ADMINISTRATIVE PROCEEDING
BEFORE THE
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF:	*	
ROBBY J. CULBREATH	*	FILE NO.: 2005-0740
and	*	
PROJECT GOSHEN, INC.	*	
Respondents	*	

* * * * * * * * * * *

CONSENT ORDER

WHEREAS, the Maryland Securities Commissioner (the "Commissioner"), pursuant to the authority granted by Section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (1999 Repl. Vol. & 2006 Supp.) (the "Act") , initiated an investigation into the securities and investment advisory related activities of Robby J. Culbreath ("Culbreath") and Project Goshen, Inc. ("PGI") (collectively "respondents") and possible violations of the Act; and

WHEREAS, on the basis of that investigation the Commissioner found that grounds exist to conclude that respondents may have violated the Act by engaging in acts or practices constituting violations of Sections 11-501, 11-401 and 11-301 of the Act; and

WHEREAS, on about March 15, 2007, the Commissioner issued an Order to Show Cause alleging violations of the securities and agent registration provisions and anti-fraud provisions of the Act; and

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, the Commissioner and respondents have reached an agreement to resolve this matter;

and

WHEREAS, respondents waive the right to a hearing and appeal under the Securities Act and the rules and regulations promulgated thereunder with respect to this Consent Order; and

WHEREAS, Culbreath and PGI, without admitting or denying any conclusions of law, except that respondents expressly consent to the Findings of Fact, to the Commissioner's jurisdiction over the subject matter and personal jurisdiction over them in this proceeding, and to the terms of this Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, pursuant to 11-701.1 of the Act, it is hereby:

THE COMMISSIONER FINDS:

I.
JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section11-701.1 of the Act.

II.
RESPONDENTS

2. Culbreath resides in Laurel, Maryland. He is a founder, President, CEO and owner of Project Goshen, Inc.

3. Project Goshen, Inc. was founded on March 3, 2004 by Culbreath and Rundi J. Beasley, Jr. for the purpose of "consulting/consultations for finance, the purchase/sell [sic] of oil/gas fields, real estate, businesses, products and services." The Articles of Incorporation use the address of 3322-A Hampton Point Drive, Silver Spring, MD 20904.

4. Neither Culbreath nor PGI has ever been registered with the Division as a broker-dealer, broker-dealer agent, investment adviser or investment adviser representative.

III.
FINDINGS OF FACT

Investment Opportunities That Culbreath And PGI Introduced To Clients

A. Investments with Strategic-One Consulting Group, LLC

5. Strategic One Consulting Group, LLC ("Strategic One") is a Wyoming limited liability company formed on or about February 25, 2005. Lenny Wayne DeWitt is the managing member and appears to have formed Strategic One. He may operate from Colorado.

6. In its disclosure material, Strategic One describes itself as "the principal consulting group . . . [that has] relations with privately held, international full service investment companies. . . . Trading takes place in various markets, concentrating on, but not limited to International Exchanges, Forex Trading, Offshore Private Trading Instruments, Oil and Gas Trading, Exploration and Acquisitions, and the Lumber Trading Industry. . . . The projects endorsed are unique situations available exclusively through this Investment Project. The collective investment group's profits have been growing well over 200% every quarter and are aiming at a sustained growth of more than 150% in profits, every quarter for the next 3-4 years." Investors' principal was guaranteed.

7. In 2005, Culbreath introduced at least three persons to the Strategic One investment program and served as the liaison between Strategic One and the investors. The investment agreements, termed "Contract of Participation for Private Placement Transaction," are for a term of twelve months and promise to pay up to 25% each month. According to the agreements, the returns come from trading in international markets concentrating on, but not

limited to, Forex Trading, Foreign Exchange Spot Trades, Offshore Private Trading Instruments, Oil and Gas Trading, Exploration and Acquisitions, and the Lumber Trading Industry. Investors were required to sign a Non-Circumvention & Non-Disclosure Agreement, and agreed to pay Culbreath a fee of 10% of any compensation received.

8. Three persons introduced by Culbreath invested a total of $85,000 with Strategic One between April and July 2005. Strategic One returned a fraction of that amount to the investors. These three investors paid Culbreath at least $6,700 for his services in connection with their investments in Strategic One.

9. Culbreath had no information about the Strategic One investment project other than that provided by Strategic One. Strategic One gave Culbreath no prospectus, no explanation of how the project would make money or guarantee against loss, no financial history for the company and no basis for its alleged performance figures.

