

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

FINAL JUDGMENT AS TO DEFENDANTS
BRYANT E. BEHRMANN AND LARRY "BUCK" E. HUNTER

This matter is pending before the Court for a determination of the amounts of disgorgement, prejudgment interest, and civil penalties to be awarded against Defendants Bryant E. Behrmann (“Behrmann”) and Larry “Buck” E. Hunter (“Hunter”) upon motion of Plaintiff Securities and Exchange Commission (“SEC”). On November 6, 2007, this Court entered two Orders [Doc. Nos. 38 and 37], with the consent of Behrmann and Hunter, respectively, permanently enjoining each of them from violations of

the statutes charged in the Amended Complaint and providing that each of them shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], in amounts to be determined by this Court upon subsequent motion of the Commission. The November 6, 2007 Orders provided that, for the purpose of the motion before this Court, the allegations of the Amended Complaint are to be accepted as and deemed true, with the exception of certain enumerated computational allegations. Finally, the November 6, 2007 Orders specified that prejudgment interest would be calculated on the amount of any disgorgement ordered by this Court on the instant motion from October 31, 2005.

Accordingly, for the purposes of the instant motion, the Court accepts the following allegations of the Amended Complaint as true:

1. Global Online Direct, Inc. is a Nevada corporation organized in 2005 with its principal place of business in Union, Oregon. In June 2006, the Pennsylvania Securities Division issued an order requiring Global to cease and desist from offering or selling unregistered securities to residents of Pennsylvania (the “Pennsylvania C&D”). In September 2006, the South

Dakota Department of Revenue and Regulation, Division of Securities, issued an order requiring Global to cease and desist from offering or selling unregistered securities to residents of South Dakota.

2. Bryant E. Behrmann is 60 years of age and is a resident of Las Vegas, Nevada. Behrmann is the secretary and treasurer and, along with Hunter, is co-owner and co-lead promoter of Global. In 2000, the South Dakota Department of Commerce and Regulation, Division of Securities issued an order requiring Behrmann to cease and desist from offering or selling unregistered securities to residents of South Dakota. In September 2002, the Securities Commissioner of the State of North Dakota issued an order requiring Behrmann to cease and desist from offering or selling unregistered securities to residents of North Dakota (the "North Dakota C&D"). Behrmann was also individually named and ordered to cease and desist from offering or selling unregistered securities in the Pennsylvania C&D.

3. Larry "Buck" E. Hunter is 60 years of age and is a resident of La Grande, Oregon. Hunter is the president of Global and, along with Behrmann, is co-owner and co-lead promoter of Global. In November 1973, the Minnesota Department of Commerce, Division of Securities issued an

order for Hunter to cease and desist from violations of the laws and regulations of the State of Minnesota. In August 1998, the Washington State Department of Financial Institutions, Division of Securities issued an order for Hunter to cease and desist from offering or selling unregistered securities and for violating the antifraud provisions of Washington state law. In October 1998, the State of Idaho, Department of Finance obtained a stipulated judgment permanently enjoining Hunter from offering or selling unregistered securities and from violating the antifraud provisions of Idaho state law. In July of 1999, the State of Oregon Division of Finance and Corporate Securities issued an order for Hunter to cease and desist from offering or selling unregistered securities and from violating the antifraud provisions of Oregon state law. In 2000, the South Dakota Department of Commerce and Regulation, Division of Securities issued an order requiring Hunter to cease and desist from offering or selling unregistered securities to residents of South Dakota. In July 2003, the Securities Department of the State of Illinois issued an order prohibiting Hunter from offering or selling unregistered securities to residents of Illinois. Hunter was also individually named and ordered to cease and desist from offering or selling unregistered securities in the North Dakota C&D and the Pennsylvania C&D.

4. In September 2005, Behrmann and Hunter organized Global as a Nevada corporation.

5. In October 2005, Defendants began publicly offering interests in Global's SPIP, which they also described as the Global Online Depository.

6. The primary vehicle used to promote Global's SPIP was Global's internet website, www.globalonlinedirect.com. In the Frequently Asked Questions ("F.A.Q.") section of its website, Global describes the operation of the SPIP to prospective investors as follows:

Members agree to lend money to Global for a term of one year.

During the term of the loan, Global uses the money to finance the cyclical purchase and resale of product inventories at a profit. In exchange for the use of the money, Global agrees to pay members a specific, daily interest rate, and also to return the original loan principal at the end of the one-year term.

