venture. Alluis directed communications regarding this opportunity via email and telephone into Washington
12 and other states.

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

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

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

Washington Investor

7. On or about March 26, 2010, Alluis solicited via telephone a Washington resident to invest in the CMIG debt
portfolio opportunity described above. On or about March 29, 2010, the Washington resident mailed a \$10,000
payment to Alluis. The Washington resident opted for the 90 day term in order to double the \$10,000 investment.

1 After the 90 days passed, Alluis told the Washington resident that she had yet not received the payout. Alluis
2 eventually also told the Washington resident that the money was tied up in the Financial Crimes Enforcement
3 Network. Still, Alluis assured the Washington resident that the money would be paid soon. Alluis never paid the
Washington resident.

4 Registration Status

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

6 Misrepresentations and Omissions

7 Respondent failed to provide material information regarding the investments she offered and sold, including
8 but not limited to: financial statements, use of proceeds, details about who would be managing investors' funds,
9 disclosures regarding the value of debt to be purchased, Respondent's financial situation, a reasonable basis for
10 income projections, the risks of investing, authentication of CMIG's existence as a legal entity, and details about
CMIG's business and financial background. Respondent also failed to disclose her bankruptcy history.

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

12 **CONCLUSIONS OF LAW**

13 1. The offer or sale of investment agreements as described above constitute the offer and/or sale of a security as
14 defined in RCW 21.20.005(14) and (17).

15 2. The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for such an
16 offer and/or sale is on file with the Securities Administrator, state of Washington.

17 3. The offer and/or sale of said securities is in violation of RCW 21.20.010 because Respondent made
18 misstatements of material fact or omitted to state material facts necessary in order to make the statements made, in
19 light of the circumstances under which they were made, not misleading.

20 **FINAL ORDER**

21 Based upon the foregoing and finding it in the public interest:

22 IT IS HEREBY ORDERED that the Respondent, Petra Alluis dba Global Asset Research and Recovery, her
23 agents and employees each shall cease and desist from offering and/or selling securities in any manner in violation of
24 RCW 21.20.140, the section of the Securities Act of Washington requiring registration.

25 IT IS FURTHER ORDERED that the Respondent, Petra Alluis dba Global Asset Research and Recovery, her
agents and employees each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the
Securities Act of Washington.

IT IS FURTHER ORDERED that the Respondent, Petra Alluis dba Global Asset Research and Recovery,
shall be liable for and pay a fine in the amount of \$10,000.

1 IT IS FURTHER ORDERED that the Respondent, Petra Alluis dba Global Asset Research and Recovery,
2 shall be liable for and pay costs in the amount of \$1,000.

3 **AUTHORITY AND PROCEDURE**

4 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is subject to
5 the provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondent has the right to petition the superior court for
6 judicial review of this agency action under the provisions of RCW 34.05. For the requirements for Judicial Review,
7 see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed
8 in Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior Court judgment as to
9 the fine, and the fine may be recorded, enforced, or satisfied in like manner.

10 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

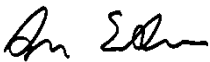
11 SIGNED and ENTERED this 12th day of February 2014.

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13 _____
14 William M. Beatty
15 Securities Administrator

16 Approved by:

16 Presented by:

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18 _____
19 Suzanne Sarason
20 Chief of Enforcement

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19 Drew Stillman
20 Financial Legal Examiner

21 Reviewed by:

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23 _____
24 Jack McClellan
25 Financial Legal Examiner Supervisor