
IN THE MATTER OF:
ENDEAVOR GLOBAL PARTNERS
CORP.
ENDEAVOR GLOBAL PARTNERS (HK)
LTD.
DAVID MANNING FRESNE
(CRD. No. 1091992)
("Respondents")

* ORDER TO CEASE AND DESIST
*
* ORDER TO MAKE RESTITUTION
*
* NOTICE OF INTENT TO FINE
* AND
* NOTICE OF RIGHT TO HEARING
*
* DOCKET NO. CRF-21-201910905-S
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I. PRELIMINARY STATEMENT

1. The Banking Commissioner ("Commissioner") is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act ("Act"), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies ("Regulations") promulgated under the Act.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division ("Division") of the Department of Banking, has conducted an investigation into the activities of Respondents to determine if Respondents have violated, are violating or are about to violate provisions of the Act or Regulations ("Investigation").

3. As a result of the information obtained during the Investigation, the Commissioner has reason to believe that Respondents have violated certain provisions of the Act and Regulations. Accordingly, the Commissioner believes that a basis exists to i) issue a cease and desist order against Respondents

pursuant to Section 36b-27(a) of the Act; ii) order that Respondents make restitution pursuant to Section 36b-27(b) of the Act; and iii) impose a fine upon Respondents pursuant to Section 36b-27(d) of the Act.

II. RESPONDENTS

4. Endeavor Global Partners Corp. (“Endeavor”) is a Delaware corporation with an address at 151 Rowayton Avenue, Rowayton, Connecticut and an address in China at 30/F Shanghai Square, 138 Middle Huai Hai Road, Shanghai, China. Endeavor has never been registered in any capacity under the Act. Endeavor purportedly seeks to provide operating capital to businesses seeking substantial operating capital needed to “jump start” or expand operations and claims to have conducted business in the Caribbean, the United Arab Emirates, Africa, China/Hong Kong and the United States.

5. Endeavor Global Partners (HK) Ltd. (“EGP Ltd.”) purports to be a Hong Kong corporation with an address at Unit 1010, Miramar Tower, 132 Nathan Road, TsimShaTsui, Hong Kong. EGP Ltd. has never been registered in any capacity under the Act;

6. David Manning Fresne (CRD No. 1091992) (“Fresne”) is the founder and Chief Executive Officer of Endeavor and the President of EGP Ltd., and the control person of both entities. Fresne lived at various addresses in Connecticut from approximately August 2008 until approximately January 2019, when he moved to Palm Beach, Florida. Fresne was registered as a broker-dealer agent under the Act at various firms and various times from August 25, 1983 to December 31, 2007. Beginning in 2000, Fresne was the subject of multiple customer complaints and several regulatory actions. Most recently, Fresne was the subject of a regulatory action by the State of Alabama Securities Commission (discussed below). At the time of the transactions forming the basis for this action, Fresne was not registered in any capacity under the Act.

III. STATEMENT OF FACTS

7. In 2016, an entity based in Alabama (the “Investor”) was seeking working capital of \$11,000,000 to develop a new coal mining company. The Investor, through its business contacts, was put in touch with

representatives of Endeavor and EGP Ltd. to discuss the possibility of EGP Ltd. providing the Investor with the working capital it needed.

8. On March 11, 2016, Fresne, on behalf of EGP Ltd., and the Investor entered into an investment agreement (“Investment Agreement”). The Investment Agreement stated that it was entered into by Fresne and EGP Ltd. “or its affiliates, investors, assigns and/or designees”. Endeavor is an affiliate of EGP Ltd., because they share common ownership (Fresne), and is considered to be a party to the Investment Agreement. In entering into the Investment Agreement with the Investor, Fresne was acting on behalf of both Endeavor and EGP Ltd. (together, the “Contracting EGP Parties”).

9. The Investment Agreement provided in pertinent part that:

- a) “[the Investor] desires to secure an Investment from [the Contracting EGP Parties] in the gross amount of Eleven Million Dollars (\$11,000,000 USD) in the form ... of a secured promissory note.”;
- b) The Investor will provide the Contracting EGP Parties with \$1.1 million in exchange for a secured promissory note with a 7.00% annual interest rate amortized over four (4) years;
- c) The Contracting EGP Parties would guarantee the return of the \$1.1 million investment from the Investor in the event a distribution of the \$11,000,000 to the Investor did not occur in approximately 90 days; and
- d) The Contracting EGP Parties “*represent[ed] it will maintain balances greater than the [\$1.1 million] until the first distribution or the return of the full [\$1.1 million] ninety (90) days after the release of the [\$1.1 million] in the event there is not a distribution.*” (emphasis added).