7. The daily interest rate at which Global represented it would pay to investors was dependent upon the initial amount of the investor's loan to Global – the greater the amount of the initial loan the greater the promised return. From October 2005 through October 2006, Global offered the

following grid to explain the promised interest returns and corresponding “plan names”:

<i>Plan Name</i>	<i>Initial Loan Amount</i>	<i>Daily Interest Rate</i>
<i>Bronze Start-Up</i>	<i>\$10 - \$100</i>	<i>0.20%</i>
<i>Silver Club</i>	<i>\$101 - \$200</i>	<i>0.25%</i>
<i>Gold Club</i>	<i>\$201 - \$300</i>	<i>0.35%</i>
<i>Diamond Club</i>	<i>\$301 - \$499</i>	<i>0.50%</i>
<i>President Club</i>	<i>\$501 - \$4,999</i>	<i>0.75%</i>
<i>Top Katt</i>	<i>\$5,000 - \$9,999</i>	<i>0.85%</i>
<i>The Big Dawgs Club</i>	<i>\$10,000 and more</i>	<i>1.00%</i>

8. Global’s terms required investors to commit the principal amount of their loan to Global for a lock-up period of 365 days. Interest accrued at the specified daily rate during what Global referred to as “banking days” and defined in its F.A.Q. as Monday through Friday, fifty-two weeks per year, less federal holidays. This resulted in 251 interest accruing days per calendar year. Investors were not permitted to withdraw their principal until 365 days from the date of their initial investment, but, after ninety days investors were permitted to begin withdrawing accrued interest.

9. Global also offered SPIP participants the opportunity to have the interest on portions of their principal compound each day. The percentage of the loan balance an investor elected to compound was required to be inversely proportional to the minimum amount of time before which an investor could begin withdrawing accrued interest. This created a sliding scale for SPIP participants such that if they elected to have no portion of their investment compounding, they could begin withdrawing accrued interest after 90 days; if they elected to have the entire loan amount compounding, they were required to wait the full 365 days of the loan before withdrawing any accrued interest.

10. In order to further attract new investors, Defendants frequently offered “sign-up bonuses” of up to 25% and “recruitment bonuses” of up to 35% to investors. Defendants represented to investors these purported bonuses would be automatically credited to their purported account balances.

11. Given the compounding terms and daily interest accrual, along with sign-up and recruitment bonuses, Defendants were promising SPIP participants effective annual returns of between 65% (for a loan of \$100 or less with no bonuses) and 1,825% (for a loan of greater than \$10,000 with a 25% sign-up bonus and 35% recruitment bonus).

- *Flea market vendors*
- *Bazaars*
- *Street sales*

*Large quantities of products are also moved through online auction sellers by means of various product inventory wholesale auctions. Although each component is independent, each works with and supports every other component in the program! The Global Online Team has over 50 years of combined marketing experience in buying and selling product inventories all over the world Your loan is **secured and backed by actual product inventories.** This is what distinguishes the **Secured Profit Inventory Program** from online investment programs, which are all too often based on dubious “trading” in various financial markets.*

“BUY RIGHT and SELL RIGHT”

By getting a good return from the sale of product inventory, Global Online can continue paying its lenders the exceptional daily returns to which many have already grown accustomed.

14. Defendants identified Ebay (www.Ebay.com), Yahoo! Auctions (auctions.yahoo.com), and Stormpay Auctions (www.stormpay.com) as commercial online auctions websites with which it does business. Defendants

also identified Global's proprietary online auction website (www.globalonlineauctionstores.net).

15. Defendants also represented that Global sells inventory through more conventional methods, including retail storefronts, flea markets, yard sales and street sales.

16. As Defendants made clear on Global's website, the inventory reselling component of Global's SPIP involves no effort on the part of investors beyond their contribution of capital.

17. No registration statement has been filed with the Commission or is in effect for the offering of securities in the Global SPIP, and there is no exemption from registration with respect to Defendants offering of securities in the Global SPIP.

18. By virtue of their conduct described above, Defendants have conducted an unregistered public offering of securities.

19. Defendants failed to disclose to investors that, while promising effective annual returns ranging from 65% to 1,825%, Defendants were completely incapable of generating the profits necessary to pay the promised returns.

20. While claiming that investor returns were paid out of profits generated by the sale of inventory, Defendants failed to disclose to investors that they were actually operating a fraudulent Ponzi scheme, in that the vast majority of returns actually paid to existing investors were the investment proceeds of later investors – a fact that they knew or were reckless in not knowing.

21. Defendants promised investors that they would receive effective annual returns ranging from 65% to 1,825%, and that their investments were “secured and backed by actual product inventories.” Behrmann and Hunter, who controlled the books and records of Global, were aware at all relevant times (or were reckless in not being aware) that Global was in arrears and did not have sufficient assets to pay its debts to investors.

22. While promising investors that their investments were “secured and backed by actual product inventories,” Defendants knew and failed to disclose that they had taken no steps to secure or tie any individual loan to any actual product inventory, and that the total value of the inventory was only an insignificant fraction of the investments purportedly secured.

23. Defendants further knew but failed to disclose to investors that Global maintained no effective bookkeeping or accounting systems and were

completely incapable of tracking or identifying: (a) the amounts invested by any individual investors; (b) the returns paid to individual investors; (c) the aggregate amount invested by investors; (d) the aggregate amount of returns paid to investors; (e) the cost of any inventory purchased; (f) the proceeds generated through the sale of inventory.

