

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the Matter of

ARRIN CORPORATION,
GUNDAKER/JORDAN AMERICAN HOLDINGS (A/K/A
JORDAN AMERICAN HOLDINGS, INC.),
LIBERTY PETROLEUM CORPORATION,
MIKOJO INCORPORATED,
ROYAL INVEST INTERNATIONAL CORP., and
SAN JOAQUIN BANCORP

INITIAL DECISION AS TO
GUNDAKER/JORDAN
AMERICAN HOLDINGS
(A/K/A JORDAN
AMERICAN HOLDINGS,
INC.)
November 2, 2015

APPEARANCE: David S. Frye and Kevin P. O'Rourke for the Division of Enforcement,
Securities and Exchange Commission

Wallace Neal Jordan, President of Gundaker/Jordan American Holdings
(a/k/a Jordan American Holdings, Inc.)

BEFORE: Cameron Elliot, Administrative Law Judge

SUMMARY

Gundaker/Jordan American Holdings (a/k/a Jordan American Holdings, Inc.) is a Florida corporation located in Henderson, Nevada, with a class of securities traded on OTC Link and registered with the Commission. Gundaker has filed no periodic reports required by Securities Exchange Act of 1934 (Exchange Act) Section 13(a) and rules thereunder since it filed a Form 10-QSB for the period ended September 30, 2005. This Initial Decision finds that it is in the public interest to revoke the registration of Gundaker's registered securities.¹

¹ The proceeding has ended as to the other Respondents. *Arrin Corp.*, Initial Decision Release No. 861, 2015 SEC LEXIS 3393 (Aug. 18, 2015), *finality order*, Exchange Act Release No. 76272, 2015 SEC LEXIS 4408 (Oct. 27, 2015).

I. INTRODUCTION

A. Procedural Background

The Commission initiated this proceeding with an Order Instituting Administrative Proceedings (OIP), pursuant to Section 12(j) of the Exchange Act, on July 8, 2015. Gundaker filed an Answer on August 3 and on August 6, I ordered a briefing schedule for motions for summary disposition. *Arrin Corp.*, Admin. Proc. Rulings Release No. 3018, 2015 SEC LEXIS 3218.

The Division of Enforcement filed a Motion for Summary Disposition, attaching (1) the Declaration of David S. Frye in Support of the Motion and ten exhibits;² and (2) the Declaration of Marva D. Simpson and four exhibits, on August 19, 2015.³ Gundaker submitted a letter on or about September 18, 2015, which was later furnished to the Office of the Secretary for filing, and which I construed as an Opposition. The Division did not file a Reply.

This Initial Decision is based on the Division's Motion, Gundaker's Answer and Opposition, and the Commission's public official records concerning Gundaker, of which official notice is taken pursuant to Rule 323 of the Commission's Rules of Practice. 17 C.F.R. § 201.323. There is no genuine issue with regard to any material fact, and this proceeding may be resolved by summary disposition pursuant to Rule 250, 17 C.F.R. § 201.250. All arguments and proposed findings and conclusions that are inconsistent with this decision were considered and rejected.

² Ex. 1 is the cover page from a Form 8-A for Gundaker (previously known as Christian Purchasing Network, Inc.) filed with the Commission on January 7, 1991; Ex. 2 is a printout from the Division of Corporations of the Florida Department of State's website showing Gundaker's corporate status as of August 18, 2015; Ex. 3 is a printout from www.otcquote.com showing the trading status of Gundaker's common stock as of July 7, 2015; Ex. 4 is a printout of Gundaker-related filings from the Commission's EDGAR database through August 18, 2015; Ex. 5 is a table prepared by the Division setting forth certain information concerning Gundaker's required periodic reports as of August 19, 2015; Ex. 6 comprises excerpts from Gundaker's Definitive Form 14A, filed with the Commission on September 4, 2003; Ex. 7 comprises excerpts from Gundaker's Form 10-KSB for the period ended December 31, 2004, filed on June 29, 2005; Ex. 8 consists of copies of Gundaker's annual reports with the State of Florida for the years 2005 through 2007 and the years 2013 through 2015; Ex. 9 is a Corporation Reinstatement form for Gundaker, dated March 24, 2009, and filed with the State of Florida on July 9, 2009; Ex. 10 is a Corporation Reinstatement form for Gundaker, dated March 2, 2012, and filed with the State of Florida on March 12, 2012.

³ Simpson Ex. 1 is a May 12, 2005, delinquency letter and signed return receipt sent to Gundaker from the Commission's Division of Corporation Finance; Simpson Ex. 2 is a letter dated June 6, 2005, to Corporation Finance from Wallace Neal Jordan; Simpson Ex. 3 is the cover page from a Form 10-QSB for the period ended September 30, 2005, filed on November 14, 2005; Simpson Ex. 4 is a March 19, 2015, delinquency letter from Corporation Finance to Gundaker, returned envelope, and confirmation of attempted delivery from the United States Postal Service.

B. Allegations and Arguments of the Parties

The OIP alleges that Gundaker's securities are registered with the Commission pursuant to Section 12(g) of the Exchange Act and that it has not filed any periodic reports since filing a Form 10-QSB for the period ended September 30, 2005. OIP at 2; Ex. 1. The Division requests that the registration of Gundaker's securities be revoked, citing its ongoing delinquency, degree of culpability, and inadequate efforts to remedy its past violations and ensure future compliance. Motion at 3, 9-15. The Division notes that Gundaker also failed to comply with Exchange Act Sections 14(a) and/or 14(c) and the rules thereunder because it failed to file its required proxy or information statements. *Id.* at 12-13.

In its Answer and Opposition, Gundaker acknowledges its failure to file financial information. Answer at 1; Opposition at 11. Gundaker blames this failure on its ignorance of the securities laws and having received "poor advice." Answer at 1; Opposition at 11. Jordan claims the company was incorrectly advised that since it was inactive and its stock was not trading, it did not need to comply with Commission reporting obligations. Answer at 1; Opposition at 11. Gundaker argues that because the stock was inactive, no harm resulted from its failure to file required reports. Answer at 7; Opposition at 11. Gundaker promises that it will bring its reporting current, correct the deficiency, and remain compliant in the future. Answer at 1, 7-8; Opposition at 11.

II. FINDINGS OF FACT

Gundaker, Central Index Key No. 855663, is a Florida corporation located in Henderson, Nevada, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). Exs. 1, 2. Gundaker is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed a Form 10-QSB for the period ended September 30, 2005, which reported a net loss of \$98,757 for the prior nine months. Ex. 5; Form 10-QSB filed November 14, 2005, at 5.

On May 12, 2005, Corporation Finance sent Gundaker a delinquency letter, which was received on May 23, 2005. Simpson Ex. 1. The letter warned Gundaker that it appeared to be delinquent in its reporting requirements. *Id.* Jordan called and wrote a letter in return to Corporation Finance, indicating that Gundaker's required filings would be forthcoming. Simpson Ex. 2; Simpson Decl. ¶¶ 4-5. On June 29, 2005, Gundaker filed nine periodic reports to become current. Ex. 5. Gundaker remained current for two more quarters until its most recent filing for the period ended September 30, 2005. *Id.*

On March 19, 2015, Corporation Finance sent Gundaker a second delinquency letter to the address in Gundaker's most recent filing with the Commission, which was returned undelivered due to a bad address. Simpson Ex. 4; Simpson Decl. ¶ 7; *See* Simpson Ex. 3. As of July 7, 2015, Gundaker's common stock was quoted on OTC Link, had three market makers, and was eligible for the "piggyback" exception of Exchange Act Rule 15c2-11(f)(3). Ex. 3. To date, Gundaker has not filed any of its delinquent reports or Forms 12b-25 requesting extensions, nor has it filed a Form 10-Q for the period ended June 30, 2015, which was due August 14, 2015. Ex. 5.

III. CONCLUSIONS OF LAW

Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 require public corporations to file annual and quarterly reports with the Commission. Specifically, Rule 13a-1 requires issuers to file annual reports and Rule 13a-13 requires domestic issuers to file quarterly reports. *See* 17 C.F.R. §§ 240.13a-1, .13a-13. “Compliance with those requirements is mandatory and may not be subject to conditions from the registrant.” *America’s Sports Voice, Inc.*, Exchange Act Release No. 55511, 2007 SEC LEXIS 1241, at *12 (Mar. 22, 2007), *recons. denied*, Exchange Act Release No. 55867, 2007 SEC LEXIS 1239 (June 6, 2007). Scierter is not required to establish violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13. *See SEC v. McNulty*, 137 F.3d 732, 740-41 (2d Cir. 1998); *SEC v. Wills*, 472 F. Supp. 1250, 1268 (D.D.C. 1978). There is no genuine issue of material fact that Gundaker failed to timely file required periodic reports for any period after the quarter ended September 30, 2005. Accordingly, Gundaker violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13.

IV. SANCTION

Under Exchange Act Section 12(j), the Commission is authorized, “as it deems necessary or appropriate for the protection of investors,” to revoke the registration of a security or suspend for a period not exceeding twelve months if it finds, after notice and an opportunity for hearing, that the issuer of the security has failed to comply with any provision of the Exchange Act or rules thereunder. In determining what sanctions will adequately protect investors, the Commission “consider[s], among other things, the seriousness of the issuer’s violations, the isolated or recurrent nature of the violations, the degree of culpability involved, the extent of the issuer’s efforts to remedy its past violations and ensure future compliance, and the credibility of its assurances, if any, against further violations.” *Gateway Int’l Holdings, Inc.*, Exchange Act Release No. 53907, 2006 SEC LEXIS 1288, at *19-20 (May 31, 2006).

