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COMMISSIONERS
 JEFF HATCH-MILLER - Chairman
 WILLIAM A. MUNDELL
 MARC SPITZER
 MIKE GLEASON
 KRISTIN K. MAYES



BRIAN C. McNEIL
 EXECUTIVE DIRECTOR

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Jeff Hatch-Miller, Chairman
 William A. Mundell
 Marc Spitzer
 Mike Gleason
 Kristin K. Mayes

FROM: Matthew J. Neubert *mjn*
 Director of Securities

DATE: January 18, 2006

RE: Proposed Order to Cease and Desist, Order of Restitution, and Order for Administrative Penalties against Bruce R. Goldman, individually and dba Opulent Management Group, Bravura Management Group, Zanadu Construction, and The Opulent Group, a defunct Nevada corporation, Opulent Properties, LLC, an Arizona limited liability company, dba Opulent Properties, Mill Direct Flooring, LLC, an Arizona limited liability company, dba Mill Direct Flooring, and The Loan Xperts, LLC, an Arizona limited liability company (S-20429A-05-0833)

CC: Brian C. McNeil, Executive Director

AZ CORP COMMISSION
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Attached is a proposed Default Order for Bruce R. Goldman, individually and dba Opulent Management Group, Bravura Management Group, Zanadu Construction, and The Opulent Group, a defunct Nevada corporation, Opulent Properties, LLC, an Arizona limited liability company, dba Opulent Properties, Mill Direct Flooring, LLC, an Arizona limited liability company, dba Mill Direct Flooring, and The Loan Xperts, LLC, an Arizona limited liability company (collectively, "Respondents"). The Order requires the Respondents to cease and desist their activity, pay restitution of \$500,000.00, and pay an administrative penalty in the amount of \$100,000.

Beginning in early 2004, Goldman, individually and via the Respondent businesses, raised at least \$500,000 from investors (mainly non-accredited Arizona residents) through the offer and sale of investment opportunities in the acquisition, improvement, and subsequent sale of certain real estate located in Arizona and Nevada. In promoting the investment opportunity, the Respondents informed potential investors that the real estate was to be acquired in the name of one or more of the Respondents then (a) improved through repair or remodeling and sold to a

third party ("Retail Property"), or (b) briefly held by one or more of the Respondents (i.e., assumingly to appreciate in value) and then sold to a third party ("Wholesale Property"). Upon consummation of the sale of the Retail Property or Wholesale Property ("Property Transaction"), the investor would be entitled to the return of their original investment plus a percentage of the profits resulting from the Property Transaction pursuant to a formula set forth in a written agreement. In order to induce investment, Respondents informed offerees that a number of Property Transactions have resulted in a profit.

Based on information provided to the Securities Division, none of Respondents owned the real estate subject to the securities' offerings and no Property Transactions were ever consummated. In addition, Goldman failed to disclose his previous felony conviction to investors, misrepresented his financial and educational credentials to investors, and used the investment funds to pay personal expenses.

The Respondents are not registered to offer or sell securities. The investments are not registered with the Securities Division.

The Order finds that the Respondents violated A.R.S. §44-1841 and §44-1842 by selling unregistered securities while being unlicensed. It also finds that they committed numerous violations of A.R.S. § 44-1991.

Respondents, although properly served, have apparently chosen to disregard the Commission's Notice and have not requested a hearing on the matter nor filed an answer. The Securities Division recommends the Commission enter the proposed default order against the Respondents.

Originator: Julie Coleman

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 JEFF HATCH-MILLER, Chairman
4 WILLIAM A. MUNDELL
5 MARC SPITZER
6 MIKE GLEASON
7 KRISTIN K. MAYES

8 In the matter of:

9 Bruce R. Goldman, a married person,
10 individually and doing business as Opulent
11 Management Group, Bravura Management
12 Group, Zanadu Construction, and/or The
13 Opulent Group, a defunct Nevada corporation
14 6668 West Oraibi Drive
15 Glendale, Arizona 85308-7022

16 Linda L. Goldman (aka Linda Mull and/or
17 Linda Sanger), spouse of Bruce R. Goldman
18 6668 West Oraibi Drive
19 Glendale, Arizona 85308-7022

