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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Arthur Avanesov
Welland Capital, Inc.
16045 Sherman Way, Suite H-244
Van Nuys, CA 91406

4533 Van Nuys Blvd., Suite 301
Van Nuys, CA 91406

18333 Dolan Way
Canyon Country, CA 91387

1110 East Boneville Ave.
Las Vegas, NV 89101

DESIST AND REFRAIN ORDER

(For violations of sections 25110, 25401, 29535 and 29536 of the Corporations Code)

The California Corporations Commissioner finds that:

1. At all relevant times, Arthur Avanesov (“Avanesov”), was the President of Welland Capital, Inc. (“Welland Capital”), a Nevada corporation with a business addresses of 16045 Sherman Way, Suite H-244, Van Nuys, California, 4533 Van Nuys Blvd., Suite 301, Van Nuys, California, and 18333 Dolan Way, Canyon Country, California, and a registered address of 1110 East Bonneville Avenue, Las Vegas, Nevada, and which operates a website on the Internet at www.wcforex.com.
2. Since at least January, 2010, Avanesov and Welland Capital offered managed forex trading accounts called Managed Currency Trading Accounts while acting as a trading advisor for trading currencies on the foreign exchange market. The forex trading accounts were serviced by account executives, or “Forex Market Managers”, and support staff who were purportedly “fully trained in the

1 workings of the foreign exchange (Forex) market”.

2
3 3. The foreign currencies purchased or sold, or offered to be purchased or sold are
4 commodities within the meaning of section 29504 of the California Commodity Law of 1990 (Cal
5 Corp. Code § 29500 et seq.)

6
7 4. The foreign currencies were purchased or sold, or offered to be purchased or sold under a
8 commodities contract within the meaning of section 29505 of the California Commodity Law of 1990.

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10 5. The purchase or sales of, or offers to purchase or sell, the commodities under a commodities
11 contract took place in the State of California.

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13 6. At all relevant times, neither Avanesov nor Welland Capital was registered or licensed by the
14 Commodity Futures Trading Commission to engage in the trade or business of, or otherwise act as, a
15 commodity merchant. Further, neither, Avanesov nor Welland Capital was exempt from the
16 registration or licensing requirements for a commodity merchant.

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18 7. Since at least January, 2010, Avanesov and Welland Capital offered or sold securities in
19 Welland Capital.

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21 8. Through posting on the Internet or other means of general solicitation, Avanesov and Welland
22 Capital offered or sold securities to investors which promised an equity position in Welland Capital
23 that would allow the investor to share in the gross profits of Welland Capital.

24
25 9. These securities were offered or sold in this state in issuer transactions. The Department of
26 Corporations has not issued a permit or other form of qualification authorizing any person to offer and
27 sell these securities in this state.

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1 10. In connection with these offers and sales of commodities and securities, Avanesov and
2 Welland Capital willfully misrepresented or omitted to disclose to investors that:

3 a. Neither Avanesov nor Welland Capital have the necessary licenses or registrations to be
4 acting as a commodity merchant;

5 b. Welland Capital withdrew its applications for registration as a commodity trading
6 advisor, National Futures Association member, and introducing broker with the National Futures
7 Association in or about December, 2009 and January, 2010.

8
9 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
10 that the commodities, in the form of foreign currencies, were purchased or sold or offered to be
11 purchased or sold pursuant to commodity contracts in this state. Further, the California Corporations
12 Commissioner is of the opinion that Avanesov and Welland Capital willfully made untrue statements
13 of material fact or omitted to state a material fact necessary in order to make the statements made, in
14 light of the circumstances under which they were made, not misleading in violation of Corporations
15 Code section 29536. Pursuant to Corporations Code section 29542 of the California Commodity Law
16 of 1990, Arthur Avanesov and Welland Capital, Inc. are hereby ordered to desist and refrain from
17 making any untrue statement of material fact or omitting to state a material fact necessary in order to
18 make statements made, in light of the circumstances under which they were made, not misleading,
19 either directly or indirectly, and in connection with the purchase or sale, offer to purchase or sell,
20 entering into or offer to enter into commodity contracts or commodity options in the State of
21 California, including but not limited to the trading in foreign currency.

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23 In addition, based upon the foregoing findings, the California Corporations Commissioner is of
24 the opinion that Avanesov and Welland Capital have engaged in a trade or business or otherwise acted
25 as a commodity merchant without being registered, licensed or exempt in violation of Corporations
26 Code section 29535. Pursuant to Corporations Code section 29542 of the California Commodity Law
27 of 1990, Arthur Avanesov and Welland Capital, Inc. are hereby ordered to desist and refrain from
28 engaging in a trade or business or otherwise act as a commodity merchant in the State of California,

1 including but not limited to advising in the trading in foreign currency, unless registered or licensed
2 with the Commodity Futures Trading Commission, unless exempt.

3
4 Further, based upon the foregoing findings, the California Corporations Commissioner is of the
5 opinion that the investments providing equity positions in Welland Capital are securities subject to
6 qualification under the California Corporate Securities Law of 1968 and are being or have been
7 offered or sold without being qualified in violation of Corporations Code section 25110. Pursuant to
8 section 25532 of the Corporate Securities Law of 1968, Arthur Avanesov and Welland Capital, Inc.
9 are hereby ordered to desist and refrain from the further offer or sale in the State of California of
10 securities, including but not limited to, investments providing equity positions, unless and until
11 qualification has been made under the law or unless exempt.

12
13 Further, the California Corporations Commissioner is of the opinion that the securities of
14 Welland Capital were offered or sold in this state by means of written or oral communications which
15 included an untrue statement of a material fact or omitted to state a material fact necessary in order to
16 make the statements made, in the light of the circumstances under which they were made, not
17 misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to section
18 25532 of the Corporate Securities Law of 1968, Arthur Avanesov and Welland Capital, Inc. are hereby
19 ordered to desist and refrain from offering or selling or buying or offering to buy any security in the
20 State of California, including but not limited to investments providing equity positions in Welland
21 Capital, by means of any written or oral communication which includes an untrue statement of a
22 material fact or omits to state a material fact necessary in order to make the statements made, in the
23 light of the circumstances under which they were made, not misleading.

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This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the California Commodity Law of 1990 and the Corporate Securities Law of 1968.

Dated: July 27, 2010
Sacramento, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By: _____
ALAN S. WEINGER
Deputy Commissioner
Enforcement Division