

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

| | | |
|------------------------------------|---|----------------------|
| RESOURCE DEVELOPMENT INTERNATIONAL |) | ADMINISTRATIVE ORDER |
| DAVID EDWARDS |) | NO:CO-2004-0017 |
| JAMES EDWARDS |) | |
| RONALD W. SMITH |) | |
| |) | |
| <u>RESPONDENTS</u> |) | |

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. Resource Development International, LLC ("RDI") purported itself to be a Joint Venture International Restricted Private Placement Program, incorporated in the state of Nevada, with a business address of 4301 S. Pine Street, Suite 32, Tacoma, Washington, 98409.
2. David Edwards ("D. EDWARDS") represented himself as the President of RDI with a business address of 4301 S. Pine Street, Suite 32, Tacoma, Washington, 98409. During all times relevant to the issuance of this Order D. EDWARDS acted as an agent of RDI.
3. James Edwards ("J. EDWARDS") is the father of D. EDWARDS. Both individuals jointly own and controlled RDI. J. EDWARDS has a business address of 4301 S. Pine Street, Suite 32, Tacoma, Washington, 98409. During all times relevant to the issuance of this Order, J. EDWARDS acted as an Agent of RDI.
4. Ronald W. Smith ("SMITH") was the owner of Smith Financial Services, Inc., with a business address of 3860 Timberline Way, Birmingham, Alabama, 35243. During all times relevant to the issuance of this Order, SMITH acted as an agent of RDI.

STATEMENT OF FACTS

5. The Commission is in receipt of information from an Alabama resident stating that RDI, D. EDWARDS, J. EDWARDS, and SMITH solicited and/or sold unregistered securities; described as promissory notes in the State of Alabama at a guaranteed four per cent (4%) rate of return per month. The complainant stated that SMITH provided information pertaining to the investment with RDI which facilitated the complainant making an investment with RDI. Based solely on the representations provided by SMITH, an investment of \$100,000.00 was made by the Alabama resident.

6. A review of the files of the Commission disclosed no record of registration for RDI, D. EDWARDS, J. EDWARDS, or SMITH as registered securities agents/dealers in the State of Alabama. Further, a review of the registration files of the Commission disclosed no record of registration, or exemption from registration for the securities, to wit: the promissory notes of RDI.

7. On March 27, 2002, the U.S. Securities & Exchange Commission ("SEC") announced that it had obtained emergency court orders to shut down RDI nationwide. The SEC had determined that RDI was in fact a \$98 million ponzi scheme. A receiver was appointed in an attempt to recover victim's investment funds. In the complaint filed with the U.S. District Court in Dallas, Texas, the SEC alleged that RDI, its two principals D. EDWARDS, and J. EDWARDS, defrauded more than 1,300 investors nationwide in an investment scheme that targeted mainly retirement funds.

8. On June 28, 2002, Lawrence J. Warfield, CPA, the Receiver assigned by the courts for RDI filed an amendment to the original complaint which added SMITH as a respondent of RDI.

9. On August 23, 2004, the Commission issued Administrative Order, Cease & Desist Order NO. 2004-0017 to Respondents, ordering them to stop any further offers or sales of any security into, within, or from the State of Alabama.

10. On September 19, 2005, the aforementioned Cease & Desist Order was made a final Order of the Commission and the file was closed.

CONCLUSIONS OF LAW

11. RDI is not registered as a securities dealer in the State of Alabama. Transacting business in the State of Alabama as a securities dealer without benefit of registration is a violation of § 8-6-3(a), Code of Alabama 1975.

12. D. EDWARDS is not registered as a securities agent in the State of Alabama. Transacting business in the State of Alabama as a securities agent without benefit of registration is a violation of § 8-6-3(a), Code of Alabama 1975.

13. J. EDWARDS is not registered as a securities agent in the State of Alabama. Transacting business in the State of Alabama as a securities agent without benefit of registration is a violation of § 8-6-3(a), Code of Alabama 1975.

14. SMITH is not registered as a securities agent in the State of Alabama. Transacting business in the State of Alabama as a securities agent without benefit of registration is a violation of § 8-6-3(a), Code of Alabama 1975.

15. The securities of RDI, to wit: the promissory notes being offered for sale by the Respondents are not registered, nor exempt from registration, in the State of Alabama. The sale of unregistered, non-exempt securities into, within, or from the State of Alabama is a violation of § 8-6-4, Code of Alabama 1975.

WHEREAS, SMITH admits that he acted as an agent for RDI, and the information and assertions presented to the Commission during its investigation of this matter are true and correct. Furthermore, SMITH understands the Commission relied upon such information and assertions in its determination to accept this Order. Should the information or assertions prove to be incorrect or misrepresented the Commission may seek other administrative, civil, or criminal remedies that may be available to it under the provisions of the Act; and

WHEREAS, SMITH has voluntarily waived all rights to a formal hearing upon entry of this Order and has consented to the entry of this Order; and

WHEREAS, the Commission has allowed the reopening of SMITH'S case as a Respondent in this matter; and

WHEREAS, SMITH has voluntarily provided information concerning his involvement with RDI, and the Commission and SMITH are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. That SMITH shall not be eligible at any time in the future for registration as a securities Agent, Dealer, Investment Advisor or Investment Advisor Representative in the State of Alabama.
2. That SMITH shall refrain from selling securities in the State of Alabama and will adhere to the rules, regulations and laws as set out in the Alabama Securities Act.
3. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, SMITH shall pay to the State of Alabama an administrative assessment in the total sum of \$1,000.00 to be tendered in certified funds contemporaneously with the entry of this Order.

4. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, SMITH shall pay to the Alabama Securities Commission, as partial reimbursement for the Commission's cost for investigating this matter, the sum of \$1,000.00 to be tendered in certified funds contemporaneously with the entry of this Order.

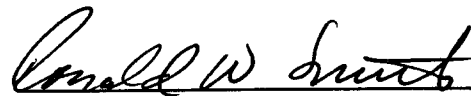
5. That the entry of this Order resolves the Cease and Desist Order, Administrative Order No. CD-2004-0017, issued August 23, 2004, as it pertains to **SMITH only**.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act against the other Respondents in any respect or against SMITH for any violation by him of the terms of this Order.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Act.

AGREED AND CONSENTED to on the date indicated:

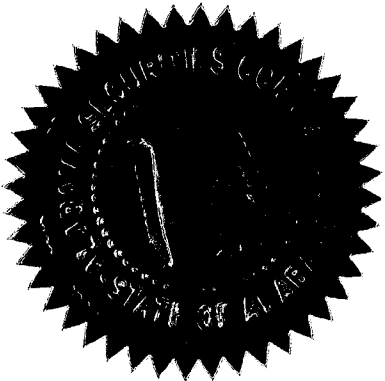
RESPONDENT:



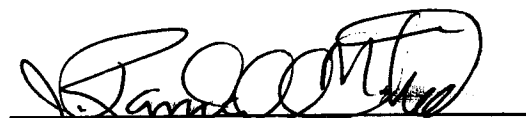
Ronald W. Smith

Date: 3-18-10

APPROVED AND AGREED, this 24TH day of March, 2010.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue
Montgomery, AL 36104
(334) 242-2984
BY:



J. Randall McNeill
Deputy Director