10. The Strategic One paperwork that Culbreath obtained from Strategic One and provided to investors bears the hallmark of what is sometimes called a prime bank investment scheme and fails to disclose material information about the investment program.

11. The investment program with Strategic One is neither registered nor exempt from registration in Maryland.

B. <u>Joint Ventures with Project Goshen for Investments with Barry N. Mercer</u>

12. Barry N. Mercer ("Mercer") appears to reside and maintain a place of business in Loganville, Georgia.

13. In the fall or winter of 2005, Mercer entered into a Joint Venture Agreement with PGI, c/o Culbreath, "for the purpose of initiating a Restricted Private Placement Program." The Agreement provides that the parties will abide by rules of "Non-Circumvention and Non-

Disclosure."

14. Mercer described for Culbreath an investment project that he offered. Culbreath had no information about the investment project other than that provided by Mercer. According to Mercer, the investment involves property valued at $336,875,000 that will be "put into a bank and locked in for the contract time." The property will be deeded to Mercer. The project managers "will borrow from a bank of the traders choice 30% of the value of the property ($100M) and this money will also be blocked in the same bank." Investors will be paid 100% of their investment each week for about 40 weeks. The "funds are guaranteed against loss."

15. In order to be prepared for this and other investment opportunities, Culbreath entered into a Joint Venture Agreement with each of his clients. These clients funded PGI's participation with Mercer. That agreement contains a "Non-Circumvention and Non-Disclosure" provision. Culbreath advised his clients not to communicate directly with Mercer in order to avoid violating the non-circumvention and non-disclosure provisions. The clients had no voice in or control over the investment program. Culbreath and PGI failed to disclose material information about the investment program. They did not provide their clients a prospectus, an explanation of how the project will make money or guarantee against loss, a financial history of Mercer or his projects or any basis for its alleged performance figures.

16. It appears that Culbreath and PGI introduced at least ten persons to the investment opportunity with Mercer. Between September 2 and November 29, 2005, it appears that these investors paid at least $155,000 to PGI to cover their investments and Culbreath's fees. It also appears that Culbreath transferred only $136,500 to Mercer.

17. One person who invested through PGI received an interest payment equal to his principal of $25,000. The investor kept $13,000 and returned $12,000 to Culbreath. None of the

other investors has received any return.

18. The joint venture program that Culbreath and PGI set up so that PGI could invest in such things as the investment program with Mercer is neither registered nor exempt from registration in Maryland.

Culbreath's Investment Advice

19. Culbreath describes himself as a consultant who is able to introduce his clients to various private placement investment opportunities. He entered into agreements with clients that promised, for example, to provide consulting services "for the purpose of obtaining funds, . . . private placement agreements, . . .long and short term investments relationships . . . ." Culbreath was to be compensated with 10% or 20% of the "gross return on any and all private placement investment, or real estate investment transactions, to be paid, at each lift, tranche, roll over, option, renewal, transfer, and transaction, and or closing." At least one client also paid a $5,000 "Placement Fee" or 10% of the Private Placement Order. Culbreath "promised to provide [to the client] Private Placement program Membership and other investment opportunities." Notwithstanding these agreements to provide financial consulting services, Culbreath included *pro forma* disclaimers in his e-mail communications with clients that PGI and its associates are not financial advisors or money managers.

20. In accordance with these agreements, Culbreath advised his clients to invest in the "private placement" programs offered by Lenny DeWitt and Mercer. He was compensated for this advice.

21. In addition, Culbreath provided financial advice by recommending that his clients create irrevocable trusts and establish international business corporations ("IBCs") in order to lower taxes. He introduced his clients to an Ohio man named Edward Flickinger ("Flickinger")

who was supposed to create the trusts and IBCs. The clients paid Culbreath and PGI, who took their fees before passing the balance on to Flickinger. Flickinger did not create the IBCs.

22. Culbreath recommended Flickinger to his clients without knowing enough about Flickinger and Flickinger's tax avoidance programs. In particular, Culbreath did not know or tell his clients that Flickinger's twin brother Joseph had previously pled guilty to federal charges arising out of a tax reduction scheme. Culbreath also failed to inform his clients that the Justice Department filed a civil injunction suit on about December 13, 2005 in federal court to stop Edward and Joseph Flickinger from promoting tax-fraud schemes.

23. By recommending that his clients invest in various private placement investments, create irrevocable trusts and form IBCs, and receiving compensation for this advice, Culbreath provided investment counseling advice to his clients.

