

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
THE FIRST NATIONAL CENTER
120 N. ROBINSON, SUITE 860
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Go Auto Club,
Jim Hill, and
Gary Bolz,

Respondents.

ODS File No. 04-037

CONSENT ORDER TO CEASE AND DESIST

The Oklahoma Department of Securities (Department) conducted an investigation into the activities of Go Auto Club (Go Auto Club), Jim Hill (Hill), and Gary Bolz (Bolz) pursuant to Section 405 of the Oklahoma Securities Act (Act), Okla. Stat. tit. 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003). The Department's investigation revealed violations of Sections 101, 201, and 301 of the Act.

Go Auto Club and Hill desire to settle this matter expeditiously and in a manner consistent with the purposes fairly intended by the policies and provisions of the Act and the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities (Rules).

Go Auto Club and Hill, without admitting or denying any violation of the Act, voluntarily consent to the issuance of this Consent Order by the Administrator of the Department (Administrator), as of the effective date set forth below, and voluntarily waive their right to notice, hearing and appeal provided by the Act, the Rules, and the Oklahoma Administrative Procedures Act, Okla. Stat. tit. 75, § 250 *et. seq.* In consideration for this Consent Order, the Administrator will not take further action against Go Auto Club and Hill for the matters asserted herein.

The Administrator finds that the issuance of this Consent Order in resolution of this matter is in the public interest. This Consent Order, except to the parties hereto, does not limit or create any person's private remedies against Go Auto Club and Hill or others or Go Auto Club and Hill's or others' defenses to private actions.

Findings of Fact

1. Go Auto Club was an unincorporated association with principal operations located in Carmel, Indiana, that, at all times relevant hereto, was doing business over the Internet and in the state of Oklahoma.

2. Hill, a resident of Indiana, was the Founder of Go Auto Club. Hill has never been registered to offer or sell securities under the Act.

3. Bolz, a resident of Oklahoma, was an affiliate of Go Auto Club. Bolz has never been registered to offer or sell securities under the Act.

4. In June of 2003, Go Auto Club began advertising on the Internet for potential members (Members) to join and gain the opportunity to earn commissions and a new \$40,000 vehicle or \$30,000 cash by recruiting other Members to join the program. Members were eligible to earn the \$40,000 vehicle or \$30,000 cash after they had recruited 120 new Members.

5. Beginning in August 2003, Bolz began telling Oklahoma residents at a community church that Go Auto Club was offering a special investment program in which only Members were entitled to participate. Under the special program, Members did not have to wait until they recruited 120 new Members to receive a free vehicle.

6. For those persons interested in this special investment program (Investors), Bolz signed them up as Members of Go Auto Club and directed them to finance a vehicle from an automobile dealership that was offering a cash rebate. Bolz advised the Investors that Go Auto Club would make their note payments and encouraged them to buy the top of the line fully loaded vehicle of their choice as well as the factory extended warranty and the credit life insurance on the note.

7. Bolz then directed the Investors to send the sum of three note payments to Hill at Go Auto Club. Bolz explained that Go Auto Club would invest the money in overseas credit unions where, when aggregated with other Investors' money, they could make a 10% return compounded daily. Bolz explained that Go Auto Club would use the interest to pay off the Investors' notes within three years.

8. When asked how an investment could reap such rewards, Bolz told the Oklahoma residents to have faith in God. When asked who was going to pay for the vehicle, Bolz told at least one Oklahoma resident that God would pay for it.

9. At least 28 persons, 16 of whom were Oklahoma residents, purchased vehicles on credit and sent an amount equal to three of their note payments to Hill.

10. Subsequent to the vehicle purchases and the Investors sending their money to Hill and Go Auto Club, Go Auto Club and Hill determined that the company they planned to invest the money through was no longer in business. Hill provided the Investors with a promissory note from another company he was associated with called Global Opulence that promised to pay

the Investors back their three note payments plus 6% interest over three months. Bolz told the Investors that Go Auto Club and Hill still planned to pay off their entire vehicle notes, but, for legal reasons, the promissory note could only reflect the return of the three note payments plus interest.

11. Go Auto Club and Hill made some of the initial payments on the vehicle notes. However, Go Auto Club and Hill have since discontinued note payments and did not fulfill the bargain on which the Investors relied.

12. Go Auto Club and Hill were not registered in this state to transact business as broker-dealers or agents under the Act.

13. The interests in the special investment program offered and sold by Go Auto Club and Hill were not registered pursuant to Section 301 of the Act.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Conclusions of Law

1. The Administrator of the Department is authorized to order Go Auto Club and Hill to cease and desist from violating the Act.

2. The interests in the special investment program are securities pursuant to the Act.

3. In connection with the offer, sale or purchase of securities, Go Auto Club and Hill employed a device, scheme or artifice to defraud in violation of subsection (1) of Section 101 of the Act.

4. In connection with the offer, sale or purchase of securities, Go Auto Club and Hill made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of subsection (2) of Section 101 of the Act.

5. In connection with the offer, sale or purchase of securities, Go Auto Club and Hill engaged in acts, practices or a course of business which operated as a fraud or deceit upon Oklahoma residents in violation of subsection (3) of Section 101 of the Act.

6. Go Auto Club and Hill were not registered under the act to transact business as broker-dealers or agents in violation of Section 201 of the Act.

7. Go Auto Club and Hill offered and sold unregistered securities in Oklahoma in violation of Section 301 of the Act.

8. It is in the public interest to order Go Auto Club and Hill to cease and desist from violations of Sections 101, 201, and 301 of the Act.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

IT IS HEREBY ORDERED THAT Go Auto Club and Jim Hill cease and desist from engaging in violations of Sections 101, 201, and 301 of the Act and from doing any act in furtherance thereof.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 24th day of September, 2004.

(SEAL)



IRVING I. FAUGHT, ADMINISTRATOR
OF THE OKLAHOMA DEPARTMENT OF SECURITIES

ACCEPTANCE OF RESPONDENT

Respondent represents that he has read, understands and voluntarily consents to the issuance of this Consent Order, that the consent and waivers contained herein are voluntary and given without threat, offer, promise, or inducement of any kind or nature having been made or given by the Department, its staff, the Administrator, or the Oklahoma Securities Commission.

Voluntary Consent of Go Auto Club:

James C. Hill
Jim Hill, President

Date: Aug 2, 2004

Address: ~~160 W. Carmel Drive, Suite 255~~ JH
~~Carmel, IN 46032~~
208 Waterfront CT, Apt. D
Noblesville IN 46062

ACCEPTANCE OF RESPONDENT

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Voluntary Consent of Jim Hill:

James C. Hill

Date: Aug 2, 2004

Address: ~~160 W. Carmel Drive, Suite 255~~ JH
~~Carmel, IN 46032~~
208 Waterfront CT
Apt. D
Noblesville, IN
46062

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 24th day of September, 2004, a true and correct copy of the above and foregoing Consent Order to Cease and Desist was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

Clell I. Cunningham III
Dunn, Swan & Cunningham
210 Park Avenue, Suite 2800
Oklahoma City, OK 73102

Go Auto Club
208 Waterfront Court, Apt. D
Noblesville, IN 46062

Jim Hill
208 Waterfront Court, Apt. D
Noblesville, IN 46062


Brenda London Smith
Paralegal