

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64912 / July 18, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14469

In the Matter of

KADAR M. JOSEY,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Kadar M. Josey (“Josey” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that

1. Josey was the secretary and chief financial officer of Elite Resources LLC ("Elite") and the secretary of Elite3 Holding Corp ("Elite3"). Josey acted as unregistered broker-dealer by representing to investors that they could acquire bank guarantees in exchange for a percentage of the face value of the guarantee or for a fee. Josey, 36 years old, is a resident of Tucker, Georgia.

2. On June 23, 2011, a judgment was entered by consent against Josey, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 15(a) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Elite Resources, et al., Civil Action Number 1:10-CV-3522, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint alleged the following facts: From at least April 8, 2010 through at least August 20, 2010, Josey, along with his co-defendant Patricia Diane Gruber, and the companies they operated, Elite and Elite3, raised approximately \$2.85 million from at least nine investors. In raising these funds, the defendants represented that investors could draw upon bank issued guarantees worth millions of dollars, in one case representing a 40,000% return on investment, without having to repay the withdrawn funds. The defendants further represented that investor funds would be held in escrow until the bank guarantees were issued. Both of these representations were false in that no such bank guarantees existed and that defendants used almost all of the funds for several undisclosed purposes immediately upon receipt. When investors demanded performance, the defendants provided them with a fictitious guarantee certificate purportedly issued by Barclays Bank.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Josey's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, Josey shall be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Josey shall be, and hereby is, barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities

with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by Josey will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Josey, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary