

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**ELITE RESOURCES, LLC,
ELITE3 HOLDING CORP.,
PATRICIA DIANE GRUBER, and
KADAR M. JOSEY,**

Defendants.

**Civil Action No.
1:10-CV-3522 (SJC)**

**FINAL JUDGMENT AS TO DEFENDANTS ELITE RESOURCES,
LLC, ELITE3 HOLDINGS CORP., PATRICIA DIANNE GRUBER,
AND KADIR M. JOSEY**

The Securities and Exchange Commission having filed a Complaint against Defendants Elite Resources, LLC, Elite3 Holding Corp., Patricia Dianne Gruber, and Kadir M. Josey (“Defendants”), and the Defendants having entered a general appearance; consented to the Court’s jurisdiction over them and the subject matter of this action; consented to the entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and

conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and their agents, servants, employees, attorneys, and all persons in active concert or participation with 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

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor about:

- (A) any investment in or offering of securities,
- (B) the registration status of such offering or of such securities,
- (C) the prospects for success of any product or company,
- (D) the use of investor funds; or
- (E) the misappropriation of investor funds or investment proceeds.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants and their agents, servants, employees, attorneys, and all persons in active concert or participation with 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 [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

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor about:

- (A) any investment in or offering of securities,
- (B) the registration status of such offering or of such securities,
- (C) the prospects for success of any product or company,
- (D) the use of investor funds; or
- (E) the misappropriation of investor funds or investment proceeds.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED

that Defendants and their agents, servants, employees, attorneys and those persons in active concert or participation with them, be, and they hereby are, restrained from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] by, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;
- (b) carrying securities or causing such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale; or
- (c) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy securities, through the use or medium of any prospectus or otherwise, without a registration statement having been filed with the Commission as to such securities.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants are liable for disgorgement of \$2,850,000.00, representing the profits gained as a result of the conduct alleged in the Complaint. Based on

Defendants sworn representations in their Statement of Financial Condition dated January 18, 2012, and other documents and information submitted to the Commission, however, the Court is not ordering Defendants to pay a civil penalty and payment of all but \$711,414.052 of the disgorgement, and prejudgment interest thereon is waived. The disgorgement amount will be satisfied from the funds frozen in Defendants' Bank of America and JPMorgan Chase bank accounts, as set forth below, which Bank of America and JPMorgan Chase will pay to the Commission.

Defendants' Bank of America Accounts:

Elite Resources LLC (account no. ending in 0163)	\$512,817.84
Elite 3 LLC (account no. ending in 5331)	\$ 1,296.77
F4L Investment Corp. (account no. ending in 8778)	\$ 187.15
F4L Investment Corp. Trade (account no. ending in 4725)	\$ 303.12
F4L Investment Corp. (account no. ending in 4664)	\$ 383.09
F4L Investment Corp KJ (account no. ending in 5083)	\$ 1,158.12

Defendants' JPMorgan Chase Accounts:

OT Holding LLC (account no. ending in 6300)	\$ 503.60
F4L Investment Corp. (account no. ending in 5807)	\$ 70,680.00
Envisioned Results LLC (account no. ending in 5872)	\$117,733.23
Envisioned Results LLC (account ending in 1893)	\$ 2,080.00

Envisioned Results LLC (account no. ending in 2099) \$ 4,271.13

Payment may be transmitted electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account or by credit or debit card via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Payment may also be made by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of the Court; Elite Resources, LLC, Elite3 Holding Corp., Patricia Dianne Gruber, and Kadir M. Josey as defendants in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendants will provide whatever assistance is required by Bank of America and JPMorgan Chase to ensure that payment of the disgorgement amount of \$711,414.05 is made to the Commission as specified in this Final Judgment, and evidence of payment and case identifying information is provided to the Commission's counsel in this action. By making this

payment, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants.

Payment of the disgorgement amount of \$711,414.05 is due within 14 days of entry of this Final Judgment. Defendants are jointly and severally liable for payment of the disgorgement amount of \$711,414.05. Payment shall be deemed made on the date it is received by the Commission.

Within 90 days of the Commission's receipt of the disgorgement amount of \$711,414.05, it shall distribute the funds, less expenses associated with the distribution, pro-rata based on net investment loss to the eight (8) investors known to the Commission to have been victimized by the conduct set forth in the Complaint, who were not previously reimbursed for their investments by Defendants. Commission staff shall engage a tax administrator for the above payments to the investors as the disgorgement funds constitute a qualified settlement fund under section 468B(g) of the Internal Revenue Code, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through B-5. Taxes, if any, and related administrative expenses shall be paid from the disgorgement funds.

The determination not to impose a civil penalty and to waive payment of all but \$711,414.05 of the disgorgement and pre-judgment interest is

contingent upon the accuracy and completeness of Defendants Gruber's and Josey's Statements of Financial Condition, dated January 18, 2012. If at any time following the entry of the Final Judgment the Commission obtains information indicating that any of Defendants' representations to the Commission concerning their assets, income, liabilities or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendants, petition the court for an order requiring Defendants to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendants was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including but not limited to ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendants may not, by way of defense of such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in

the Complaint; (3) assert that payment of disgorgement, pre-judgment or post-judgment interest, or a civil penalty should not be ordered; (4) contest the amount of disgorgement or pre-judgment or post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including but not limited to any statute of limitations defense. Defendants shall also pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. Section 1961.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendants Elite Resources, LLC, Elite3 Holding Corp., Patricia Dianne Gruber, and Kadir M. Josey is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

VI.

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.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: November 3, 2014

s/Steve C. Jones

STEVE C. JONES
UNITED STATES DISTRICT JUDGE