

STATE OF NORTH CAROLINA



**Department of The
Secretary of State**

In the Matter of:

THE NORTH CAROLINA SECURITIES DIVISION,

Petitioner,

vs.

**STARK INNOVATIONS, L.L.C., and DAVID ALAN
TOPPING, doing business as
"STARK INVESTMENTS, INC.",**

Respondents.

**FINAL ORDER
TO CEASE AND DESIST**

FILE NO. 14-SEC-118

THIS CAUSE coming on before the undersigned, upon the record in the above matter, to consider the request made in the Administrative Petition, dated 05 November 2014 ("Administrative Petition"), for issuance of a Final Order to Cease and Desist against Respondent STARK INNOVATIONS, L.L.C. and Respondent DAVID ALAN TOPPING, doing business as "STARK INVESTMENTS, INC.", to cease and desist from all violations of Chapter 78A of the General Statutes ("NC Securities Act"); and

BASED UPON the record in this administrative proceeding, the undersigned makes the following:

FINDINGS OF FACT

1. On 05 November 2014, Petitioner, the Securities Division of the North Carolina Department of the Secretary of State, commenced this proceeding and filed the Administrative Petition containing certain allegations against each Respondent, in which Petitioner requested both temporary and permanent relief pursuant to N.C.G.S. § 78A-47(b)(2).

2. On 05 November 2014, the Securities Administrator, by her Deputy Securities Administrator, issued and entered a Temporary Order to Cease and Desist, dated 05 November 2014 ("TCDO"), against each Respondent.

3. On 06 November 2014, Brunswick County Sheriff's Office, by Detective Edward H. Carter, Jr., personally served on each Respondent a copy of the Administrative Petition and TCDO, in addition to a copy of the Affidavit in Support of Administrative Petition and the Notice of Rights and Opportunity for a Hearing. This service on each Respondent complied with N.C.G.S. § 78A-63(g).

4. The Notice of Rights and Opportunity for a Hearing notified each Respondent that, after failure to request a hearing within the time prescribed by Chapter 78A, failure to file a responsive pleading, or failure to make any other submission, the TCDO will become final and remain in effect unless it is modified or vacated by the Securities Administrator.

5. Each Respondent has, within the time prescribed by N.C.G.S. § 78A-47(b)(2), failed to request a hearing, failed to file a responsive pleading, and failed to make any other submission.

6. As if fully set forth in this paragraph, this Final Order to Cease and Desist incorporates by reference the TCDO's Findings of Fact and Conclusions of Law; and it also attaches the TCDO as "Exhibit A."

7. Making the terms and conditions of the TCDO permanent and final as against each Respondent is necessary for the protection of investors, in the public interest, and consistent with the purposes of the NC Securities Act.

BASED ON THE FOREGOING Findings of Fact, the undersigned makes the following:

CONCLUSIONS OF LAW

1. The Securities Administrator has jurisdiction pursuant to the NC Securities Act over the person of each Respondent and over the subject matter of this proceeding.

2. The Securities Administrator has statutory authority pursuant to N.C.G.S. § 78A-47(b)(2) to enter and issue a Final Order making permanent the terms and conditions of the TCDO against each Respondent because each Respondent, within the time prescribed by N.C.G.S. § 78A-47(b)(2), has failed to request a hearing, failed to file a responsive pleading, and failed to make any other submission.

3. Each Respondent has violated N.C.G.S. §§ 78A-24 and 78A-36.

4. The issuance and entry of this Final Order to Cease and Desist, making the terms and conditions of the TCDO permanent and final as against each Respondent, is necessary to protect investors, in the public interest, and consistent with the purposes of the NC Securities Act.

5. Pursuant to the entry of this Final Order to Cease and Desist by operation of law under N.C.G.S. § 78A-47(b)(2), each Respondent is now subject to this Final Order to Cease and Desist.

BASED ON THE FOREGOING Findings of Fact and Conclusions of Law, the Securities Administrator hereby issues and enters:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED pursuant to the authority

contained in N.C.G.S. § 78A-47(b)(2), that each Respondent be and hereby is permanently ORDERED as follows:

Each Respondent, and any person, employee, officer, director, entity, or independent contractor under the direction or control of any such Respondent, must cease and desist, in this State, the offer for sale, the solicitation of offers to purchase, or the sale of any security of any issuer, howsoever denominated, including but not limited to the securities of Respondents or other entities under their control, or otherwise holding themselves out to be or engaging in the business of securities dealers or salesmen, unless and until any such:

- a. Securities have been registered under the provisions of the NC Securities Act; and
- b. Respondent, and any person or entity under the direction or control of any such Respondent, is properly registered as a securities dealer or salesman under the provisions of the NC Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina

Department of the Secretary of State, this the 12th day of February 2015.