20 Natasha Mull (aka Natasha Goldman), an
21 unmarried woman
22 7701 W Saint John Road
23 Glendale, Arizona 85308

24 Opulent Properties LLC, an Arizona limited
25 liability company, dba Opulent Properties
26 PO Box 11241
Glendale, Arizona 85318-1241

Mill Direct Flooring LLC, an Arizona limited
liability company, dba Mill Direct Flooring
P.O. Box 11241
Glendale, Arizona 85318-1241

The Loan Xperts, LLC, an Arizona limited
liability company
2226 North Northern Avenue, Suite C200
Phoenix, Arizona 85021

Respondents.

Docket No. S-20429A-05-0833

**ORDER TO CEASE AND DESIST, ORDER
OF RESTITUTION AND ORDER FOR
ADMINISTRATIVE PENALTIES
AGAINST:**

**BRUCE R. GOLDMAN, A MARRIED
PERSON, INDIVIDUALLY AND DOING
BUSINESS AS OPULENT MANAGEMENT
GROUP, BRAVURA MANAGEMENT
GROUP, ZANADU CONSTRUCTION, AND
THE OPULENT GROUP, A DEFUNCT
NEVADA CORPORATION,**

**OPULENT PROPERTIES LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, DBA OPULENT
PROPERTIES,**

**MILL DIRECT FLOORING LLC, AN
ARIZONA LIMITED LIABILITY
COMPANY, DBA MILL DIRECT
FLOORING, AND**

**THE LOAN XPERTS, LLC, AN ARIZONA
LIMITED LIABILITY COMPANY**

1 On November 14, 2005, the Securities Division ("Division") of the Arizona Corporation
2 Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of
3 opportunity for Hearing ("Notice") with respect to Respondents Bruce R. Goldman, individually
4 and doing business as Opulent Management Group, Bravura Management Group, Zanadu
5 Construction and The Opulent Group, a defunct Nevada corporation, Opulent Properties, LLC,
6 an Arizona limited liability company, doing business as Opulent Properties, Mill Direct Flooring
7 LLC, an Arizona limited liability company, doing business as Mill Direct Flooring, and The Loan
8 Experts, an Arizona limited liability company (collectively, "Respondents"). The Division served
9 the Notice on the Respondents via personal service on November 15, 2005. The Notice specified
10 that the Respondents would be afforded an opportunity for an administrative hearing regarding
11 this matter upon filing a written request with Docket Control of the Commission within ten days
12 of receipt of the Notice. The Respondents failed to request a hearing within the required time.

13 **I.**

14 **FINDINGS OF FACT**

15 1. Bruce R. Goldman ("Goldman") is a married person whose last know address is
16 6668 West Oraibi Drive, Glendale, Arizona 85308-7022.

17 2. At all relevant times, Goldman has transacted business under the trade name
18 "Opulent Management Group" which was registered with the Arizona Secretary of State on
19 February 11, 2004 and whose last known business address is PO Box 11241, Glendale, Arizona
20 85318-1241. Pursuant to the records of the Arizona Secretary of State, Goldman is the owner of
21 this trade name.

22 3. At all relevant times, Goldman has transacted business under the trade name
23 "Bravura Management Group" which was registered with the Arizona Secretary of State on April
24 18, 2005 and whose last known business address is 10640 North 29th Drive, Suite A106, Phoenix,
25 Arizona 85029. Pursuant to the records of the Arizona Secretary of State, Goldman is one of
26 owners of this trade name.

1 4. At all relevant times, Goldman has transacted business under the trade name
2 “Zanadu Construction” which was registered with the Arizona Secretary of State on February 3,
3 2004 and whose last known business address is PO Box 11241, Glendale, Arizona 85318-1241.
4 Pursuant to the records of the Arizona Secretary of State, Goldman is the owner of this trade
5 name.

6 5. The Opulent Group (“The Opulent Group”) was organized under the laws of the
7 state of Nevada on April 30, 1999 and whose last known business address is 6978 W. Villa
8 Chula, Glendale, Arizona 85310. The corporate status of The Opulent Group was revoked on
9 May 1, 2003. However, at all relevant times, Goldman has transacted business under name of the
10 defunct entity.

