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MARC SPITZER
MIKE GLEASON
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BRIAN C. McNEIL
EXECUTIVE DIRECTOR

2006 JUL 21 P 4: 13

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ARIZONA CORPORATION COMMISSION
AZ CORP COMMISSION
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MEMORANDUM

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

Arizona Corporation Commission
DOCKETED

JUL 21 2006

FROM: Mark Dinell *WD*
Assistant Director of Securities

DOCKETED BY	<i>nr</i>
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DATE: July 21, 2006

RE: Proposed Order re: *Syndicated Gold Depository S.A.*, Docket No. S-03561A-04-0000

CC: Brian C. McNeil, Executive Director

Attached is a proposed consent Order for Syndicated Gold Depository S.A. ("SGD"). The Order requires SGD to cease and desist its activity and to pay a penalty of \$2,500.

Beginning in Arizona in 2003, Respondent Parklane International Corp. ("PIC") offered an investment program operated by SGD. PIC informed investors that SGD had entered into an agreement with a Canadian mining company that owned a gold refinery in Honduras. PIC's sales literature stated that all funds SGD placed into the company would be secured by a collateral bond covering all assets of the company, with SGD passing on this security to the investor.

In 2003, the Pennsylvania Securities Commission issued an order to cease and desist against PIC and SGD for violations of the Pennsylvania Securities Act. PICs did not inform Arizona investors solicited after then of that order. Since 2003, at least two Arizona residents have been offered the investment program. One Arizona investor has invested \$150,000 through PIC. That investor has chosen to keep his investment and has declined restitution.

The Order finds that SGD violated A.R.S. § 44-1841 and 44-1842 by selling unregistered securities while being unlicensed. The Securities Division recommends the Commission enter the proposed consent Order against SGD.

Originator: Mark Dinell

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 PARKLANE INTERNATIONAL
10 CORPORATION

11 1985 Queens Avenue
12 Vancouver, British Columbia
13 Canada V7V2X8

14 SYNDICATED GOLD DEPOSITORY S.A.)
15 Fort Nassau Centre-West Wing
16 Malborough St., Suite N-4875
17 Nassau, Bahamas

18 Respondents.

DOCKET NO. S-03561A-04-0000

DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
OF RESCISSION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME BY: RESPONDENT
SYNDICATED GOLD DEPOSITORY S.A.**

19 Respondent Syndicated Gold Depository S.A. ("SGD") elects to permanently waive any
20 right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. §
21 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order for
22 Rescission, Order for Administrative Penalties and Consent to Same ("Order"). SGD admits the
23 jurisdiction of the Arizona Corporation Commission ("Commission"); neither admits nor denies
24 the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of
25 this Order by the Commission.

26 **I.**

FINDINGS OF FACT

1. Respondent Syndicated Gold Depository S.A. ("SGD") is a Bahamian registered
corporation, located at Fort Nassau Centre-West Wing, Malborough St., Suite N-4875, Nassau,
Bahamas.

1 2. SGD, along with Respondent Parklane International Corporation ("Parklane") have,
2 directly or indirectly, offered securities for sale, in or from the state of Arizona. Respondents were
3 not registered as securities salesmen or dealers, nor were the securities registered in Arizona.

4 3. Parklane solicited investors to invest their money into an investment program
5 operated by SGD. Investors enter into a written contract with SGD to invest between \$10,000 to
6 \$500,000 with it. SGD paid investors a return of 19.5% on their investment. SGD was to use the
7 money it raised from investors to loan to a mining company for that company to use as capital.
8 SGD would then pay investors their returns from the profits it earned from the mining company.