Time of entry: 10:55 AM.



ELAINE F. MARSHALL
SECRETARY OF THE STATE OF NORTH
CAROLINA and
SECURITIES ADMINISTRATOR

By: 
DAVID S. MASSEY
DEPUTY SECURITIES ADMINISTRATOR

EXHIBIT A

Respondents seeking, among other remedies, a temporary and summary Cease and Desist Order as to each Respondent pursuant to the provisions of N.C.G.S. § 78A-47(b)(2).

THE SECRETARY OF STATE, as Securities Administrator, acting by and through her duly authorized Deputy Securities Administrator, from the investigation and the information derived therein, as shown in the Administrative Petition and supported by affidavit, and for the protection and preservation of the public welfare and in the public interest, makes the following:

FINDINGS OF FACT

(1) Respondent Stark Innovations is a limited liability company formed under the laws of the State of North Carolina. It transacts business in North Carolina with its principal place of business in Brunswick County, North Carolina, at 103 East 8th Street, Southport, North Carolina 28461. Its registered agent is Respondent Topping, and its registered office is located at 1433 North Howe Street, Southport, North Carolina 28461. Respondent Stark Innovations lists as its members Respondent Topping and another individual, Marshall Law.

(2) Respondent Topping holds the title of president and chief executive officer of Respondent Stark Innovations.

(3) At no time has Respondent Stark Innovations been registered as a securities dealer pursuant to the provisions of Chapter 78A.

(4) Respondent Topping is a natural person. He maintains a residence in Brunswick County, North Carolina. Respondent Topping also conducts business using the assumed name "Stark Investments, Inc.," but has not formed a corporation with that name.

(5) At no time has Respondent Topping been registered as a securities dealer or securities salesman pursuant to the provisions of Chapter 78A.

(6) Respondent Topping operates another entity named “Stark Liquidations, LLC.” Stark Liquidations, LLC is a limited liability company formed under the laws of the State of North Carolina. Stark Liquidations, LLC has its principal place of business in Brunswick County, North Carolina. Its registered agent is Respondent Topping, and its registered office address is 103 East 8th Street, Southport, North Carolina 28641, which is the same address at which Respondent Stark Innovations conducts business.

(7) Respondents purport to conduct business as buyers and sellers of consumer goods. Their merchandising focuses on international trade in consumer electronics. In marketing material, they stated that their operations had begun in February 2010 and that in 2013, they had generated revenue of \$5,611,000.

(8) Respondents are currently soliciting persons to invest money in Respondents’ business. Respondents directed their employees to telephone persons whose names were obtained from public records and to offer for sale as investment opportunities securities in the form of promissory notes.

(9) Upon information and belief, Respondents operate and control online profiles at popular Internet social media web sites. Respondent Topping controls the profile for “Stark Investments, Inc.” at <https://www.facebook.com/StarkInvestmentsInc/>. On this web site, Respondents invite investors to visit Respondents’ office location to discuss investing with Respondents in order to obtain the highest interest rate “anywhere” at the rate of 6.24 percent per month. Respondent Topping controls a personal profile at <http://www.linkedin.com/in/toppingdavid>. On this profile, Respondent Topping states that he has an investment opportunity for sale that could guarantee a 6.24 percent monthly return on investment with absolutely no risk.

(10) In the course of soliciting investors, Respondents utilize a document titled “Stark Innovations Frequently Asked Questions.” This document describes the following features of the investment opportunity they offer for sale:

- (a) Investor participation requires no minimum investment amount and requires no minimum duration of investment;**
- (b) Invested moneys will be used to purchase goods in greater volume to create a discount on purchase price and freight costs and create larger profit margins on the sale of these goods;**
- (c) More investors and more invested money will increase Respondents’ purchasing power and will generate larger profits;**
- (d) A guaranteed rate of interest at 2.24 percent, accruing monthly, as a return on invested money; and**
- (e) Investors take no risk in investing money with Respondents.**

(11) Upon information and belief, at least one person in North Carolina has invested in Respondents’ investment opportunity.

(12) The offer or sale by Respondents of their investment opportunity as described herein constitutes the “offer” or “sale” of a "security" within the meaning of N.C.G.S. §§ 78A-2(8) and 78A-2(11).

(13) The security as offered by Respondents as described herein has not been registered with the Division prior to being offered or sold in this State, as required by N.C.G.S. § 78A-24.

(14) By offering and selling the security described herein in this State, Respondents have transacted business and acted as a dealer in, or salesman of, securities, or both, within the meaning of N.C.G.S. §§ 78A-2(2) and 78A-2(9).

(15) Respondents have not been registered as a dealer in securities, or as a salesman of securities, as required by N.C.G.S. § 78A-36.