11 6. Linda L. Goldman (aka Linda Mull and/or Linda Sanger) (“Linda Goldman”) was at
12 all relevant times the spouse of Goldman. Linda Goldman was joined in this action individually and
13 under A.R.S. § 44-2031(C) for purposes of determining the liability of the marital community.

14 7. The Division served the Notice on Linda Goldman via personal service on
15 November 15, 2005. Linda Goldman, on behalf of herself only, filed an Answer denying the
16 allegations contained in the Notice in their entirety on December 15, 2005.

17 8. At all relevant times, Goldman was acting for his own benefit, and for the benefit or
18 in furtherance of the marital community.

19 9. Natasha Mull (aka Natasha Goldman) (“Mull”) is an unmarried person whose last
20 known address is 7701 W Saint John Road, Glendale, Arizona 85308.

21 10. The Division served the Notice on Mull via personal service on November 15,
22 2005. Mull, on behalf of herself only, filed an Answer denying the allegations contained in the
23 Notice in their entirety on December 15, 2005.

24 11. Opulent Properties LLC (“Opulent Properties”) is an Arizona limited liability
25 company organized on February 11, 2004 and whose last known business address is P.O. Box
26 11241, Glendale, Arizona 85318-1241. Pursuant to the records of the Arizona Corporation

1 Commission, Corporations Division (“Corporations Division”), Mull is the manager of Opulent
2 Properties.

3 12. At all relevant times, Opulent Properties has transacted business under the trade
4 name “Opulent Properties” which was registered with Arizona Secretary of State on November
5 10, 2003. Pursuant to the records of the Arizona Secretary of State, Goldman and Linda
6 Goldman are the owners of this trade name.

7 13. Mill Direct Flooring LLC (“Mill Direct Flooring”) is an Arizona limited liability
8 company organized on February 11, 2004 and whose last known business address is P.O. Box
9 11241, Glendale, Arizona 85318-1241. Pursuant to the records of the Corporations Division,
10 Opulent Management Group is the manager of Mill Direct Flooring.

11 14. At all relevant times, Mill Direct Flooring has transacted business under the trade
12 name “Mill Direct Flooring” which was registered with Arizona Secretary of State on February
13 3, 2004. Pursuant to the records of the Arizona Secretary of State, Goldman and Linda Goldman
14 are the owners of this trade name.

15 15. The Loan Xperts, LLC (“The Loan Xperts”) is an Arizona limited liability
16 company organized on October 28, 2005 and whose last known business address is 2226 North
17 Northern Avenue, Suite C200, Phoenix, Arizona 85021. Pursuant to the records of the
18 Corporations Division, Linda Goldman is the manager of The Loan Xperts.

19 16. Respondents offered securities in the form of investment contracts in the
20 acquisition, improvement, and subsequent sale of certain real estate located in Arizona and Nevada.

21 17. Respondents informed offerees that there are two different programs in which they
22 could invest; the real estate was to be acquired in the name of one or more of the Respondents, then
23 (a) improved through repair or remodeling and sold to a third party (“Retail Property”), or (b)
24 briefly held by one or more of the Respondents (i.e., assumingly to appreciate in value) and then
25 sold to a third party (“Wholesale Property”). Upon consummation of the sale of the Retail
26 Property or Wholesale Property (“Property Transaction”), the investor would be entitled to the

1 return of their original investment plus a percentage of the profits resulting from the Property
2 Transaction pursuant to a formula set forth in a written agreement (“Investment Agreement”).

3 18. The rights of the investors set forth under the terms of the Investment Agreement
4 were not secured by a collateral lien in the real property subject to the Property Transaction.

5 19. Investors provided their funds at the time they executed the Investment Agreement.
6 Respondents did not require a minimum or set a maximum amount of money to participate in either
7 investment program.

8 20. The Retail Property or Wholesale Property is either identified at the time of
9 execution of the Investment Agreement or incorporated therein by later addendum (the
10 “Identified Property”).