Gundaker’s violations are serious in that failure to file required periodic reports violates a central provision of the Exchange Act. The purpose of periodic reporting is “to supply investors with current and accurate financial information about an issuer so that they may make sound [investment] decisions.” *Id.* at *26. The reporting requirements are the primary tool that Congress fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of securities. *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1st Cir. 1977). Gundaker’s violations are also recurrent in that it failed to file thirty-nine consecutive periodic reports for almost a decade.⁴ *See Nature’s Sunshine Prods., Inc.*, Exchange Act Release No. 59268, 2009 SEC LEXIS 81, at *20 (Jan. 21, 2009) (respondent failed to file seven required periodic reports due over a two-year period); *Impax Labs., Inc.*, Exchange Act Release No. 57864, 2008 SEC LEXIS 1197, at *25-26 (May 23, 2008) (respondent’s failure to

⁴ Up to the date of filing of the OIP, Gundaker was delinquent in thirty-eight filings, but as Ex. 5 shows, in the period between the issuance of the OIP and this Initial Decision, Gundaker failed to file a Form 10-Q for the period ending June 30, 2015, which was due on August 14, 2015. *See Cobalis Corp.*, Exchange Act Release No. 64813, 2011 SEC LEXIS 2313, at *23-24 n.31 (July 6, 2011) (noting that filing failures not alleged in the OIP may be considered in assessing appropriate sanctions (citing *Nature’s Sunshine*, 2009 SEC LEXIS 81, at *22 n.27)).

make eight filings over an eighteen-month period considered recurrent). Additionally, Gundaker has failed to file Forms 12b-25 informing investors of its inability to make its periodic filings. Ex. 5.

With respect to culpability, the record shows that Gundaker knew of its reporting obligations but failed to comply with them. Corporation Finance sent two delinquency letters to Gundaker; after the first letter in 2005, Gundaker filed its delinquent reports to become current. Simpson Exs. 1,4; Ex. 5. Jordan received the first letter and coordinated those filings. Simpson Ex. 2. While Gundaker did not receive the second letter, it was sent to Gundaker's address listed on its most recent filing with the Commission. See Simpson Exs. 3, 4. Jordan's claimed ignorance and misunderstanding of the securities laws is not a valid excuse. See *China-Biotics, Inc.*, Exchange Act Release No. 70800, 2013 SEC LEXIS 3451, at *37 & n.60 (Nov. 4, 2013) (holding that revocation may be warranted even without proof that a respondent was aware of its reporting obligations).

Gundaker has made no credible effort to remedy its past violations. Although Jordan promises that Gundaker "will strive to bring [its] reportings current, and to correct [its] deficiency as soon as possible," it has yet to make any filings of the delinquent reports or to explain how it intends to do so. Opposition at 11. Gundaker is also a repeat offender. See Ex. 5. After becoming current in its filings in 2005, Gundaker was only able to remain current for one quarterly reporting period before once again falling delinquent. See *id.* Gundaker's assurances against future violations are therefore not credible.

Revocation of the registration of Gundaker's registered securities will serve the public interest and the protection of investors, pursuant to Exchange Act Section 12(j).

V. ORDER

It is hereby ORDERED that the Division of Enforcement's Motion for Summary Disposition is GRANTED.

It is FURTHER ORDERED that, pursuant to Section 12(j) of the Securities Exchange Act of 1934, 15 U.S.C. § 78l(j), the registration of the registered securities of Gundaker/Jordan American Holdings (a/k/a Jordan American Holdings, Inc.) is REVOKED.

This Initial Decision shall become effective in accordance with and subject to the provisions of 17 C.F.R. § 201.360. Pursuant to 17 C.F.R. § 201.360, a party may file a petition for review of this Initial Decision within twenty-one days after service of the Initial Decision. A party may also file a motion to correct a manifest error of fact within ten days of the Initial Decision, pursuant to 17 C.F.R. § 201.111(h). If a motion to correct a manifest error of fact is filed by a party, then a party shall have twenty-one days to file a petition for review from the date of the undersigned's order resolving such motion to correct a manifest error of fact.

This Initial Decision will not become final until the Commission enters an order of finality. The Commission will enter an order of finality unless a party files a petition for review or a motion to correct a manifest error of fact or the Commission determines on its own initiative to review the

Initial Decision as to a party. If any of these events occur, the Initial Decision shall not become final as to a party.

Cameron Elliot
Administrative Law Judge