

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64587 / June 2, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14408

In the Matter of

LODAVINA GROSNICKLE,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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 Lodavina Grosnickle (“Respondent” or “Grosnickle”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From February through May 2007, Grosnickle was the co-founder and vice president of TG Capital LLC (“TG Capital”). During that period, Grosnickle was neither registered with the Commission as a broker-dealer nor associated with a registered broker-dealer. In connection with the sale of membership units of TG Capital, Grosnickle acted as an unregistered broker or dealer. Grosnickle, age 55, is a resident of Chula Vista, California.

B. ENTRY OF THE INJUNCTION

2. On May 9, 2011, a default judgment was entered against Grosnickle, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. TG Capital LLC, et al., Civil Action Number SACV 07-00579-CJC (ANx), in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that, from at least February through May 2007, Grosnickle, acting in concert with Thanh Viet Jeremy Cao (“Cao”), raised at least \$3.78 million from approximately 33 investors from the sale of membership units in TG Capital that purportedly would pay investors guaranteed returns of 28% to 30% per year. The complaint further alleged that Grosnickle, knowingly or recklessly: (1) misrepresented to investors that TG Capital would use investor funds to invest in bank instruments backed by bank guarantees and gold, invest in gold by purchasing letters of credit or standby letters of credit, or would loan money to a named bank, when in fact TG Capital sent \$1.78 million of investor funds overseas to purportedly make a personal loan on behalf of Cao to a third person and paid Grosnickle undisclosed commissions ranging from 4% to 10% of the total contributed by investors she brought into TG Capital; (2) misrepresented to investors that their investment in TG Capital was guaranteed by three named banks and by gold, when in fact none of the named banks had any relationship with TG Capital and TG Capital had no gold; and (3) provided to an investor or investors purported documents from banks referencing bank guarantees, when in fact the documents were forged.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations.

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against her upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. §201.360.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order") on the Respondent, Lodavina Grosnickle, and her legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

Donald W. Searles, Esq.
Los Angeles Regional Office
Securities and Exchange Commission
5670 Wilshire Blvd., 11th Floor
Los Angeles, CA 90036

Ms. Lodavina Grosnickle
882 Blackwood Rd.
Chula Vista, CA 91919

Bonita P. Martinez, Esq.
Bonita P. Martinez Law Office
2918 Fifth Avenue, Suite 204
San Diego, CA 92103
Counsel for Respondent Lodavina Grosnickle