11 21. In order to induce investment, Respondents informed offerees that a number of
12 Property Transactions have resulted in a profit. That claim is false. None of the Property
13 Transactions were ever consummated.

14 22. Respondents informed offerees that the Identified Property was owned by one or
15 more of the Respondents at the time of its disclosure or would subsequently be acquired by one
16 or more of the Respondents in order to complete the intended Property Transaction. That claim
17 is false. None of the Identified Property was owned by the Respondents at the time it was
18 disclosed under the relevant Investment Agreement or acquired by the Respondents at a
19 subsequent date.

20 23. Upon information and belief, Respondents used new investor funds in order to pay
21 profits (and/or return their original investment) to investors who participated in Property
22 Transactions which Respondents represented had been consummated.

23 24. Upon information and belief, Respondents further induced investors to remain in
24 the investment program by persuading them to “reinvest” their profits (and/or original
25 investment) from one Property Transaction into a new Property Transaction.

26 25. Upon information and belief, Respondents have expended investor funds for

1 business and personal expenses without authorization from investors.

2 26. Upon information and belief, Respondents have raised at least \$500,000 from the
3 sale of investment opportunities in the Property Transactions to Arizona residents and non-
4 residents.

5 **II.**

6 **CONCLUSIONS OF LAW**

7 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
8 Arizona Constitution and the Securities Act.

9 2. Respondents offered or sold securities within or from Arizona, within the meaning
10 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

11 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
12 neither registered nor exempt from registration.

13 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
14 neither registered as a dealer or salesman nor exempt from registration.

15 5. Respondents violated A.R.S. § 44-1991 by (a) employing a device, scheme or
16 artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c)
17 engaging in transactions, practices or courses of business which operate or would operate as a
18 fraud or deceit.

19 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S. §
20 44-2032.

21 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
22 2032.

23 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
24 2036.

25 **III.**

26 **ORDER**

1 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, the Commission
2 finds that the following relief is appropriate, in the public interest, and necessary for the protection
3 of investors:

4 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and their agents,
5 employees, successors and assigns, permanently cease and desist from violating the Securities Act.
6 Respondents shall not sell any securities in or from Arizona without being registered in Arizona as
7 dealers or salesmen, or exempt from such registration. Respondents shall not sell securities in or
8 from Arizona unless the securities are registered in Arizona or exempt from registration.

9 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents shall, jointly
10 and severally, pay restitution to investors shown on the records of the Commission in the amount
11 of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00), plus interest at the
12 rate of 10% per annum from the date of this Order until paid in full. Payment shall be made by
13 check or money order payable to the "State of Arizona" and will be placed in an interest-bearing
14 account maintained and controlled by the Commission. The Commission shall disburse the funds
15 on a pro rata basis to investors shown on the records of the Commission. Any funds that the
16 Commission determines it is or cannot feasibly unable to disburse shall be transferred to the
17 general fund of the state of Arizona. If any of the Respondents do not comply with this order of
18 restitution, any outstanding balance shall be deemed in default and shall be immediately due and
19 payable without notice or demand.

20 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that the Respondents shall,
21 jointly and severally, pay an administrative penalty in the amount of ONE HUNDRED
22 THOUSAND AND 00/100 DOLLARS (\$100,000.00), payable to the "State of Arizona."
23 Payment shall be made in full by check or money order on the date of this Order. If any of the
24 Respondents do not comply with this order for administrative penalties, any outstanding balance
25 shall be deemed in default and shall be immediately due and payable without notice or demand.
26 All outstanding administrative penalty amounts shall accrue interest at the rate of 10% per annum

1 until paid in full.

2 IT IS FURTHER ORDERED that this Order shall become effective immediately.

3 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

COMMISSIONER

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IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
Executive Director of the Arizona Corporation
Commission, have hereunto set my hand and caused the
official seal of the Commission to be affixed at the
Capitol, in the City of Phoenix, this _____ day of
_____, 2006.

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BRIAN C. McNEIL
Executive Director

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DISSENT

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DISSENT

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This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, phone number (602) 542-3931, E-mail LHogan@cc.state.az.us.

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