

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 SECURITIES DIVISION

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Securities Act of Washington by:

7 Troy Grogan; Worldfund Group, LLC;
8 Infinitee Group, LLC; Ti Investments, LTD.,

9 Respondents

Order Number S-05-135-05-TO01

SUMMARY ORDER TO CEASE AND
DESIST AND NOTICE OF INTENT TO
IMPOSE FINES

10 THE STATE OF WASHINGTON TO:

Troy Grogan
Worldfund Group, LLC
Infinitee Group, LLC
Ti Investments, LTD.

11 **STATEMENT OF CHARGES**

12 Please take notice that the Securities Administrator of the State of Washington has reason
13 to believe that Respondents, Troy Grogan; Worldfund Group, LLC; Infinitee Group, LLC; and
14 Ti Investments, LTD., have violated the Securities Act of Washington and that their violations
15 justify the entry of an order of the Securities Administrator under RCW 21.20.390 against them
16 to cease and desist from such violations. The Securities Administrator finds that delay in
17 ordering the Respondents to cease and desist from such violations would be hazardous to the
18 investors and to the public and that a Summary Order to Cease and Desist should be entered
19 immediately. The Securities Administrator finds as follows:

20 SUMMARY ORDER TO CEASE AND DESIST AND
21 NOTICE OF INTENT TO IMPOSE FINES

22 1

23 DEPARTMENT OF FINANCIAL INSTITUTIONS
24 Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1 **TENTATIVE FINDINGS OF FACT**

2 *Respondents*

3 1. Troy Grogan (“Grogan”) resided in King County, Washington at all relevant
4 times.

5 2. Worldfund Group, LLC is purportedly an Oklahoma limited liability company,
6 (“Worldfund”) with a principal place of business in Kirkland, Washington. The Washington
7 Secretary of State has no record that Worldfund has applied for a certificate of authority to
8 conduct business in Washington. Worldfund is purportedly a real estate investment company.
9 Grogan is a managing member of Worldfund.

10 3. Infinitee Group, LLC (“Infinitee”) purportedly is an investment club that invests
11 in real estate and venture capital projects. The Washington Secretary of State has no record
12 that Infinitee has applied for a certificate of authority to conduct business in Washington.

13 4. Ti Investments, LTD. (“Ti Investments”) is purportedly a business entity
14 organized in Mexico with its principal place of business in Cancun, Mexico. Ti Investments
15 purportedly is an elite, private investment club that provides a unique opportunity for high-net-
16 worth individuals to participate in a variety of investment vehicles. The Washington Secretary
17 of State has no record that Ti Investments has applied for a certificate of authority to conduct
18 business in Washington.

19
20 *Nature of the Offering*

21 5. Beginning in 2001 and continuing to present, Grogan offered and sold at least
22 \$425,000 of investments to at least 13 investors located throughout the United States. There was
23

1 at least one investor located in the State of Washington. Several of the investors were elderly
2 and gave Grogan their retirement savings.

3 6. Grogan offered a 10% finder's fee to anyone who introduced him to a potential
4 investor who invested money through him. Grogan met the investors through finders. However,
5 Grogan typically has not paid the finder's fee that he promised to those that have brought him
6 investors.

7 7. Grogan told potential investors that he was going to provide access to the type of
8 returns that usually only the wealthy, sophisticated investors receive. Grogan told investors
9 about three different ways to achieve a high rate of return.

10 8. First, investors could achieve a high rate of return by trading stocks using the
11 techniques describe in Grogan's booklet titled *Retirement Plan for the Part-Timer* distributed
12 through Quinlan Corporation. This book instructs investors on how to hedge the stock market
13 through writing covered calls.

