

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

In the Matter of

BAJRAM RUSHITI, a/k/a
BRIAN RUSHITI,

Respondent.

PETITION FOR ORDER

File No. S - 223843 (EX)

The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to Wis. Stat. § 551.602, and as a result thereof alleges as follows:

1. Bajram Rushiti (“Rushiti”) is an individual born in February 1964, with last known and business address of 514 South High Street, Janesville, WI 53548.
2. At all material times, Rushiti was the sole proprietor of BR Affordable Asphalt Seal Coating (“BR Affordable”) with a last known business address of 514 South High Street, Janesville, WI 53548.
3. In September of 2011, Rushiti solicited an investor in Rock County, Wisconsin (“the Wisconsin investor”) to invest in his purported asphalt seal coating business, which Rushiti claimed was worth \$150,000. At that time, Rushiti was operating his business as BR Affordable, but the scheme he represented to the investor involved the creation of new companies to take over BR Affordable’s business.
4. According to statements made by the Wisconsin investor, Rushiti represented to him that BR Affordable’s business would be transferred to two companies in which the Wisconsin investor and his son would have an ownership stake along with Rushiti, and which they would fully own and operate after Rushiti retired. Rushiti represented to the Wisconsin investor that the investor would receive an ownership stake in Rushiti’s business in exchange for an infusion of capital from the investor.
5. According to statements made by the Wisconsin investor to Division staff, Rushiti made verbal representations to the investor that Rushiti already had numerous asphalt sealing projects lined up in Wisconsin and Florida. Rushiti further represented that they would make millions of dollars because Rushiti was 90% certain the projects he had lined up would be performed.
6. According to the Wisconsin investor, Rushiti took the investor and his son around the Milton, Wisconsin area to show them projects Rushiti claimed to have lined up. Rushiti represented to the Wisconsin investor that those projects alone would generate receivables of \$58,000.

7. The Wisconsin investor paid Rushiti an aggregate amount of \$20,000 based upon Rushiti's representation that those funds would be used to capitalize the new companies formed to take over the business of BR Affordable.
8. Rushiti represented to the investor that he would place the \$20,000 in an escrow account held by a company called Sealmasters, and that this escrow account would be turned over to the investor once they began generating business.
9. During October and December of 2011, Rushiti received \$6,000 in cash from the investor. Rushiti also obtained an additional \$14,000 of the investor's funds, and deposited \$11,500 into Rushiti's JPMorgan Chase Bank accounts, and cashed the remainder at a check cashing institution.
10. Rushiti hired an attorney to prepare organizational documents for the creation of Darling Asphalt Unlimited, LLC, a Wisconsin limited liability company ("Darling Asphalt"), and T&J Top Coat Seal Coating, Inc., a Florida corporation ("T&J"). Both companies were to be owned by Rushiti, the Wisconsin investor, and the investor's son.
11. According to documents provided by the investor to Division staff, Darling Asphalt was organized with the State of Wisconsin Department of Financial Institutions on November 9, 2011. The location of the registered office and principal place of business is 42 Sinykin Circle, Apt. 102, Madison, Wisconsin 53714.
12. The Darling Asphalt operating agreement established Rushiti as the managing member owning a 50% membership interest in the LLC. The Wisconsin investor and the investor's son each received a 25% interest in the company.
13. The interest in Darling Asphalt is a security pursuant to Wis. Stat. § 551.102(28)(e).
14. Also in or about November 2011, a Florida corporation called "T&R Top Coat Seal Coating, Inc." was created. A mistake in the corporation's initial registration resulted in the incorrect designation of "T&R" in the entity's name. A subsequent filing corrected the error and changed the corporation's name to "T&J Top Coat Seal Coating, Inc." The location of T&J's principal place of business is 9838 Old Baymeadows Rd #282, Jacksonville, FL 32256 and the registered office is 9536 Princeton Square Boulevard, Jacksonville, FL 32256.
15. Rushiti is the President and majority shareholder in T&J, owning 50 shares of common stock, while the investor and the investor's son were issued 25 shares of stock each in the corporation.
16. The common stock of T&J issued to the Wisconsin investor and his son is a security pursuant to § 551.102(28).

17. According to statements made by the Wisconsin investor to Division staff, there have been no asphalt sealant projects contracted or performed in Wisconsin, nor have there been any asphalt sealant projects contracted or performed in Florida.
18. The Wisconsin investor confronted Rushiti after learning that there were no asphalt sealant projects contracted as Rushiti represented. In response, Rushiti signed a promissory note on January 28, 2012, which documented that he would pay the investor an aggregate amount of \$30,000 by February 28, 2012 as repayment of the investment. As part of the agreement, Rushiti would also pay for any expenses the investor and the investor's son incurred as a result of this investment transaction.
19. According to statements made by the investor to Division staff, Rushiti has failed to pay monies to the investor as agreed upon in the promissory note dated January 28, 2012.
20. As of the time Rushiti sold the securities to the Wisconsin investor, Rushiti never disclosed his criminal record to the investor, which includes a conviction for Theft by Fraud in Walworth County, Wisconsin on August 31, 2000. The fraud-related conviction is a material fact in the investor's decision to invest with Rushiti.
21. Rushiti never placed the investor's \$20,000 into an escrow account held by Sealmasters, as Rushiti had represented to the investor.
22. A review of Rushiti's JPMorgan Chase Bank accounts revealed that the funds provided by the Wisconsin investor were not used by Rushiti for business purposes, but instead appear to have been converted to Rushiti's personal use.
23. According to statements made by Rushiti to Division staff, Rushiti paid \$900 worth of legal expenses from the \$3,000 cash that the investor gave him on December 1, 2011. Rushiti admitted these expenses were for legal services unrelated to the investment transaction with the Wisconsin investor.
24. As described above, Rushiti violated Wis. Stat. § 551.501(2) by making untrue statements of fact and omitting to state material facts necessary in order to make Rushiti's statements to the investor not misleading in connection with the offer and sale of securities in Wisconsin.
25. Rushiti violated § 551.501(3), Wis. Stats., by engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person in the connection with the offer and sale of securities to a person in Wisconsin.

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

Dated this 5th day of December, 2012.



Chad MacHolz
Examiner
Bureau of Enforcement



Andrew J. Parrish
Staff Attorney
Bureau of Enforcement