

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
EMPIRE BUSINESS SOLUTIONS, INC.,
and JAMES B. DUNCAN,

PETITION FOR ORDER

Respondents.

File No. S-05166(EX)

The staff of the Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Empire Business Solutions, Inc. ("EBS") is a foreign business entity incorporated in California in July 1999 with a last known business address of 1700 W. Katella Avenue, Second Floor, Orange, California 92867.
2. James B. Duncan ("Duncan") is an individual with a date-of-birth of 1/15/1971, who at all time material (2000 and 2001) was not an officer of EBS, although he later became President and Chief Executive Officer of EBS effective December 5, 2003. The last known home address of Duncan is 141 S. El Dorado Lane, Anaheim, California 92807.
3. During the period of October 2000 through December 2001, Duncan, on behalf of EBS, offered and sold to at least one person in Wisconsin Class A Convertible Preferred Shares of Stock in EBS.
4. Pursuant to materials received by the person in Wisconsin, EBS engaged in the business of providing individuals, small businesses, and large corporations with the tools and advice necessary to build personal/business wealth, financial freedom, and personal self-improvement.
5. Upon information and belief, investors play a passive role in the company with no duties and responsibilities.
6. The shares of EBS are securities as defined by sec. 551.02(13), Wis. Stats., and have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.
7. As set forth in 551.29(2), Wis. Stats., transactions made in reliance on Rule 506 of Regulation D under the Securities Act of 1933 require the issuer to file a completed and signed copy of the federal Form D with the Division of Securities no later than 15 days after the first sale in Wisconsin.
8. A filing was never received by the Wisconsin Division of Securities.
9. Upon information and belief, the Wisconsin offeree was cold-called by a person (Duncan) with whom they had no preexisting relationship, in violation of Regulation D's ban on general solicitation.

10. All respondents have violated sec. 551.21(1), Wis. Stats., by offering unregistered securities in Wisconsin.
11. In connection with the offer and sale of securities described above, Duncan transacted business in Wisconsin as an "agent" for EBS, as that term is defined by sec. 551.02(2), Wis. Stats.
12. At no time material hereto was Duncan licensed as a securities agent in Wisconsin pursuant to 551, Wis. Stats.
13. Duncan violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license.
14. EBS violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent, Duncan, to represent them in Wisconsin.
15. In July December 2003, the State of Washington Securities Department issued a Cease and Desist Order against Duncan based on allegations of securities violations.

Therefore, the staff of the Enforcement Unit petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.



Gregory L. Kipfer
Examiner
Enforcement Unit

10/5/2005

Date



David A. Cohen
Supervising Attorney
Enforcement Unit

10/5/05

Date