14 9. Second, investors could achieve a high rate of return by allowing Grogan to invest
15 their money in short-term investments. Grogan had investors sign a "Loan Proceed Repayment"
16 document ("Loan Agreement") that specified a length of time until the investor received the
17 initial investment back. Grogan promised, and the Loan Agreement stated, that the investors
18 would receive a high rate of return. For instance, one investor gave Grogan \$10,000. Grogan
19 promised, and the Loan Agreement stated, that the investor would receive the \$10,000
20 investment plus \$5,000 interest sixty days later.

21 10. The header of the Loan Agreements contained Grogan's name and Washington
22 address.

1 11. Typically, the short-term investments ranged from 20 days to 90 days. Grogan
2 told the investors that either he would invest the money according to the principles in his book or
3 that he would invest the money in small, start-up businesses and high interest check cashing
4 businesses in foreign countries. However, Grogan did not provide investors details of the
5 specific use of their investment money.

6 12. Third, investors could achieve a high rate of return by allowing Grogan to invest
7 their money in long-term investments. Grogan promised investors that they would be paid a
8 certain amount of interest each month and then could receive their principal back within a certain
9 number of days of requesting it.

10 13. Grogan also had the long-term investors sign a Loan Agreement. Grogan
11 promised, and the Loan Agreements stated, that the rate of return was guaranteed. Grogan told
12 some investors that they would receive a 48% return on their investment. However, Grogan did
13 not provide investors details of the specific use of their investment money.

14 14. Grogan typically told the investors that they must invest right away or they would
15 miss the opportunity to invest.

16 15. Based on these representations, investors gave Grogan money in the form of
17 personal checks or were instructed to wire transfer their money into Grogan's account at Sterling
18 Savings Bank in Washington State. Grogan also deposited investor checks into this account.

19 16. Also based on these representations investors signed the Loan Agreement. At
20 times Grogan also signed a Loan Agreement; however, in most cases Grogan failed to give the
21 investors a signed copy of the agreement.

22 17. Grogan has made a partial payment to two investors of \$7,500. He has not paid
23 back any other investments.

1 18. In addition to the three schemes described above, Grogan has solicited investors
2 for Worldfund, Infinitee, and Ti Investments. Worldfund was purported formed to raise \$15-20
3 million dollars for real estate investing by taking advantage “of existing technology and
4 relationships to purchase residential and commercial real estate at substantial discounts for
5 subsequent resale at full market value.” Worldfund’s offices are in Tulsa, Oklahoma, and
6 Kirkland, Washington.

7 19. As of the date of this Summary Order, Grogan has a solicitation on the internet
8 website www.voy.com/166775/143.html stating that he offers “a variety of investment programs
9 that are backed by real estate and pay out up to a 20% annual return. These programs range from
10 5K to 20M.” It has not yet been determined if Grogan has any investors in this venture.

11 20. Infinitee Group purportedly is an investment club that offers three investment
12 programs. In each program investors purportedly receive a one year note. Investors were told
13 that they would receive a 20% or 30% return based on the program in which the investor
14 participates. The return is purportedly paid back in 12 months following the date of initial
15 investment. Investors purportedly must be from outside the United States or must be willing to
16 travel outside the United States to sign up.

17 21. Ti Investments purportedly uses investors’ funds for short-term real estate
18 construction loans and seed capital opportunities throughout the world. Investors were told that
19 that would receive a 30% return on their money invested through Ti Investments.

20
21 //

22
23 //

1 **MISREPRESENTATIONS AND OMISSIONS**

2 22. Respondent, Troy Grogan, failed to disclose material about the short term and
3 long term investments he offered described above including, but not limited to, the specific use
4 of the investor money, the investment risks, a prospectus, financial statements, or his investment
5 track record.

6 23. Respondents, Troy Grogan and Worldfund Group, LLC, failed to disclose
7 material information about the real estate investments described above including, but not limited
8 to, the location of the properties, details on the method of acquiring the properties at a discount,
9 the investment risks, a prospectus, financial statements, Respondents' real estate investing
10 experience, or Respondents' investment track record.