IV.
CONCLUSIONS OF LAW

THE COMMISSIONER, THEREFORE, CONCLUDES AS A MATTER OF LAW:

1. The program operated by Strategic-One and interests in joint ventures between investors and PGI are investment contract securities.

2. Respondents offered or sold unregistered, non-exempt securities in Maryland in the form of interests in joint ventures between investors and PGI, in violation of Section 11-501 of the Securities Act.

3. Respondents acted as an unregistered broker-dealer or agent in connection with the sale of interests in joint ventures between investors and PGI , in violation of Section 11-401 of the Securities Act.

4. Respondents acted as an unregistered investment adviser or investment adviser

representative in Maryland by offering investment counseling and recommending that clients invest in Strategic-One, in violation of Section 11-401 of the Securities Act.

5. Respondents failed to disclose material information and misrepresented the risk of the investments, in violation of Sections 11-301 and 11-302 of the Securities Act.

V.
SANCTIONS

NOW, THEREFORE, IT IS HEREBY ORDERED and respondents, on behalf of themselves, their successors, assigns and all persons acting or purporting to act on their behalf or by their authority, expressly consent and agree, that:

1. Respondents permanently cease and desist from acting as an unregistered broker-dealer or agent and unregistered investment adviser or investment adviser representative in the State of Maryland.

2. Respondents permanently cease and desist from offering or selling unregistered securities.

3. Respondents are barred from engaging in the securities or investment advisory business in Maryland for or on behalf of others, from having control or supervisory responsibilities over any person engaged in the securities or investment advisory business in Maryland, or from receiving any compensation from the securities or investment advisory business unless they are licensed with the Division.

4. Respondents shall in all future activities in Maryland comply fully with the Securities Act and the regulations promulgated thereunder.

5. Respondents shall pay to the Office of the Attorney General a fine of $63,000. Imposition of that fine, however, shall be reduced by any amount repaid to investors in the three

years following the entry of this Order, by making payments to the Office of the Attorney General for further *pro rata* distribution to investors. If, at the end of the three year period Culbreath establishes to the satisfaction of the Commissioner that he is unable to pay the balance of any remaining fine, he may seek waiver of the remaining fine.

6. Culbreath shall cooperate fully with the Division or other regulatory authority in any proceeding that the Division or other regulator may bring against Strategic-One, Lenny Wayne DeWitt or Barry Mercer.

7. Respondent Culbreath shall consult with securities counsel before he introduces anyone to an investment opportunity, and maintain records relating to that consultation.

8. Respondents shall provide a copy of this Order to any potential investor before they introduce that person to an investment opportunity. Respondent Culbreath shall also provide a copy of this Order to any securities regulator with which he files a registration application during the five years following this Order.

VI.
CONSEQUENCES OF VIOLATING CONSENT ORDER

9. If either respondent fails to comply with any term of this Consent Order, the Division may institute administrative or judicial proceedings against the respondent to enforce this Consent Order or to sanction that respondent for violating an Order of the Commissioner, and may take any other action authorized under the Act or any other applicable law, including the issuance of fines or penalties as provided by the Act. For the purpose of determining those sanctions, the Statement of Facts set forth in the Order to Show Cause and the violations of the Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against respondent. If that respondent is found to have materially violated the terms of

this Consent Order, respondent consents in advance to a bar from engaging in the securities or investment advisory business in Maryland.

VII.
MODIFICATION OF CONSENT ORDER

10. The terms of this Consent Order may only be modified by a subsequent order issued by the Commissioner.

SO ORDERED,

March 27, 2008

____________**Commissioner's Signature is on File with Original Document**
Melanie Senter Lubin
Securities Commissioner
Maryland Division of Securities
200 St. Paul Place - 25th Floor
Baltimore, Maryland 21202-2020
(410) 576-6360

BY CONSENT AS TO THIS ORDER:

__12/12/2007____________
Date

_____/s/___________________________
Robby J. Culbreath

On this 12th day of December, 2007, personally appeared Robby J. Culbreath, signer of the foregoing Consent Order who did duly acknowledge that his execution of this document is his free act and deed.

/s/
____
Notary Public
My Commissioner Expires 7/31/09

12/12/2007
Date

/s/
Project Goshen, Inc.
By Robby J. Culbreath

On this 12th day of December, 2007, personally appeared Project Goshen, Inc. by Robby J. Culbreath, signer of the foregoing Consent Order who did duly acknowledge that his execution of this document is his free act and deed.

/s/
Notary Public
My Commissioner Expires 7/31/2009