

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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<b>IN THE MATTER OF:</b>	)	
<b>AVALON OVERSEAS HOLDING, LLC</b> its managers, officers,	)	<b>File No. 1300450</b>
affiliates, subsidiaries, representatives, successors, and assigns, and;	)	
<b>WILLIAM J. ROUSH</b> , an individual, and;	)	
<b>KARUNDI SERUMAGA YOUNG</b> , an individual,	)	

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**TEMPORARY ORDER OF PROHIBITION**

**TO THE RESPONDENTS:**

**Avalon Overseas Holding, LLC**  
25014 Oak Lawn Avenue, Suite 260  
Dallas, TX 75219-4043

**William J. Roush**  
5521 Greenville Avenue, Suite 104-746  
Dallas, TX 75206-2940

**Karundi Serumaga Young**  
20 Pickford Road  
Montgomery, IL 60538

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the offer or sale of securities and/or the engagement in the business of investment adviser in the State of Illinois by Avalon Overseas Holding, LLC, William J. Roush, and Karundi Serumaga Young is subject to a Temporary Order of Prohibition.

**COUNT I**

**FRAUD IN PROVIDING INVESTMENT ADVICE**

1. Respondent Avalon Overseas Holding, LLC ("Avalon") was a Texas limited liability company which offered investment advisory services and had a last known address of 2501 Oak Lawn Avenue, Suite 260, Dallas, TX 75219.
2. Respondent William J. Roush ("Roush") was a Texas resident and the President and CEO of Respondent Avalon. He has a last known address of 5521 Greenville Avenue, Suite 104-746, Dallas, TX 75206.

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3. Respondent Karundi Serumaga Young ("Young") is an Illinois resident who represents herself as a promoter of various enterprises in and from the State of Illinois and has a last known address of 20 Pickford Road, Montgomery, IL 60538.
4. Respondent Young also lists another address, 20 Pickford Road, Oswego, IL 60543, on her Illinois State driver's license. However, this address does not exist in the State of Illinois.
5. Respondent Young has a long list of aliases: Karundi Young, Karundi Olga Young, Olga K. Serumaga, Karundi O. Serumaga, Young Olga Serumaga, Olga Serumage, Olga Karundi Young, Olga K. Serumaga-Young, Serum Karundi, and Olga Serumaga Young Karundi.
6. In or around August 2009, Respondent Young met Dennis Bird ("Bird"), who has since entered into a Consent Order with the Illinois Securities Department regarding this matter. Respondent Young represented to Bird that she was a principal in an entity called Global Trade Financial which was created to establish a platform trade option.
7. Bird introduced eleven (11) Illinois investors ("Investors") to Global Trade Financial, who, between September 2009 and December 2009, provided Bird with funds amounting to \$300,000.
8. The \$300,000 was then deposited into Bird's personal bank account.
9. During the period that the Investors' \$300,000 was in Bird's personal account awaiting to invest in the Global Trade Financial ("Global Trade") platform trade option, Respondent Young contacted Bird and iterated to him that the platform was not yet up and running, and recommended a short term investment to invest the Investors funds in until the platform was established.
10. The short term investment recommended by Respondent Young was Respondent Avalon Overseas Holding, S.A. ("Avalon").
11. As a result, the eleven investors decided to invest in Respondent Avalon until Global Trade was running. Bird entered into an investment advisory contract with Respondent Avalon on December 13, 2009, which was signed and executed by Respondent Avalon's CEO Respondent William Roush. Bird then drafted Joint Venture Agreements, which he then executed between each of the 11 Illinois Investors, naming Global Trade the *managing partner of the invested funds*.
12. The Joint Venture Agreements also states that this is an investment pool to invest in capital investment programs, private placement opportunities, controlled Buy-sell programs and various project funding requirements on behalf of clients. The Agreement states in pertinent part that Global Trade will take a 5% fee of the pooled invested funds and that a short term investment for the month of December was established with Respondent Avalon.

