

VERMONT
DEPARTMENT OF FINANCIAL REGULATION

)
)
DEPARTMENT OF FINANCIAL)
REGULATION)
PLAINTIFF,)

18-20-S

v.)
)

KEVIN J. HARRIS)
ERIC WEIGAND)
GLOBAL MINING AND MINT CORP)
RESPONDENTS.)

DEFAULT JUDGMENT AND ORDER

INTRODUCTION AND PARTIES

1. The Department of Financial Regulation (the Department) is a regulatory agency charged with, inter alia, enforcement of the Vermont Uniform Securities Act (VUSA), 9 V.S.A. Section 5102 et seq. Enforcement of the VUSA occurs primarily through the Department's Securities Division.

2. Eric Weigand is a resident of Jupiter, Florida. At all times relevant to this action, he acted as an agent of Global Mining and Mint. Kevin J. Harris is a resident of Davie, Florida. At all times relevant to this action, he acted as an agent of Global mining and Mint.

3. Global Mining and Mint Corporation (GMM) is a corporation organized under the laws of the State of Florida, with a principal place of business in Hollywood, Florida. At all

times relevant to this Motion, GMM was engaged in the business of buying and selling physical assets and investments in gold coins and other precious metals.

FINDINGS OF FACT

4. On August 22, 2017, the Department, through its Securities Division, received a consumer complaint (the "Complaint") from a Vermont resident (the "Complainant") regarding the business activities of Kevin J. Harris, Eric Weigand, and GMM. The Complaint alleged that in exchange for cash and jewelry with a value of approximately \$80,000 paid by the Complainant, Harris and GMM had sold to the Complainant 100,000 shares in GMM which had little or no value.

5. The Complainant signed an affidavit confirming the following facts:
- a. that all communications between Weigand, GMM, or Harris and the Complainant occurred by telephone, electronic mail or mail while the Complainant was at his residence in Vermont.
 - b. In July 2016, the Complainant invested approximately \$80,000, consisting of \$49,468 in cash plus a diamond ring, gold, and silver, to purchase shares in GMM.
 - c. On July 10, 2016, the Complainant and GMM signed a "Shareholders Agreement," whereby the Complainant purchased 100,000 shares of "Class A Common stock". The Complainant subsequently received a stock certificate from GMM that evidenced his ownership of 100,000 shares of GMM.

- d. The Complainant first learned of the investment opportunity in GMM through an email newsletter entitled “Silver News Surfer,” authored by Eric Weigand. Weigand promoted investments in GMM through his newsletter and in direct communications with the Complainant. Weigand helped facilitate the sale of GMM shares to the Complainant.
 - e. At the time of his investment, Respondents advised the Complainant that GMM was going to become a public company and that his shares would increase in value. Respondents also advised the Complainant that his principal was guaranteed and would be held as bullion in a secure, insured vault and that he would receive “interest” checks equal to at least 5% per month.
 - f. GMM did not become a public company. Instead, GMM, through Harris and Weigand, asked the Complainant and other investors to sign a “Shareholder Acceptance and Relinquishment Form” (the “Form”) as part of the company’s dissolution “due to market circumstances.” Pursuant to the Form, the Complainant surrendered his shares in GMM in return for physical assets that was to exceed by at least 10% the value of his initial investment. However, the physical assets that the Complainant received back had a value far below the amount of his investment and far below the value of the assets represented by GMM. Moreover, the Complainant received only some of the promised “interest” checks.
 - g. As a result of his investment in GMM, the Complainant lost most of his savings.
6. GMM is not registered with the Department in any capacity.

7. No securities offered or sold by GMM, Harris, or Weigand are registered with the Department, and no exemption from registration applied to the offer or sale of the securities.

8. Kevin Harris is not registered with the Department in any capacity, nor is he exempt from registration.

9. Eric Weigand is not registered with the Department in any capacity, nor is he exempt from registration.

10. GMM, and Harris misrepresented to the Complainant that GMM would be going public and that his shares would increase in value.

11. GMM and Harris misrepresented the value of both the physical assets used to secure the Complainant's investment and the physical assets returned to the Complainant after he surrendered his shares in GMM.

12. GMM, Harris, and Weigand misrepresented to the Complainant that his investment had "very little downside risk", was "100% insured", and that the dividend was "100% guaranteed in writing".

13. By misrepresenting the value of the physical assets returned the Complainant, GMM and Harris made untrue statements of material fact in connection with the sale of securities.

14. On information and belief, GMM has closed its Hollywood, Florida location, but the status of any other locations, or of any other entities operated by the individual Respondents, is unknown.

15. On March 22, 2019, the Department served upon Respondents a Motion for Default Judgment ("Motion"). Respondents have not responded to or otherwise contacted the Department regarding the Motion.

CONCLUSIONS OF LAW

16. Pursuant to 9 V.S.A. section 5301, securities offered or sold in Vermont must be registered, unless they are federal covered securities or otherwise exempt from registration.

17. Pursuant to 9 V.S.A. 5401 through 5404, it is unlawful for a person to transact business in Vermont as a broker-dealer, agent, investment adviser or investment adviser representative without being registered to do so or exempt from registration.

18. By offering and selling unregistered shares to a Vermont resident, GMM, Harris, and Weigand willfully violated 9 V.S.A. 5301.

19. By offering and selling shares of GMM in Vermont without being exempt or registered to do so, GMM willfully violated 9 V.S.A. 5301.

20. By facilitating the sale of securities by GMM in Vermont and thus acting as GMM's agent within the meaning of 9 V.S.A. 5102(1) without being registered to do so or exempt, Harris willfully violated 9 V.S.A. 5402(a).

21. By advertising and facilitating the sale of securities by GMM in Vermont and thus acting as GMM's agent within the meaning of 9 V.S.A. 5102(1) without being registered to do so or exempt, Wiegand willfully violated 9 V.S.A. 5402(a).

22. Pursuant to 9 V.S.A. 5501, it is unlawful for a person, in connection with the offer or sale of securities, to make an untrue statement of material fact.

23. By making untrue statements of material fact in connection with the offer and sale of securities, GMM, Harris and Wiegand violated 9 V.S.A. 5501.

24. Section 12 of Regulation 82-1 provides that the Department may move for a decision by default when a Respondent fails to answer or otherwise defend a properly served

Complaint. The Commissioner may render a decision by default at any time after the passage of ten days from the date of filing and service of the Motion for Default.

25. Respondents failed to respond to the Motion for Default Judgment, and more than ten days have passed since the filing and service of the motion. The Commissioner may enter a default judgment and issue an order by default.

ORDER

IT IS HEREBY ORDERED:

- A. A Default Judgment is entered against Respondents pursuant to Section 12 of Regulation 82-1.
- B. Each Respondent must cease and desist from any further unregistered or fraudulent activity.
- C. Each Respondent must pay an administrative penalty to the Department of \$45,000, on or before June 1, 2019.
- D. Respondents, jointly and severally, shall pay restitution to the Complainant in the amount of \$80,000 on or before June 5, 2019.

Dated at Montpelier, Vermont this 3rd day of MAY 2019.



Michael S. Pieciak, Commissioner