(16) Respondents have the present ability to engage or attempt to engage in continued violations of the provisions of N.C.G.S. §§ 78A-24 and 78A-36.

(17) It is in the interest of the public of North Carolina and for the protection of the investing public, and consistent with the purposes fairly intended by the policy and provisions of the Securities Act, that each Respondent, any person acting on behalf of each Respondent, or any entity, officer, director, employee or agent of each Respondent, be prohibited from violating the provisions of the Securities Act in connection with selling or making offers to sell securities, buying or soliciting offers to buy securities, or transacting business as a dealer in, or salesman of, securities, including, but not limited to, being prohibited from offering to sell or selling the unregistered securities of the Respondents or any other entities under their control, and being prohibited from acting as unregistered securities dealers or salesmen.

(18) Respondents' solicitation of the investing public poses an immediate and significant danger to the public welfare because the securities offered have not been registered with the Division and Respondents have not registered as a dealer in, or salesman of, securities. Proper registration of securities is an essential safeguard serving to provide accurate information material to enable persons to make reasoned investment decisions and to protect the public from securities fraud. Further, the registration of dealers and salesmen, as required by the Securities Act, ensures that persons transacting business as securities dealers and salesmen in North Carolina are competent, honest, and properly regulated and authorized to do so.

(19) An immediate Temporary Order to Cease and Desist is necessary and appropriate to address Respondents' violation of the Securities Act. Delay in issuing an order under N.C.G.S. §

47(b)(2) will result in irreparable harm to the public interest by allowing persons to continue to transact business in North Carolina in violation of its laws, and will result in irreparable harm to its citizens in the form of economic loss resulting from investment in securities sold in violation of its laws.

CONCLUSIONS OF LAW

(1) The Securities Administrator has statutory authority pursuant to N.C.G.S. § 78A-47(b)(2) to enter and issue a temporary and summary Cease and Desist Order against each Respondent to halt their further violations of the Securities Act.

(2) There is reasonable cause to believe that each Respondent has engaged, or is about to engage, in acts or practices constituting willful violations of provisions of the Securities Act, specifically N.C.G.S. §§ 78A-24 and 78A-36.

(3) There is reasonable cause to believe that each Respondent will continue to commit acts and omissions in violation of the Securities Act.

(4) It is necessary and appropriate for the protection and preservation of the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Securities Act, that each Respondent be temporarily and summarily ordered to cease and desist from making offers and sales of securities in violation of the Securities Act, and to cease and desist from continuing to act as unregistered dealers and/or salesmen of securities.

(5) The public interest will be irreparably harmed by the delay inherent in issuing an order under the provisions of N.C.G.S. § 78A-47(b)(1).

NOW, THEREFORE, IT IS ORDERED, pursuant to the authority contained in

N.C.G.S. § 78A-47(b)(2), that each Respondent, and any person, employee, officer, director, entity, or independent contractor under the direction or control of any such Respondent, immediately **CEASE AND DESIST**, in or from this State, offering for sale, soliciting offers to purchase, or selling, any security of any issuer, howsoever denominated, including but not limited to the securities of Respondents or other entities under their control, or otherwise holding themselves out to be or engaging in the business of securities dealers or salesmen, unless and until any such:

- a. Securities have been properly registered under the provisions of the Securities Act; and
- b. Respondents, and any person or entity under the direction or control of any such Respondent, are properly registered as securities dealers' or salesman under the provisions of the Securities Act.

NOTICE IS HEREBY GIVEN that each Respondent may request a hearing upon this matter by transmitting such request, in writing, to David S. Massey, Deputy Securities Administrator, Securities Division, Department of the Secretary of State, Post Office Box 29622, Raleigh, North Carolina 27626-0622. A copy of any such request shall be served by first class mail upon Colin Miller, Enforcement Attorney, Securities Division, Post Office Box 29622, Raleigh, North Carolina 27626-0622. If such a request is made, this matter shall be scheduled for hearing in accordance with Chapter 150B of the North Carolina General Statutes within twenty (20) days after receipt by the Deputy Securities Administrator of the written request. If no request for hearing, other responsive pleading or submission is received by the Deputy Securities Administrator within thirty (30) business days of the receipt of service hereof, this Temporary

Order To Cease and Desist shall become final and remain in effect as to each Respondent that fails to request a hearing unless it is modified or vacated by the Secretary of State in her capacity as Securities Administrator of the Securities Act.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina

Department of the Secretary of State, this the 5th day of November, 2014.

Time of entry: 5:20 PM.



ELAINE F. MARSHALL SECRETARY OF THE
STATE OF NORTH CAROLINA and
SECURITIES ADMINISTRATOR

By:

Deputy Securities Administrator