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13. On November 20, 2009, Bird affected a wire transfer from his personal account in the amount of \$225,000, which was wired to Global Trade Financial's Chase Bank account.
14. On December 16, 2009, Bird affected another wire transfer from his personal account in the amount of \$75,000, which was again wired to Global Trade Financial's Chase Bank Account.
15. Per the terms of the agreement with Global Trade, three members, including Respondent Young, of Global Trade took a 5% fee of the deposited funds. Bird was not a signatory on the Global Trade bank account.
16. Respondent Young, as a signatory of Global Trade's bank account, took a third of the 5% fee of the Investors' deposited funds amounting to \$5,000. This is evidenced by two withdrawals from Global Trade's bank account signed by Respondent Young.
17. In December 2009, two wire transfers were made from the Global Trade Financial account to Respondent Avalon amounting to \$285,250 representing the invested funds minus the 5% fee charged by Respondent Young and the other Global Trade members.
18. Bird received a statement in February 2010 from Respondent Avalon. After reviewing the statement, Bird became concerned about the information in the account statement and requested that the funds be returned to the Global Trade Financial account.
19. Bird had several conversations with Respondent Roush regarding the return of the investment, and why it was taking so long to return the funds. Sometime after April 2010, Respondent Roush ceased communications with Bird.
20. On information and belief, Respondent Roush has since left the country with the 11 Illinois Investors' invested funds. To date the 11 Illinois Investors have not received any return of the \$300,000 invested. A review of Respondent Avalon's bank statements indicates that the 11 Illinois Investor's funds were no longer located in Respondent Avalon's bank account.
21. Section 2.11 of the Act states in pertinent part that an "investment adviser" means any person who, for compensation engages in this State in the business of advising others, either directly or through publications or writings; as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.
22. Respondents Avalon and Roush engaged in the business of investment adviser when they entered into the investment advisory contract with Bird, stating that they would invest the 11 Illinois Investors' funds and target a return on the investors investment of 10% a month.
23. The Department could not find any evidence that Respondents Avalon and Roush invested the funds per the terms of the contract, nor any evidence that Respondents

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Avalon and Roush returned the invested funds to the Global Trade bank account after Bird requested their return.

24. Section 12.J(1) of the Act provides that it shall be a violation of the Act for any person when acting as an investment advisor, investment advisor representative, or federal covered investment advisor, by any means or instrumentality, directly or indirectly to employ any device, scheme or artifice to defraud any client or prospective client.
25. Section 12.J(2) of the Act provides that it shall be a violation of the Act for any person when acting as an investment advisor, investment advisor representative, or federal covered investment advisor, by any means or instrumentality, directly or indirectly to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.
26. Section 12.J(3) of the Act provides that it shall be a violation of the Act for any person when acting as an investment advisor, investment advisor representative, or federal covered investment advisor, by any means or instrumentality, directly or indirectly engage in any act, practice, or course of business which is fraudulent, deceptive or manipulative.
27. By virtue of the foregoing, Respondent Avalon and Roush have each violated Sections 12.J(1), 12.J(2), and 12.J(3) of the Illinois Securities Law of 1953.
28. Respondent Young engaged in the business of investment adviser when she advised Bird and recommended to him the short term investment in Respondent Avalon until the platform at Global Trade was established. Moreover, Respondent Young took her fee when the funds were deposited into the Global Trade bank account.
29. There is no evidence that Respondent Young did any sort of reasonable due diligence search into the validity of Respondent Avalon before recommending the investment to Bird.
30. Section 12.J(2) of the Act provides that it shall be a violation of the Act for any person when acting as an investment advisor, investment advisor representative, or federal covered investment advisor, by any means or instrumentality, directly or indirectly to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.
31. By virtue of the foregoing, Respondent Young has violated Section 12.J(2) of the Illinois Securities Law of 1953.