10. On March 18, 2016, the Investor wired \$510,000 to a Wells Fargo bank account (“Bank Account”) established by Fresne, \$10,000 of which was a non-refundable due diligence fee.

11. Documentation obtained by the Division from Wells Fargo reflects that in March 2014, Fresne completed a “Business Account Application” to open the Bank Account in the name of “Endeavor Global Partners Corp.”, and that Fresne was the sole owner of the account. The Business Account Application indicated that the address of Endeavor Global Partners Corp. was 25 Burritts Landing S, Westport, Connecticut. Documentation obtained by the Division from Wells Fargo reflects that in June 2017, Fresne opened another Wells Fargo account under the name Endeavor Global Partners Corp., wherein

Fresne was the sole owner of the account and the address of the account was 110 Old Hickory Road, Fairfield, Connecticut (“Bank Account #2”). All of the funds in the Bank Account were ultimately transferred to Bank Account #2.

12. On March 23, 2016, the Investment Agreement was modified by an addendum (“Addendum”), lowering the total amount of the investment by the Investor from \$1.1 million to \$510,000, and the total amount of the loan (promissory note) to the Investor from \$11 million to \$5 million.

13. The Addendum provided that the \$500,000 “*will remain on deposit for an additional 90-day period pursuant to the schedules in the agreement*”. (emphasis added).

14. After 90 days had passed, the Investor did not receive either the loan of \$5 million or the return of the \$500,000, despite multiple requests.

15. To date, the Investor has not received any return of his monies from Respondents, despite the representations in the Investment Agreement.

16. On March 17, 2016, the Bank Account had a balance of \$34,287. After the Investor wired \$510,000 into the Bank Account on March 18, 2016, Fresne almost immediately began using the Bank Account to pay his credit card bills and to pay bills for his personal expenses, in particular his travel, retail and legal expenses, among other things. By April 2016, the balance in the Bank Account was \$35,186. Significantly, contrary to representations made to the Investor in the Investment Agreement Addendum, the minimum \$500,000 deposit was not maintained in the Bank Account. ▽

17. The Investment Agreement constitutes a security within the meaning of Section 36b-3(19) of the Act, which security was not registered under Section 36b-16 of the Act, nor was it the subject of a filed exemption claim or claim of covered security status.

18. Information obtained during the Investigation reflects that at least a portion of the Investor’s monies were used by Fresne to pay his personal expenses.

IV. ALABAMA SECURITIES COMMISSION ENFORCEMENT ACTION AGAINST RESPONDENTS

19. On December 21, 2018, the Alabama Securities Commission issued a Cease and Desist Order against Respondents based on the same set of facts set forth above (the “Alabama Action”). Specifically, the Alabama Action alleged that Respondents sold an unregistered security to the Investor, and that Fresne acted as an unregistered agent of issuer of Endeavor and EGP Ltd. in the sale of a security to the Investor in violation of the Alabama Code Sections 8-6-4 and 8-6-3(a), respectively.

20. The hearing in the Alabama Action was held on December 12, 2019 and on February 4, 2020, the Administrative Law Judge (“ALJ”) issued a “Recommendation of the Administrative Judge,” that included findings of fact and conclusions of law relating to the Respondents. The ALJ found that Respondents violated Alabama Code Section 8-6-4 by selling an unregistered security to the Investor and that Fresne violated Alabama Code Section 8-6-3(a) by acting as an unregistered agent of EGP and EGP Ltd. in the sale of a security to the Investor. The ALJ entered a permanent Cease and Desist Order against Respondents from any offers and/or sales of any security into, within, or from the State of Alabama.

V. STATUTORY BASIS FOR ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION AND ORDER IMPOSING FINE

a. Violation of Section 36b-16 of the Act by Respondents – Offer and/or Sale of Unregistered Securities

21. Paragraphs 1 through 20, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

22. Respondents offered and/or sold unregistered securities to at least one investor, as more fully described in paragraphs 8 through 17, inclusive. The offer and sale of such securities absent registration constitutes a violation of Section 36b-16 of the Act, which forms a basis for an order to cease and desist to be issued against Respondents under Section 36b-27(a) of the Act, an order that Respondents make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act.

b. Violation of Section 36b-4(a) of the Act by Respondents –
Fraud in Connection with the Offer and Sale of any Security

23. Paragraphs 1 through 22, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

24. The conduct of Respondents, as more fully described in paragraphs 8 through 18, inclusive, constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person. Such conduct constitutes a violation of Section 36b-4(a) of the Act, which forms a basis for an order to cease and desist to be issued against Respondents under Section 36b-27(a) of the Act, an order that Respondents make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act.

c. Violation of Section 36b-6(a) of the Act by Fresne –
Unregistered Agent of Issuer Activity

25. Paragraphs 1 through 24, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

26. Fresne transacted business as an agent of issuer of EGP in Connecticut absent registration, as more fully described in paragraphs 8 through 15, inclusive. Such conduct constitutes a violation of Section 36b-6(a) of the Act, which forms a basis for an order to cease and desist to be issued against Fresne under Section 36b-27(a) of the Act and the imposition of a fine upon Fresne under Section 36b-27(d) of the Act.

