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E. WALLY KINNEY
MEMBER

IN THE MATTER OF
WARR INVESTMENT GROUP, LLC,
JAMES ELTON "JIM" WARR AND MARK CUBA

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§

Order No. ENF-10-CDO-1693

TO: Warr Investment Group, LLC
11149 Research Blvd, Suite 320, Austin, Texas 78759
3000 S. IH-35, Suite 226, Austin, Texas 78704

James Elton "Jim" Warr
11149 Research Blvd, Suite 320, Austin, Texas 78759
3000 S. IH-35, Suite 226, Austin, Texas 78704

Mark Cuba
11149 Research Blvd, Suite 320, Austin, Texas 78759
3000 S. IH-35, Suite 226, Austin, Texas 78704

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Deputy Securities Commissioner of the State of Texas ("Deputy Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. Art 581-1 et seq. (Vernon 1964 & Supp. 2008) ("Texas Securities Act").

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence for the Deputy Securities Commissioner to find that:

FINDINGS OF FACT

1. Warr Investment Group, LLC ("Respondent WIG") is a Texas Domestic Limited Liability Company that maintains last known business addresses at 11149 Research Blvd, Suite 320, Austin, Texas 78759, and 3000 S. IH-35, Suite 226, Austin, Texas 78704.
2. James Elton "Jim" Warr ("Respondent Warr") is the Chief Executive Officer and a Member of Respondent WIG. Respondent Warr maintains last known business

addresses at 11149 Research Blvd, Suite 320, Austin, Texas 78759, and 3000 S. IH-35, Suite 226, Austin, Texas 78704.

3. Mark Cuba ("Respondent Cuba") is the Director of Sales of Respondent WIG. Respondent Cuba maintains last known business addresses at 11149 Research Blvd, Suite 320, Austin, Texas 78759, and 3000 S. IH-35, Suite 226, Austin, Texas 78704.
4. Respondents WIG, Warr and Cuba (collectively the "Respondents") are currently offering an investment program in and from Texas that they variously identify as the SAFE Savings Account, the Safe Self-Directed IRA and the WIG System (the "WIG Investment"). The WIG Investment is currently being marketed through digital videos accessible at youtube.com, advertisements carried through craigslist.com and through other means of public solicitation.
5. Potential investors are being encouraged to set up self-directed Investment Retirement Accounts at or through Elton James, LLC, to facilitate the investment. They are also being told that the WIG Investment is structured as follows:
 - A. That they must deposit an initial amount of at least \$100.00 and pay a one-time, non-refundable \$50.00 for registration and processing,
 - B. Their monies will be combined with funds tendered by other investors and deposited in an Escrow Account maintained by Respondent WIG,
 - C. Respondent WIG will use these funds to purchase income-producing real property or discounted real estate notes,
 - D. The income-producing real property and discounted real estate notes will be placed in an irrevocable trust and investors will be named as irrevocable beneficiaries of the trust,
 - E. Respondent WIG will earn twelve percent interest on these transactions, will keep four percent as its profit and will distribute the remaining eight percent to investors,
 - F. Investors will be entitled to receive a monthly distribution of the interest but can also forego the monthly distribution and instead allow the interest to compound at eight percent on a monthly basis, and
 - G. Respondent WIG will guarantee the full payment of the eight percent interest.
6. Respondents are touting the safety, security and profitability of the WIG Investment. Respondents are, for example, comparing the WIG Investment to certificates of deposit, savings accounts, money market accounts and the stock

market. Investors are also being told that they will be entitled to a guaranteed eight percent return regardless of the condition of the economy or the performance of the stock market.

7. The WIG Investment has not been registered by qualification, notification, or coordination and no permit has been granted for its sale in Texas.
8. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
9. In connection with the offer for sale of the WIG Investment, Respondents are intentionally failing to disclose one or more of the following material facts:
 - A. The assets, liabilities and capitalization of Respondent WIG and other information that relates to the ability of Respondent WIG to satisfy its guarantee to investors,
 - B. The criteria used to select income-producing real property and discounted real estate notes and other information that relates to the ability of Respondent WIG to successfully generate sufficient revenue to pay investors the guaranteed rate of return,
 - C. The operational history of Respondent WIG, including its record in successfully identifying and purchasing income-producing real property and discounted real estate notes, and
 - D. Information relating to the irrevocable trust, including the identity of the trustee, his or her business repute and qualifications and the terms of any contracts or agreements that relate to the trustee's obligations.
10. In connection with the offer for sale of the WIG Investment, Respondents WIG and Warr are intentionally failing to disclose any contracts or agreements with Elton James, LLC, and their relationship with Elton James, LLC.
11. Respondents are making statements that are materially misleading or otherwise likely to deceive the public comparing the safety, security and profitability of the WIG Investment to certificates of deposit, savings accounts, money market accounts and the stock market and failing to disclose the material facts set forth herein.

CONCLUSIONS OF LAW

1. The WIG Investment is a security as that term is defined by Section 4.A of the Texas Securities Act.

2. Respondents are violating 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 are violating 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. Respondents are engaging in fraud in connection with the offer for sale of securities.
5. Respondents are making an offer containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 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 acting as securities dealers or agents in Texas until Respondents are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.

NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the

grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Deputy Securities Commissioner this 21st day of September 2010.



JOHN R. MORGAN
Deputy Securities Commissioner