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## Texas State Securities Board

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Austin, Texas 78701-2407  
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E. WALLY KINNEY  
MEMBER

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IN THE MATTER OF §  
SIMPLE SCRAP INVESTMENTS, LLC §  
AND LARRY D. LEACH §

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**Order No. ENF-09-CDO-1674**

TO: Simple Scrap Investments, LLC  
1105 Upland, Suite K  
Houston, Texas 77043

Larry D. Leach  
506 Clear Springs  
Houston, Texas 77079

### AGREED CEASE AND DESIST ORDER

Be it remembered that Simple Scrap Investments, LLC ("Respondent SSI"), by and through its Managing Member, Larry D. Leach, and Larry D. Leach, individually ("Respondent Leach") (collectively "Respondents"), appeared before the Securities Commissioner of Texas ("Securities Commissioner") and consented to the entry of this Order and the Findings of Fact and Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondents have waived (a) Respondents' right to notice and a hearing in this matter; (b) Respondents' right to appear and present evidence in this matter; (c) Respondents' right to appeal this Order; and (d) all other procedural rights granted to Respondents by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 2008) ("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2008) ("Administrative Procedure Act").
2. Respondent SSI is a Texas limited liability company that maintains a last known business address at 1105 Upland, Suite K, Houston, Texas 77043.

3. Respondent Leach is the Managing Member of Respondent SSI, and he maintains a last known address at 506 Clear Springs, Houston, Texas 77079.
4. Respondents offered for sale in Texas, investments in scrap metals via the social networking website, [www.houston.craigslist.org](http://www.houston.craigslist.org). Respondents represented that, at the current price of 0.10 per pound, a 30% return is possible should the price reach the average of 2004. Respondents further represented that a 70% return could be achieved if metal prices rise to the average price of the preceding 4 year period. Respondent SSI will handle all logistics in acquiring, processing, storage and disposition upon sale.
5. The investments in scrap metals were not registered by qualification, notification or coordination and no permit has been granted for their sale in Texas.
6. Respondents were not registered with the Securities Commissioner as dealers or agents at any time material hereto.

#### CONCLUSIONS OF LAW

1. The above-described investments in scrap metals are "securities" as that term is defined by Section 4.A of the Texas Securities Act.
2. Respondents have violated Section 7 of the Texas Securities Act by offering securities for sale in Texas at a time when the securities are not registered with the Securities Commissioner.
3. Respondents have violated Section 12 of the Texas Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of the Texas Securities Act.
4. The foregoing violations constitute bases for the issuance of a Cease and Desist Order pursuant to Section 23.A of the Texas Securities Act.

#### ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from the offer and sale of securities in Texas until Respondents are registered with the Securities Commissioner as dealers or an available exemption from registration is utilized.

SIGNED AND ENTERED by the Securities Commissioner this 26<sup>th</sup> day of August, 2009.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

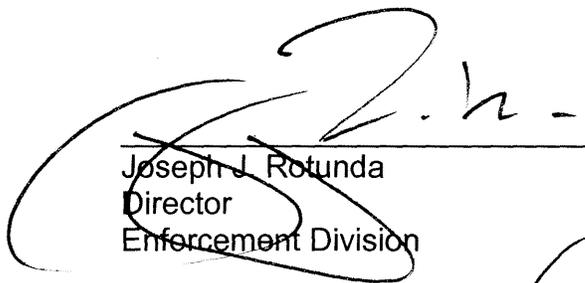
Respondents:

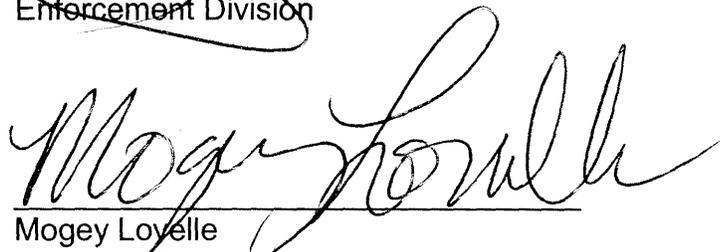
Simple Scrap Investments, LLC

  
\_\_\_\_\_  
Larry D. Leach, Managing Member

  
\_\_\_\_\_  
Larry D. Leach, Individually

Approved as to Form:

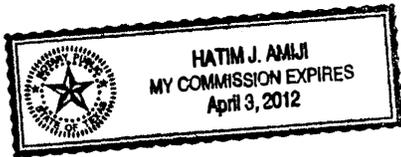
  
\_\_\_\_\_  
Joseph J. Rotunda  
Director  
Enforcement Division

  
\_\_\_\_\_  
Mogeey Loyelle  
Assistant Director  
Enforcement Division

ACKNOWLEDGEMENT

On the 3<sup>rd</sup> day of August, 2009, Larry D. Leach ("Respondent Leach") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent Leach has read the foregoing Order;
2. Respondent Leach has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent Leach knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
5. Respondent Leach, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



[affix notary seal here]

Hatim J. Amji  
Notary Public in and for  
the State of TX

My commission expires on: 04-03-2012

ACKNOWLEDGMENT

On the 3<sup>rd</sup> day of August, 2009, Simple Scrap Investments, LLC ("Respondent SSI"), by and through its Managing Member, Larry D. Leach, personally appeared before me, executed the foregoing Order and acknowledged that:

1. Larry D. Leach is duly authorized to enter into the foregoing Order on behalf of Respondent SSI;
2. Larry D. Leach has read the foregoing Order;
3. Respondent SSI has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent SSI knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
5. Respondent SSI, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.



[affix notary seal here]

Hatim J. Amji  
Notary Public in and for  
the State of TX

My commission expires on: 04-03-2012