

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:

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ARDIN LOGISTICS, LLC,
a Maryland limited liability company

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Case No. 2007-0482

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and

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JOSEPH CARLINI,
Individually and as a principal of
Ardin Logistics, LLC

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Respondents.

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**FINAL ORDER TO CEASE AND DESIST
AND
ORDER OF BAR
AS TO RESPONDENTS
ARDIN LOGISTICS, LLC AND JOSEPH CARLINI**

WHEREAS, the Maryland Securities Commissioner (the “Securities Commissioner”), pursuant to the authority granted in Section 11-701 of the Maryland Securities Act, Md. Ann. Code, Corps. & Ass’ns (2007 Repl. Vol.) (the “Securities Act”), initiated an investigation into the activities of Ardin Logistics, LLC, Joseph Carlini, Charles McCarthy and Timothy Hancock (collectively the “Respondents”); and

WHEREAS, based on the information presented by the Securities Division, the Securities Commissioner concluded that Respondents violated the Securities Act by engaging in violations of

Sections 11-301, 11-401, 11-402 and 11-501 of the Securities Act; and

WHEREAS, on September 24, 2007, the Securities Commissioner, pursuant to the authority granted by Section 11-701.1 of the Securities Act, issued against Respondents a Summary Order To Cease And Desist And Order To Show Cause (the “Summary Order”) why a final order should not be issued permanently barring Respondents from the securities and investment advisory business in Maryland, assessing a monetary penalty against Respondents and ordering Respondents to cease and desist from further violation of Sections 11-301, 11-401, 11-402 and 11-501 of the Securities Act; and

WHEREAS, a copy of the Summary Order was served upon Respondent Joseph Carlini (via certified mail – return receipt, and via regular mail) by mailing to his last known address; and

WHEREAS, a copy of the Summary Order was served upon Respondent Ardin Logistics (via certified mail – return receipt, and via regular mail) by mailing to its last known address; and

WHEREAS, a copy of the Summary Order was served upon the Securities Commissioner (via hand-delivery) in accordance with Section 11-802 of the Act; and

WHEREAS, the copy of the Order sent to Respondent Carlini was according to U.S. postal records received and signed for by him on October 25, 2007; and

WHEREAS, Respondent Carlini was a principal in Ardin Logistics; and

WHEREAS, the copy of the Order sent to Respondent Ardin Logistics at its Georgia Avenue address was returned to the Securities Division; and

WHEREAS, as of the date of this Final Order, Respondents Joseph Carlini and Ardin Logistics LLC have neither submitted an answer to the Summary Order nor made any written request for a hearing.

**NOW, THEREFORE, IT IS HEREBY FOUND, CONCLUDED AND ORDERED,
THAT:**

I.

JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701 of the Securities Act.

II.

RESPONDENTS

2. Respondent Ardin Logistics is a Maryland limited liability company, formerly with a principal place of business located 20310 Georgia Avenue in Brookeville, Maryland.

3. At all times relevant to the facts of this matter, Respondent Joseph Carlini has been a Maryland resident.

4. Ardin Logistics is not now, nor has it ever been, registered in Maryland as a broker-dealer or investment adviser. Nor is, or has Ardin Logistics ever been, registered with the SEC or NASD, Inc. (“NASD”) as a broker-dealer, or with the SEC as an investment adviser.

5. Carlini is not now, nor has he ever been, registered in Maryland as a broker-dealer agent, investment adviser representative or issuer agent. Nor is, or has Carlini ever been, registered with NASD as a general securities representative or in any other capacity.

6. The Maryland Division of Securities has no record of an application for securities registration or claim of securities exemption or preemption as a federal covered security under the

name “Ardin Logistics,” “Joseph Carlini,” “Charles McCarthy” or “Timothy Hancock.”

III.

STATEMENT OF FACTS

7. In March 2006, former Virginia residents Katherine and Dale Brock were introduced by a neighbor, Jacqueline Sommer, to McCarthy, who purportedly was an investor with Ardin Logistics. McCarthy advised the Brocks that an investment opportunity was available through Ardin Logistics. According to Ms. Sommer, who was dating Carlini, the company invested in salvaged overseas shipping containers and sold the contents for large profits. At that time, the Brocks declined to invest.

8. In November 2006, Ms. Sommer advised that another investment was available through Ardin Logistics. The Brocks were directed to McCarthy, who explained that their monies would be pooled with a large sum of money in the million dollar range and that Ardin Logistics was offering a 40% return within 65 days. The Brocks told an acquaintance, Ibrahim Ahmed, about the investment opportunity, as well.

9. In December 2006, the Brocks invested money with Ardin Logistics by giving Ms. Sommer a money order in the amount of \$50,000. In exchange, the Brocks received a promissory note from Ardin Logistics (the “December 2006 Promissory Note”). The December 2006 Promissory Note promised to pay a 140% return – equal to \$70,000 in 65 days.

10. The December 2006 Promissory Note specifically stated that the “purpose of this agreement is for the Borrower to purchase and refurbish trailers/salvageable goods, venture capital, investor payout, and for other lawful purposes.” In stating that the money could be used for

“investor payout,” the note specifically allowed for investor money to be used to repay other investors, consistent with a ponzi scheme.

11. Ardin Logistics’ promissory note further stated that the “Note shall be governed by and construed under and in accordance with the laws of the State of Maryland” and that the “Borrower hereby submits to the exclusive jurisdiction of any State of Maryland court or Federal court sitting in the State of Maryland in any action or proceeding arising out of or relating to this Note.”

12. In February 2007, the Brocks received from Ardin Logistics a \$70,000 check drawn on Sandy Spring Bank.

13. Shortly after the Brocks received payment from Ardin Logistics, Ms. Sommer contacted the Brocks and advised them that the company had another investment opportunity available in early March 2007. Ms. Sommer urged the Brocks to find other investors to participate in the investment.