**VI. ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION,
NOTICE OF INTENT TO FINE AND NOTICE OF RIGHT TO HEARING**

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Respondents Endeavor Global Partners Corp. and Endeavor Global Partners (HK) Ltd. have each committed at least one violation of Section 36b-16 of the Act, and at least one violation of Section 36b-4(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Respondent Fresne has committed at least one violation of Section 36b-16 of the Act, at least one violation of Section 36b-4(a) of the Act and at least one violation of Section 36b-6(a) of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist, Order to Make Restitution, and the imposition of a fine upon Respondents is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policies and provisions of the Act;

WHEREAS, notice is hereby given to Respondents that the Commissioner intends to impose a maximum fine not to exceed one hundred thousand dollars (\$100,000) per violation upon Respondents;

WHEREAS, the Commissioner **ORDERS** that **ENDEAVOR GLOBAL PARTNERS CORP.**, its employees, officers, representatives, affiliates and successors in interest, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **ENDEAVOR GLOBAL PARTNERS (HK) LTD.**, its employees, officers, representatives, affiliates and successors in interest, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **DAVID MANNING FRESNE CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (3) transacting business as an unregistered agent of issuer in Connecticut;

WHEREAS, the Commissioner **ORDERS** that Respondents **MAKE RESTITUTION** of any sums obtained as a result of Respondents' violations of Sections 36b-16 and 36b-4(a) of the Act, plus interest at the legal rate set forth in Section 37-1 of the General Statutes of Connecticut. Specifically, the Commissioner **ORDERS** that:

1. Within thirty (30) days from the date this Order to Make Restitution becomes permanent, Respondents shall reimburse the entity described above as "the Investor" \$500,000, plus interest. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to the Investor; and
2. Within forty-five (45) days from the date this Order to Make Restitution becomes permanent, Respondents shall provide the Division with proof in the form of copies of the certified check

and the return receipt required by paragraph 1 of Section VI of this Order to Cease and Desist, Order to make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively “Order”), that Respondents have reimbursed the Investor \$500,000 plus interest, in connection with the Investment Agreement.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-27 of the Act, Respondents will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondents’ receipt of this Order. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If any Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as “pro se”.

Respondents may request that the hearing be held in person at the Department’s offices or remotely via videoconference using Microsoft Teams. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on January 11, 2021, at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless any Respondent fails to appear at the requested hearing. At such hearing, each Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, and the Remote Hearing Guidelines are available on the Department’s website at <https://portal.ct.gov/dob>.

If any Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against such Respondent will be deemed admitted. Accordingly,

the Order to Cease and Desist and Order to Make Restitution shall remain in effect and become permanent against any such Respondent, and the Commissioner may order that the maximum fine be imposed upon any such Respondent.

Dated at Hartford, Connecticut,
this 17th of November 2021.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 17th day of November 2021, I caused to be mailed by certified mail, return receipt requested, the foregoing Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing to: Endeavor Global Partners Corp., c/o Robert Bursky, Esq., 68 S. Service Road, Suite 100, Melville, New York 11747-2350, certified mail no. 7019 1640 0000 1587 8836; Endeavor Global Partners (HK) Ltd. c/o Robert Bursky, Esq. 68 S. Service Road, Suite 100, Melville, New York 11747-2350, certified mail no. 7019 1640 0000 1587 8843; David Manning Fresne, c/o Robert Bursky, Esq. 68 S. Service Road, Suite 100, Melville, New York 11747-2350, certified mail no. 7019 1640 0000 1587 8850; Endeavor Global Partners Corp., 306 Resort Lane, Palm Beach Gardens, Florida 33418, certified mail no. 7019 1640 0000 1587 8867; Endeavor Global Partners (HK) Ltd. 306 Resort Lane, Palm Beach Gardens, Florida 33418, certified mail no. 7019 1640 0000 1587 8874; and David Manning Fresne, 306 Resort Lane, Palm Beach Gardens, Florida 33418, certified mail no. 7019 1640 0000 1584 7993.

_____/s/_____
Julie Carta
Administrative Assistant