**COUNT II**

**FRAUD IN CONNECTION WITH THE OFFER AND SALE OF SECURITIES**

32. Paragraphs 1 through 31 are herein incorporated by reference.
33. In or around June 2010, Respondent Young contacted Bird and iterated to him that she knew of a person who could track down Respondent Roush in an attempt to recover the stolen funds.
34. Within a month, Respondent Young stated that she had hired a retired airport security operator who had tracked the funds to Costa Rica. Respondent Young also stated that the retired airport security operator would only communicate with Respondent Young to preclude the inherent delays associated with the 11 Illinois Investors constantly contacting him for updates.
35. When the retired airport security operator purportedly located Respondent Roush and the missing funds, Respondent Young iterated to Bird that it would cost \$7,000 to send the retired airport security operator to Costa Rica to track down Respondent Roush and retrieve the funds.
36. Bird then contacted the 11 Illinois Investors who, including Bird, pooled their funds together in order to send Respondent Young the \$7,000 with the understanding that those funds would be used to pay the retired airport security operator in order for him to travel to Costa Rica.
37. On July 16, 2010, Bird wired the sum of \$7,000 to Respondent Young's TCF Bank account.
38. There is no evidence whether this retired airport security operator actually existed or if the retired airport security operator made the trip to Costa Rica.
39. Respondent Young has not returned the \$7,000 to Bird or any of the 11 Illinois Investors. Moreover, Respondent Roush has not been found nor have any of the 11 Illinois Investors received the return of any of their investment.
40. During the course of the Illinois Securities Department's investigation in this matter, Respondent Young's bank records were subpoenaed pursuant to Sections 11.C and 11.D of the Illinois Securities Law of 1953.
41. In reviewing Respondent Young's records, the Department could find no evidence of any payments being made to the retired airport security operator as payment for tracking down the stolen funds. In fact; from July 16, 2010 to October 22, 2010, when Respondent Young's account was closed, Respondent Young spent the \$7,000 received from Bird via wire transfer on cash withdrawals and payments of her personal expenses.

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42. Since their July 2010 communications, Respondent Young has made several attempts to contact Bird with other investment opportunities in clothing lines purportedly operating in Chicago or investments in a finance company located in Florida.
43. Section 12.I of the Act states *inter alia* it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
44. Section 12.J(1) of the Act provides that it shall be a violation of the Act for any person when acting as an investment advisor, investment advisor representative, or federal covered investment advisor, by any means or instrumentality, directly or indirectly to employ any device, scheme or artifice to defraud any client or prospective client.
45. By virtue of the foregoing, Respondent Young violated Sections 12.I and 12.J(1) of the Illinois Securities Law of 1953.

**COUNT III**

**ACTING AS AN UNREGISTERED INVESTMENT ADVISER**

46. Paragraphs 1 through 45 are herein incorporated by reference.
47. Under Section 2.12b of the Act, an investment adviser representative means, with respect to an investment adviser who is required to register under this Act, any person who in this State: (1) makes any recommendations or otherwise renders advice regarding securities; (2) manages accounts or portfolios of clients; and (3) determines what recommendations or advice regarding securities should be given.
48. As stated in paragraph 20, Respondent Young engaged in the business of investment adviser when she advised Bird and recommended to him the short term investment in Respondent Avalon until the platform at Global Trade was established. Moreover, Respondent Young took her fee when the funds were deposited into the Global Trade bank account.
49. The activities of Respondent Young as stated above constitute acting as an investment adviser and/or investment adviser representative in the State of Illinois.
50. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
51. Respondent Young is currently not, nor ever has been, registered as an investment adviser and/or investment adviser representative in the State of Illinois.
52. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.

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53. Section 12.C of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to act as a investment adviser or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.
54. By virtue of the foregoing, Respondent Young violated Sections 12.A and 12.C of the Illinois Securities Law of 1953.
55. Section 11.F(2) of the Act states *inter alia* the Secretary of State may temporarily prohibit, for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities, or the offer or sale of securities by any person, or the business of rendering investment advice without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
56. The entry of this **Temporary Order prohibiting Respondents Avalon Overseas Holding, LLC, Willaim J. Roush, and Karundi Serumaga Young** from offering or selling securities, or from engaging in any course of business related to investment adviser activities, in or from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW IT IS HEREBY ORDERED THAT:

Respondent **AVALON OVERSEAS HOLDING, LLC**, and any employee or representative, is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROIIBITED** from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective February 9, 2015, subject to further order of the Secretary of State.

Respondent **WILLIAM J. ROUSH** is **PROHIBITED** from the offer or sale of securities in or from the State of Illinois, and **PROHIBITED** from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective February 9, 2015, subject to further order of the Secretary of State.

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Respondent **KARUNDI SERUMAGA YOUNG** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, effective February 9, 2015, subject to further order of the Secretary of State.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 9th day of February, 2015.



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JESSE WHITE  
Secretary of State  
State of Illinois

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**You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.**

**Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.**

**A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website:**

**<http://www.cyberdriveillinois.com/departments/securities/abtil.html>**