

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

IN THE MATTER OF: \*

L3 INVESTMENTS CORP. \*

and

ARTIN AFSHARJAVAN \* Securities Division No. 2010-0333

and

CHARLES LONG, \*

RESPONDENTS. \*

\* \* \* \* \*

**FINAL ORDER TO CEASE AND DESIST**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General, pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2007 Repl. Vol. & Supp. 2011) (the "Securities Act" or "Act"), undertook an investigation into the securities-related activities of Artin Afsharjavan, Charles Long, and L3 Investments Corp. (collectively "Respondents"); and

WHEREAS, on the basis of that investigation the Securities Commissioner ("Commissioner") found grounds to allege that Respondents have violated certain registration and anti-fraud provisions, set forth at sections 11-301, 11-401(a), 11-402(a), and 11-501 of the Act; and

WHEREAS, on May 21, 2012, the Commissioner issued an Order To Show Cause (the "Show Cause Order") to Respondents, ordering each to show cause why it should not be ordered to cease and desist from soliciting investments in Maryland in violation of the Securities Act, and to show cause why a fine of up to \$5,000 per violation should not be imposed on each and why each should not permanently be barred from engaging in the securities business; and

WHEREAS, the Show Cause Order gave each Respondent notice of the opportunity for a hearing

in this matter, if requested in writing within fifteen days of service of that order, and gave notice that as to any Respondent not requesting a hearing, a Final Order To Cease And Desist would be issued imposing a bar from engaging in securities transactions on behalf of others and a monetary civil penalty; and

WHEREAS, none of the Respondents filed an Answer or requested a hearing;

NOW, THEREFORE, the Commissioner finds that it is in the public interest to issue this Final Order, and THE COMMISSIONER FINDS, CONCLUDES AND ORDERS:

### **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Securities Act.

### **II. RESPONDENTS**

2. Artin Afsharjavan, a resident of Virginia, at all relevant times was a principal of L3 Investments Corp.

3. Charles Long at all relevant times acted as an agent of Afsharjavan and L3 Investments Corp. in soliciting an investment from a Maryland resident.

4. L3 Investments Corp. ("L3"), at all relevant times was a Maryland corporation with an address in Montgomery County, Maryland.

### **II. FINDINGS OF FACTS**

5. L3, formed in Maryland on March 30, 2006, accepted investments for the supposed purpose of investing in or acquiring other business interests.

6. In January 2008, Afsharjavan contacted a Maryland resident and offered the chance to invest in L3 with one of two options: a promissory note with a guaranteed rate of 24%, interest paid monthly by

check; or as a limited partner for up to three years, collecting a share of profits quarterly, which might range from 1-50%.

7. On January 14, 2008, the investor put \$10,000 into the 24% program. He gave a check to Afsharjavan, and received an L3 promissory note.

8. For about six months the investor received his interest checks. In August 2008, the investment agreement was modified, to pay on a basis reflecting the company's performance.

9. L3 forfeited its charter on October 2, 2009. However, by January 2010 Afsharjavan told the investor that his investment was up 150%, and his account value now was \$25,000.

10. On February 1, 2010, the investor requested \$10,000 of his money back. On February 19, 2010, he received a check from Afsharjavan for \$10,000.

11. On May 25, 2010, the investor asked to withdraw the remaining \$15,000 from his account. Afsharjavan told him that as a result of market conditions, there would have to be a 30-40% discount. The investor was dissatisfied, and so was offered an alternative.

12. The investor was contacted by Charles Long, who held himself out as an "internal broker" for "New Century Investment" ("NCI"). Long offered a new deal: the investor could buy a ½ share of NCI stock for about \$25,000, and then combine his current share with the newly purchased share and sell it for \$45,000 or more. Afsharjavan offered, Long said, a guarantee that if the stock sale was not settled by June 11, 2010, "we will buy the share ...."

13. On May 28, 2010, at Long's direction, the investor wired \$24,500. The investor did not receive any information about, or certificate from, the alleged "New Century Investment." He was told he would receive at least \$35,000 within two weeks.

14. Shortly thereafter the investor was told he would receive \$37,540. Then he was told the wire transfer to him did not go through. Then e-mails the investor sent to Charles Long did not go through. On two occasions soon thereafter, checks to the investor from Afsharjavan to make the payment were returned

for insufficient funds.

15. Respondents have failed to produce subpoenaed documents that would indicate identities and amounts of other investors.

16. There is no record of registration with the Division of any securities by or in the name of L3 or NCI, and no record of a claim of exemption from registration or of qualification as a federal covered security.

17. L3 is not registered in Maryland as a broker-dealer or agent, or as an investment adviser or investment adviser representative.

18. Afsharjavan is not registered in Maryland as a broker-dealer or agent, or as an investment adviser or investment adviser representative.

19. Charles Long is not registered in Maryland as a broker-dealer or agent, or as an investment adviser or investment adviser representative.

#### **IV. CONCLUSIONS OF LAW**

20. Respondents violated section 11-501 of the Securities Act by offering or selling unregistered securities in Maryland in the form of promissory notes or investment contracts, for which no claim of preemption or exemption has been filed.

21. Respondents violated section 11-401(a) of the Act by transacting business in the offer or sale of securities in Maryland as a broker-dealer or securities agent, without being registered pursuant to the Act.

22. Respondents violated section 11-402(a) of the Act by employing unregistered agents for the offer or sale of securities in Maryland.

23. Respondents violated section 11-301 of the Act by making material omissions and misrepresentations in connection with the offer or sale of securities.

## **V. ORDER**

### **IT IS HEREBY ORDERED THAT:**

24. Respondents, and each of them, their employees, agents, and all persons acting under their control, permanently cease and desist from offering or selling securities in violation of the Securities Act, from offering and selling any securities whether registered or exempt from registration, and from engaging in any transaction exempted under the Act; and it is further ORDERED that

25. Respondents are permanently barred from engaging in the securities business in Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged; and it is further ORDERED that

26. Respondent L3 is assessed a civil monetary penalty of \$25,000 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

27. Respondent Afshajavan is assessed a civil monetary penalty of \$50,000 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

28. Respondent Long is assessed a civil monetary penalty of \$25,000 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

## **VI. JURISDICTION RETAINED**

29. Jurisdiction is retained by the Commissioner for the purpose of enabling any party to this Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

**VII. NOTICE OF APPEAL RIGHTS**

30. Pursuant to the Code of Maryland Regulations, COMAR 02.02.06.24, each Respondent has the right to file an appeal of this Order with the circuit court of Maryland. Any appeal must be filed within 30 days from the date this Order is mailed by the Division.

**IT IS SO ORDERED:**

**Commissioner's Signature is  
on File with Original Document**

July 31, 2012

MELANIE SENTER LUBIN  
Securities Commissioner