11 24. Respondents, Troy Grogan and Infinitee Group, LLC, failed to disclose material
12 information about the investments in the investment club described above including, but not
13 limited to, the identity of the members of the investment club, the method used make investment
14 decisions, the investment risks, a prospectus, financial statements, Respondents' investment
15 experience, or Respondents' investment track record.

16 25. Respondents, Troy Grogan and Ti Investments, LTD., failed to disclose material
17 information about the investments in short term construction loans and seed capital opportunities
18 described above including, but not limited to, the criteria for choosing recipients of the loans and
19 seed capital, the location of the recipients of the loans and seed capital, the investment risks, a
20 prospectus, financial statements, Respondents' investment experience, or Respondents'
21 investment track record.

1 **REGISTRATION STATUS**

2 1. The Loan Agreements are not registered as securities in the State of Washington and
3 have not previously been so registered.

4 2. Investments in Worldfund Group, LLC; Infintee Group, LLC; and Ti Investments,
5 LTD. are not registered as securities in the State of Washington and have not previously been so
6 registered.

7 3. Respondent, Troy Grogan, is not registered to sell securities in the State of
8 Washington as a broker-dealer or securities salesperson and has not previously been so
9 registered.

10
11 Based upon the Tentative Findings of Fact, the following Conclusions of Law are made:

12 **CONCLUSIONS OF LAW**

13 1. The offer or sale of Loan Agreements and investment contracts described above
14 constitutes the offer or sale of a security or investment contract as defined in RCW
15 21.20.005(10) and (12).

16 2. Respondent, Troy Grogan, acted as a securities salesperson or broker-dealer as
17 defined in RCW 21.20.005(2) with regard to the Worldfund Group, LLC; Infintee Group, LLC;
18 and Ti Investments, LTD. investments.

19 3. Respondent, Troy Grogan, has violated RCW 21.20.040 by offering and/or selling
20 said securities while not registered as a securities salesperson or broker-dealer in the State of
21 Washington.

1 It is further SUMMARILY ORDERED that Respondents, Troy Grogan; Worldfund
2 Group, LLC; Infinitee Group, LLC; and Ti Investments, LTD., their agents, and employees, each
3 cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

4 It is further SUMMARILY ORDERED that Respondent, Troy Grogan, cease and desist
5 from violation of RCW 21.20.040, the section of the Securities Act that requires registration of
6 securities salespersons and broker-dealers.

7
8 **NOTICE OF INTENT TO IMPOSE FINES**

9 Pursuant to RCW 21.20.395, and based upon the Tentative Findings of Fact and
10 Conclusions of Law, the Securities Administrator intends to order that (a) Respondent, Troy
11 Grogan, shall be liable to pay a fine of \$20,000 and costs of \$2,000 and (b) Respondents,
12 Worldfund Group, LLC; Infinitee Group, LLC; and Ti Investments, LTD., shall be liable to pay
13 a fine of \$10,000 and costs of \$2,000 each.

14
15 **AUTHORITY AND PROCEDURE**

16 This Statement of Charges and Order is entered pursuant to the provisions of RCW
17 21.20.390 and 21.20.395 and is subject to the provisions of RCW 34.05. The Respondents, Troy
18 Grogan; Worldfund Group, LLC; Infinitee Group, LLC; and Ti Investments, LTD, each may
19 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
20 DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

21
22 //

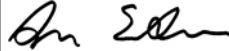
1 If a Respondent does not request a hearing, the Securities Administrator intends to adopt
2 the above Tentative Findings of Fact and Conclusions of Law as final, enter a permanent cease
3 and desist order, and impose fines and costs, as to that Respondent.

4 Dated and Entered this 30th day of December, 2005

5
6 

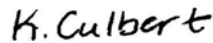
7 MICHAEL E. STEVENSON
8 Securities Administrator

9 Approved by:



10 Suzanne Sarason
11 Chief of Compliance

Presented by:



12 Kristen Culbert
13 Financial Legal Examiner
14
15
16
17
18
19
20
21
22