

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



In the Matter of:

TransWorld Capital Ltd.,  
Maurice Holmes, and  
Donald G. Richards,

Respondents.

ODS File No. 03-030

**CEASE AND DESIST ORDER**

On June 29, 2009, a recommendation to issue an order to cease and desist (Recommendation) against TransWorld Capital Ltd., Maurice Holmes, and Donald G. Richards (collectively, the "Respondents") was filed with the Administrator (Administrator) of the Oklahoma Department of Securities (Department). The issuance of such order is authorized by subsection (a) of Section 406 of the Oklahoma Securities Act (Act), Okla. Stat. *tit.* 71, §§ 1-413, 501, 701-703 (2001 & Supp. 2003).

On July 7, 2009, the Administrator of the Department issued a Notice of Opportunity for Hearing with the Recommendation attached (Notice). Pursuant to subsection (h) of Section 413 of the Act, the Notice was served on the Administrator of the Department on July 7, 2009, and mailed to the last known addresses of Respondents, by certified mail, return receipt requested, and delivery restricted.

The Notice specified that failure to request a hearing within fifteen (15) days of service of the Notice would result in the issuance of an order to cease and desist. While Respondents filed a response to the Recommendation on August 10, 2009, no request for hearing has been received by the Administrator by or on behalf of the Respondents.

The Administrator, being fully advised in the premises, hereby finds that this action is necessary and appropriate in the public interest and sets forth the following Findings of Fact and Conclusions of Law in support thereof.

**Findings of Fact**

1. At all times relevant hereto, TransWorld Capital Ltd. (TransWorld) was a business entity with its primary place of business in Silver Spring, Maryland. TransWorld issued interests or participations in a profit sharing agreement named the Private Investment Fund (the "PIF").

2. Maurice Holmes (Holmes), at all times material hereto, was a resident of the state of Maryland doing the acts complained of in his own name and as an agent of TransWorld Capital Ltd.

3. Donald G. Richards, at all times material hereto, was a resident of the state of California doing the acts complained of in his own name and as an agent of TransWorld Capital Ltd.

4. Maurice Holmes, Donald G. Richards, TransWorld Capital Ltd., and the PIF were not registered in any capacity under the Act.

5. Shortly before August, 2001, Oklahoma resident B. Willard (Willard), a seventy-three year old retired woman, became acquainted with Maurice Holmes through her son, an insurance agent.

6. On or about August 1, 2001, Holmes offered Willard, via the telephone, the opportunity to participate in the PIF. Holmes promoted the offer by telling Willard that her principal would not be at risk and by personally guaranteeing the principal and payment of interest on invested funds.

7. In describing the PIF to Willard, Holmes stated that the deposited funds would be wired to the escrow account of an attorney in California, Donald G. Richards (Richards), and commingled with other investor funds. Holmes stated that the funds would be secured by a certificate of deposit (CD).

8. On August 9, 2001, Willard executed, in reliance on Holmes' representations, a "Secured Funds Private Placement and Joint Venture Profit Sharing Agreement" (Agreement) in which she agreed to invest \$15,000.

9. The stated purpose of the Agreement was participation "in a \$5,000,000 USD (or more) secured funds private placement for the benefit of all participants." According to the Agreement, once all the funds were collected, they were to be moved to the "Transaction Bank in Europe." An "investment manager" would then purchase a one-year and a day CD. The CD was to be used to generate profits from different sources available to the investment manager.

10. The Agreement also mandated that the funds be used only for a "secured investment purpose" and that the participants would receive "25% monthly profit or more," based upon the participant's initial investment. According to the Agreement, at the end of the "successful investment," all deposited funds would be returned to the investors.

11. On August 14, 2001, Willard wired \$15,000 to a Bank of America account in the name of "Law Offices of Donald G. Richards" per instructions provided by

Holmes. The funds were then wired out to Marketing Solutions Company owned by Steve Mueffelman. Mr. Mueffelman served a federal sentence for mail fraud charges stemming from a mortgage brokerage scheme.

12. After the national events of September 11, 2001, Willard became concerned about her investment. Holmes explained that there would be a delay in the purchase of the CD and promised that he would pay interest on the funds while they were in "limbo." Holmes continued to tell Willard that her principal was guaranteed.

13. Sometime after August 10, 2002, Willard's son called Richards to check on his mother's investment and was told that the investment manager had died and that things were being sorted out.

14. One year from the initial investment, Willard remained concerned about her investment and asked for an update from Holmes. Holmes explained to Willard, via telephone, that the investment manager had died, that he did not know where her money was, and that he would repay the investment if and when he closed the private placement. This was Holmes' last communication with Willard.

15. Willard has not received the return of her principal, interest payments on the deposited funds, or any document evidencing the purchase of the CD securing her investment.

16. The interests or participations in the PIF are not, and have not been, registered as securities under the Act and no claim of an exemption from the registration provisions of the Act was filed with the Administrator pursuant to Section 401 of the Act.

17. Another Oklahoma investor, Clarence Rogers (Rogers), invested \$10,000 in the PIF.

To the extent any of these Findings of Fact should be considered Conclusions of Law, they should be so considered.

### **Conclusions of Law**

1. Effective service of process was made on Respondents pursuant to Section 413 of the Act.

2. A certificate of interest or participation in a profit-sharing agreement is a security.

3. Respondents offered and sold unregistered securities in the state of Oklahoma, in violation of Section 301 of the Act.

4. Respondents Holmes and Richards transacted business in this state as an agent without benefit of registration under the Act, in violation of Section 201 of the Act.

5. Respondent TransWorld employed unregistered agents, as defined in the Act, in violation of Section 201 of the Act.

6. Respondents made untrue statements of material fact, in connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Act.

7. Respondents 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 connection with the offer and/or sale of securities in the state of Oklahoma, in violation of subsection (2) of Section 101 of the Act.

8. The Administrator has the authority to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the Act.

9. It is in the public interest to order Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation 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.

### ORDER

**IT IS HEREBY ORDERED** that Respondents cease and desist from offering and selling unregistered securities in and/or from the state of Oklahoma; transacting business in this state as an agent without benefit of registration; employing unregistered agents; making untrue statements of employing unregistered agents; making untrue statements of material fact and/or omitting to state material facts in order to make statements made not misleading in connection with the offer and/or sale of securities in and/or from the state of Oklahoma, 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 August, 2009.

(SEAL)

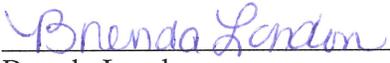
  
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IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 24th day of August, 2009, a true and correct copy of the above and foregoing *Cease and Desist Order* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon addressed to:

TransWorld Capital Ltd.  
Maurice Holmes  
PO Box 12148  
Silver Springs, MD 20908

Donald G. Richards  
TransWorld Capital Ltd.  
3765 Motor Ave., #833  
Los Angeles, CA 90034-3403

  
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