

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

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In the Matter of

GLOBUS HOLDING CORPORATION and  
JAMES R. WALTER,

PETITION FOR ORDER

File S-228302 (EX)

Respondents.

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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. Globus Holding Corporation (“Globus”) is a Wisconsin corporation organized on August 23, 2011 with a last known address of 8170 214<sup>th</sup> Avenue, Bristol, Wisconsin 53104.
2. James R. Walter (“Walter”) is an individual who at all times material hereto has been an officer, director and controlling person of Globus, with a last known address of 8170 214<sup>th</sup> Avenue, Bristol, Wisconsin 53104.
3. Eric R. Page (“Page”)(CRD # 11026545) is an individual who at all times material hereto has been an officer and agent of Globus with a last known address of 68274 Columbia Ridge, Converse, Texas 78109.
4. On September 30, 2011, Globus filed a Form 10 Registration Statement with the United States Securities & Exchange Commission (“SEC”) that was signed by Walter as President and included a September 16, 2011 “going concern” letter from its auditor M&K CPAs, PLLC (“M&K”).
5. Staff contact with an audit partner at M&K revealed that Globus has never been an audit client of the firm, and it never performed that work or written that letter.
6. In June, 2012, Walter offered and sold promissory notes of Globus to at least one investor in Wisconsin.
7. The Globus note sold to the Wisconsin investor (“Globus note”) promised to pay the investor \$30,000 with 12% interest per year, with monthly interest payments of \$300 until the balance would be due when the note matured on June 6, 2014.
8. The Globus note purported to be secured by a mortgage on property located in Racine County, Wisconsin; however, the mortgage was not recordable because the signature was not notarized.
9. The Globus note also contained the personal guarantees of the officers of Globus, Walter and Page.
10. The Globus note sold by Respondents to the Wisconsin investor is a security as defined by Wis. Stat. § 551.102(28).

11. On May 4, 2011, Walter was charged by the District Attorney in Kenosha County with two counts of theft by contractor; such charges are still outstanding with a jury trial scheduled for March 23, 2015.
12. On September 22, 2009, the Division issued an Order of Prohibition and Revocation against Page and any entity directly or indirectly controlled by Page for sales of unregistered securities and for misrepresentations and omissions in connection with the sale of securities, which prohibited Page and entities controlled by Page from the sale of unregistered securities and revoking the use of exemptions under Ch. 551, Wis. Stats.
13. Walter never recorded the mortgage given to the Wisconsin investor according to information obtained from the Racine County Register of Deeds.<sup>1</sup>
14. In connection with the offer and sale of the Globus note described above, the Respondents omitted to disclose the existence of criminal charges against Walter for theft by contractor in Kenosha County.
15. In connection with the offer and sale of the Globus note described above, the Respondents omitted to disclose the existence of the September 22, 2009 Order by the Division against Page.
16. In connection with the offer and sale of the Globus note described above, the Respondents omitted to disclose that Walter had not recorded the mortgage provided to the Wisconsin investor in Racine County, as promised by Walter, and that the mortgage given to the Wisconsin investor was not in recordable form.
17. All Respondents violated Wis. Stat. § 551.501(2) by omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to a Wisconsin investor.
18. All Respondents violated Wis. Stat. § 551.501(2) by making a misrepresentation of a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to a Wisconsin investor.

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<sup>1</sup> During the course of our investigation, after being informed by Division Staff that the mortgage given to the Wisconsin investor was never recorded and not recordable, Walter created a new mortgage document which was then recorded.

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 19<sup>th</sup> day of December, 2014.



Chad R. MacHolz  
Securities Examiner  
Bureau of Enforcement



Mark E. Dorman  
Securities Examiner  
Bureau of Enforcement



Leslie M. Van Buskirk  
Attorney Supervisor  
Bureau of Enforcement