9 4. Parklane informed investors that SGD had entered into an agreement with
10 Merendon De Honduras, S.A. de C.V. ("Merendon") and Merendon Mining Corp. Ltd. of Canada
11 ("Merendon-Canada) to provide capital. Merendon was alleged to be a wholly own subsidiary of
12 Merendon-Canada. This capital is to be used to purchase gold and silver by Merendon. Parklane
13 told investors that Merendon owned a gold and metal refinery in Tegucigalpa, Honduras. Parklane
14 told investors that the Merendon refinery refined gold and silver from Central, North and South
15 America.
16

17 5. Respondents state that the SGD program has been running successfully since 1999.
18 Respondents told investors that they would pay investors 1.5% per month, or 19.5% compounded
19 monthly. Respondents' sales literature states that after 25 years of compounding, a \$100,000
20 investment will be worth \$8,700,000, with monthly income of \$130,000. Respondents informed
21 investors that they could afford to pay such returns as Merendon's profit margins are 10% per each
22 ounce that is refined.
23

24 6. On December 24, 2003, the Pennsylvania Securities Commission issued a summary
25 order to cease and desist against PIC and SGD for violations of the Pennsylvania Securities Act. It
26 issued Findings of Fact, Conclusions of Law and Order against SGD on March 2, 2005.

1 or salesmen, or exempt from such registration. SGD shall not sell securities in or from Arizona
2 unless the securities are registered in Arizona or exempt from registration.

3 IT IS FURTHER ORDERED that SGD comply with the attached Consent to Entry of
4 Order.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that SGD shall make an offer
6 of rescission to investors as reflected on the records of the Commission, in the amount of
7 \$150,000, plus interest at the rate of 10% per annum from the date of the investment. A proposed
8 rescission offer shall be provided to the Director of the Securities Division ("Director") no later
9 than 45 days from the date of this Order. The rescission offer must be approved by the Director
10 prior to its use. The rescission offer shall be provided to investors no later than 30 days from the
11 date of the Director's approval. Investors who accept the rescission offer shall receive repayment
12 no later than 30 days after SGD is notified of the acceptance. SGD must submit a verification to
13 the Director no later than 10 days after repayment of investors. If SGD does not comply with any
14 provision of this rescission order, any outstanding balance shall be immediately due and payable as
15 restitution.

16 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that SGD shall pay an
17 administrative penalty in the amount of \$5000. Payment shall be made in full by cashier's check
18 or money order on the date of this Order, payable to the "State of Arizona." Any amount
19 outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid
20 in full. The payment obligations for these administrative penalties shall be subordinate to any
21 rescission obligations ordered herein and shall become immediately due and payable only after
22 rescission payments have been paid in full, or if SGD has defaulted prior to fulfilling SGD's
23 rescission obligations. If SGD does not comply with this order for administrative penalties, any
24 outstanding balance may be deemed in default and shall be immediately due and payable.

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IT IS FURTHER ORDERED, that if any SGD fails to comply with this order, the Commission may bring further legal proceedings against that SGD, including application to the superior court for an order of contempt.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

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 _____, 2005.

BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

(md)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondent Syndicated Gold Depository S.A. ("SGD") *admits the jurisdiction of*
3 *the Commission over the subject matter of this proceeding. SGD acknowledges that it has been*
4 *fully advised of its right to a hearing to present evidence and call witnesses and SGD knowingly*
5 *and voluntarily waives any and all rights to a hearing before the Commission and all other rights*
6 *otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona*
7 *Administrative Code. SGD acknowledges that this Order constitutes a valid final order of the*
8 *Commission.*

9 2. SGD knowingly and voluntarily waives any right under Article 12 of the Securities
10 *to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the*
11 *entry of this Order.*

12 3. SGD acknowledges and agrees that this Order is entered into freely and voluntarily
13 *and that no promise was made or coercion used to induce such entry.*

14 4. SGD acknowledges that it has been represented by an attorney in this matter, it has
15 *reviewed this Order with its attorney and understands all terms it contains.*

16 5. SGD neither admits nor denies the Findings of Fact and Conclusions of Law
17 *contained in this Order.*

18 6. By consenting to the entry of this Order, SGD agrees not to take any action or to
19 *make, or permit to be made, any public statement denying, directly or indirectly, any Finding of*
20 *Fact or Conclusion of Law in this Order or creating the impression that this Order is without*
21 *factual basis. SGD will undertake steps necessary to assure that all of its agents and employees*
22 *understand and comply with this agreement.*

23 7. While this Order settles this administrative matter between SGD and the
24 *Commission, SGD understands that this Order does not preclude the Commission from instituting*
25 *other administrative proceedings based on violations that are not addressed by this Order.*
26

1 8. SGD understands that this Order does not preclude the Commission from referring
2 this matter to any governmental agency for administrative, civil, or criminal proceedings that may
3 be related to the matters addressed by this Order.