24. Defendants further failed to disclose to investors that cease-and-desist orders concerning the violation of state securities laws had been entered against Global by the states of Pennsylvania and South Dakota, against Behrmann by the states of North Dakota, Pennsylvania and South Dakota, and against Hunter by the states of Idaho, Illinois, Minnesota, North Dakota, Oregon, Pennsylvania, South Dakota and Washington.

25. While Defendants represented to investors that Behrmann was an attorney and former judge, Defendants failed to disclose to investors that, as they well knew, Behrmann's law license actually was suspended in 1999 by the Idaho State Bar for professional misconduct, and that the Supreme Court of the State of Idaho found that Behrmann had engaged in "conduct involving dishonesty, fraud, deceit or misrepresentation in course of his practice of law."

26. Behrmann and Hunter controlled and oversaw every aspect of Global, including its bank accounts. Behrmann and Hunter (and, through

them, Global) well knew, or were reckless in not knowing, that the statements and omissions alleged in paragraphs 19 through 25 were untrue statements of material facts or omissions of material facts that would have been necessary in order to make statements made by Defendants to investors not misleading.

The Court also finds that the SEC has presented evidence proving the facts set forth below by a preponderance of the evidence.

During the time period in which Global's SPIP was operating, investor deposits totaled approximately \$45,717,049. Investor withdrawals from Global's SPIP totaled approximately \$11,437,424.

Behrmann took investor funds from Global's SPIP through one hundred and fifty-two separate checks and wire transfers from October 24, 2005 through April 16, 2007. These one hundred and fifty-two checks and wire transfers to Behrmann totaled \$1,407,370.91.

Hunter took investor funds from Global's SPIP through ninety-six separate checks and wire transfers from September 13, 2005 through April 16, 2007. These ninety-six checks and wire transfers to Hunter totaled \$517,276.93.

Based on the foregoing findings of fact, the Court hereby imposes the following relief:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Behrmann and Hunter, their agents, servants, employees, attorneys, and all persons in active concert or participation with either or both of them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

(c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Behrmann and Hunter, their agents, servants, employees, attorneys, and all persons in active concert or participation with either or both of them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Behrmann and Hunter, their agents, servants, employees, attorneys, and all persons in active concert or participation with either or both of them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b) and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Behrmann is liable for disgorgement of \$1,407,370.91, representing profits gained as a result of the conduct alleged in the Amended Complaint, together with prejudgment interest thereon in the amount of \$376,537.05, and a civil penalty in the amount of \$200,000.00 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. 77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. 78u(d)(3). Defendant Behrmann shall satisfy this obligation by paying \$1,983,907.90 within thirty (30) days after entry of this Final Judgment to the court-appointed Receiver, Michael Grassmueck, c/o The Grassmueck Group, P.O. Box 3649, Portland, OR 97208, together with a cover letter identifying Bryant E. Behrmann as a defendant in this

action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant Behrmann shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant Behrmann. Defendant Behrmann shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The court-appointed Receiver, Michael Grassmueck, shall add any funds paid by Defendant Behrmann pursuant to this paragraph to the other funds in the receivership available for distribution to investors.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Hunter is liable for disgorgement of \$517,276.93, representing profits gained as a result of the conduct alleged in the Amended Complaint, together with prejudgment interest thereon in the amount of \$138,395.62, and a civil penalty in the amount of \$200,000.00, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. 77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. 78u(d)(3). Defendant Hunter shall satisfy this obligation by

paying \$855,672.55 within thirty (30) days after entry of this Final Judgment to the court-appointed Receiver, Michael Grassmueck, c/o The Grassmueck Group, P.O. Box 3649, Portland, OR 97208, together with a cover letter identifying Larry E. Hunter as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant Hunter shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant Hunter relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant Hunter. Defendant Hunter shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The court-appointed Receiver, Michael Grassmueck, shall add any funds paid by Defendant Hunter pursuant to this paragraph to the other funds in the receivership available for distribution to investors.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that amounts ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes,

including all tax purposes. To preserve the deterrent effect of the civil penalty, neither Defendant Behrmann nor Defendant Hunter shall, after offset or reduction of any award of compensatory damages in any Related Investor Action based on payment of disgorgement in this action, argue that he is entitled to further benefit by, offset or reduction of such compensatory damages award by the amount of any part of his payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset to Defendant Behrmann or Defendant Hunter, he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury, the court-appointed Receiver Michael Grassmueck, or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant Behrmann, Defendant Hunter, or both of them by or on behalf of one or more investors based on substantially the same facts as alleged in the Amended Complaint in this action.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VIII.

This Order is entered pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

IT IS SO ORDERED, this the 16th day of June, 2009.



WILLIAM S. DUFFEY, JR.
UNITED STATES DISTRICT JUDGE

JUDGMENT ENTERED:

Clerk