14. In March 2007, Mr. Brock met with Carlini who advised that he was making a multi-million dollar purchase and that the more money he could obtain from investors, the more investments he would be able to purchase and the greater the returns he could pass along to promissory note investors. Carlini also met with David Dodero, a friend of the Brocks, to discuss the investment opportunity.

15. In March 2007, the Brocks invested \$50,000 with Ardin Logistics and Carlini by giving Gail Carlini, Mr. Carlini’s mother, a cashier’s check for that amount. The Brocks received another promissory note from Ardin Logistics, dated March 15, 2007 (the “March Promissory Note”). The March Promissory Note promised to pay a 150% return – equal to \$75,000 within 65

days.

16. The March Promissory Note specifically provided that “[t]he purpose of this agreement is for Borrower to conduct business operations; capitalization of new companies that demonstrate repeatable, recurrent revenue business models; to further use monies for payout of original investors; marketing, advertising, business development; and lastly, acquisition of new start[-]up companies that are under[-]capitalized and demonstrate good margins.” The note, by stating that it would be used for “payout of original investors,” acknowledged on its face that investment monies may be used in furtherance of a ponzi scheme.

17. The March Promissory Note, furthermore, contained the same language as the earlier note, *i.e.*, that the note “shall be governed by and construed under and in accordance with the laws of the State of Maryland”

18. In mid-May 2007 the Brocks learned that Ardin Logistics would not be paying out on the promissory note. According to Carlini, the investment was taking longer to close out and investors would receive their payout later than promised.

19. The Brocks spoke with their acquaintances, Messrs. Dodero and Ahmed, both of whom had also invested with Ardin Logistics and Carlini. The Brocks learned that Mr. Ahmed also was advised that he would not receive his investment return on time. Mr. Dodero, however, was contacted by Carlini in early May about receiving his investment return on an expedited basis so that he could obtain additional investors.

20. In June 2007, the Brocks received a check from Ardin Logistics LLC drawn on Sandy Spring Bank in the amount of \$82,500. Carlini advised the Brocks that the check included an additional \$7,500 to make up for the delay in payment, and he urged Mr. Brock to bring in additional

investors.

21. Shortly after the check was deposited, the Brocks learned that a stop payment had been placed on the check. According to Carlini, he did not have enough money to cover the check and therefore he placed the stop payment.

22. According to the Brocks, Respondents are continuing to solicit individuals to invest with Ardin Logistics.

23. Maryland resident Todd Cockerille also invested monies with Ardin Logistics. McCarthy, with whom Mr. Cockerille was acquainted through his work, solicited Mr. Cockerille's investment. McCarthy advised Mr. Cockerille that Ardin Logistics invested in damaged sea containers, refurbished the contents and sold them for a profit.

24. In October 2006, Mr. Cockerille invested \$10,000 and received in return from Ardin Logistics a promissory note dated December 12, 2006, promising to pay a 150% return – equal to \$15,000 in 65 days.

25. Later in December, Mr. Cockerille and an acquaintance each invested \$25,000 for a total of \$50,000 in an Ardin Logistics promissory note dated December 22, 2006 (the December 22 Promissory Note"). The December 22 Promissory Note promised to pay a 135% return – equal to \$67,500 in 90 days.

26. In January 2007, Mr. Cockerille and numerous family members together invested \$70,000 with Ardin Logistics. The investment was re-negotiated in February 2007 as if the investors had invested \$75,000, however, and a 135% return – equal to \$101,250 – was promised within 125 days.

27. In order to make investments with Ardin Logistics, in each instance Mr. Cockerille

delivered the investment monies, in the form of checks and/or cash, to McCarthy in Maryland. In February 2007, McCarthy delivered a \$15,000 check to Mr. Cockerille in Maryland, as payment on the December 12 Promissory Note.

28. The promissory notes Ardin Logistics offered and sold to Mr. Cockerille contained the same language as those offered and sold to the Brocks as to the use of the investment monies and the choice of law.

29. The December 22 Promissory Note and the February Promissory Note remain outstanding and overdue, despite repeated efforts by Mr. Cockerille to obtain payment.

30. Upon information and belief, Respondents deposited investors' monies in a bank account at Sandy Spring Bank. That account was used to fund purchases for travel, dining out, games and entertainment including paintball, pets and/or pet supplies, automobile- and motorcycle-related purchases, clothing, electronics, jewelry and other items.

31. Upon information and belief, Respondents have additional investors, including other Maryland residents, from whom they have defrauded investment monies.

IV.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

32. Respondents Joseph Carlini and Ardin Logistics, LLC, in connection with the offer and sale of securities as related in the foregoing Statement Of Facts, which are incorporated herein by reference as Findings Of Fact, violated Sections 11-301, 11-401, 11-402 and 11-501 of the Securities Act.

ORDER

_____ **NOW, THEREFORE, IT IS HEREBY ORDERED** that Respondents Joseph Carlini and Ardin Logistics, LLC are permanently barred from the securities and investment advisory business in Maryland, in that those Respondents may not participate in securities or investment advisory business in Maryland including but not limited to the offer, sale or issuance or the giving of advice regarding promissory notes, stocks, bonds, investment contracts, and all other instruments that qualify as securities; and it is further

ORDERED, that Respondents Joseph Carlini and Ardin Logistics, LLC cease and desist from further violations of the Securities Act and related regulations; and it is further

ORDERED, that Respondents Joseph Carlini and Ardin Logistics, LLC are assessed a monetary penalty of \$100,000, to be reduced by any restitution paid to investors within six months of issuance of this Summary Order.

SO ORDERED:

DATED: _____, 2007

Melanie Senter Lubin
Securities Commissioner