4 9. SGD understands that this Order does not preclude any other agency or officer of
5 the state of Arizona or its subdivisions from instituting administrative, civil or criminal
6 proceedings that may be related to matters addressed by this Order.

7 10. SGD agrees that it will not apply to the state of Arizona for registration as a
8 securities dealer or salesman or for licensure as an investment adviser or investment adviser
9 representative until such time as all rescission and penalties under this Order are paid in full.

10 11. SGD agrees that it will not exercise any control over any entity that offers or sells
11 securities or provides investment advisory services within or from Arizona until such time as all
12 rescission and penalties under this Order are paid in full.

13 14. SGD agrees that it will not sell any securities in or from Arizona without being
14 properly registered in Arizona as a dealer or salesman, or exempt from such registration; it will not
15 sell any securities in or from Arizona unless the securities are registered in Arizona or exempt
16 from registration; and it will not transact business in Arizona as an investment adviser or an
17 investment adviser representative unless properly licensed in Arizona or exempt from licensure.

18 15. SGD acknowledges and understands that if he fails to comply with the provisions of
19 the order and this consent, the Commission may bring further legal proceedings against it,
20 including application to the superior court for an order of contempt.

21 16. SGD agrees that until rescission and penalties are paid in full, SGD shall notify the
22 Director of the Securities Division within 30 days of any change in business address and any
23 change in SGD's ability to pay amounts due under this Order. SGD agrees that failure to perform
24 any action in this paragraph shall result in it being in default with any outstanding balance being
25 immediately due and payable without notice or demand.

26

Docket No. S-03561A-04-0000

1 17. SGD understands that default shall render it liable to the Commission for its costs
2 of collection and interest at the maximum legal rate.

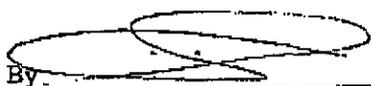
3 18. SGD agrees and understands that if it fails to make any payment as required in the
4 Order, any outstanding balance shall be in default and shall be immediately due and payable
5 without notice or demand. SGD agrees and understands that acceptance of any partial or late
6 payment by the Commission is not a waiver of default by the Commission.

7 19. SGD agrees that it will continue to cooperate with the Securities Division including,
8 but not limited to, providing complete and accurate testimony at any hearing in this matter and
9 cooperating with the state of Arizona in any related investigation or any other matters arising from
10 the activities described in this Order.

11 21. SGD consents to the entry of this Order and agrees to be fully bound by its terms
12 and conditions.

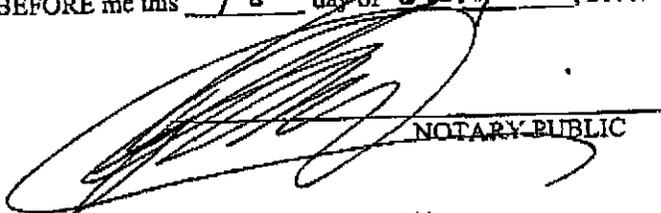
13 22. Graham Blaikie represents that he is authorized by law to enter into this Order
14 for and on behalf of SGD.

Syndicated Gold Depository S.A.

17 By 

18 Its President

19
20 SUBSCRIBED AND SWORN TO BEFORE me this 18th day of July, 2006.

21
22 
23 NOTARY PUBLIC

24 My Commission Expires:

25 12/23/06



Larry L. Adair
My Commission DO173647
Expires December 23, 2006