

**STATE OF MICHIGAN  
MICHIGAN DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of Financial and Insurance Regulation**

**In the matter of:**

**Enforcement Case No. 09-7195**

**BRUCE M. SCHLUSSEL and**

**BRALEN, INC. (d/b/a  
Gannon Real Estate)  
20601 Grand River  
Detroit, MI 48219**

**Respondents.**

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Issued and entered <sup>september</sup>  
this 14~~th~~ day of ~~August~~ 2009  
by Stephen R. Hilker  
Chief Deputy Commissioner

**FINAL ORDER TO CEASE AND DESIST**

**I.  
FINDINGS OF FACT**

1. On July 16, 2009, pursuant to the Michigan Uniform Securities Act ("MUSA"), 1964 PA 265, MCL 451.501, *et. seq.*, the Chief Deputy Commissioner issued to Respondents an ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING ("Order").
2. The Order alleged that the Respondents were engaged in the business of offering and selling unregistered, nonexempt securities to Michigan residents in the form of promissory notes for the purpose of investment and profit generation, as detailed below.
3. Respondent Bralen, Inc., doing business as Gannon Real Estate ("Bralen") is a Michigan corporation incorporated under the laws of this State with its principle place of business

located at 20601 Grand River, Detroit, Michigan 48219. Corporation ID Number 064178. Bruce Schlusel is Bralen Inc.'s sole shareholder and he directly controls the company.

4. Respondent Bruce Schlusel ("Schlusel") is a Michigan resident currently residing at 
5. Bralen and Schlusel are hereinafter referred to as the Respondents.
6. In May 2009, OFIR staff received information that the Respondents were engaged in the business of offering and selling unregistered, nonexempt securities.
7. Respondents offered and sold instruments in the form of a note, instrument of indebtedness, quasi-contractual and/or investment contract to Michigan residents for the purpose of investment and profit generation.
8. The aforementioned instruments are defined as a security under Section 410(a) of the MUSA, 1964 PA 265, as amended and require registration or exemption.
9. With each investment a person furnished funds in the form of a personal check. In exchange for these funds, Respondents issued a "Promissory Note" (the "Note") that created an agreement between the Respondents and the investor for a promise to pay the initial invested amount plus 12% interest within six months. The Note also gave the investor a security interest in a piece of real property unidentified by its street address or legal description. The terms of the Note did not delegate any authority to the investors to control or manage the business decisions of the company, nor in selecting, acquiring, improving, marketing and selling the properties. The invested money would be used to acquire and rehabilitate distressed properties for resale.

10. OFIR received information that the Respondents received principle investments ranging from \$4,000 (four-thousand dollars) to \$215,000 (two-hundred and fifteen thousand dollars) from two identified Michigan residents.

11. A summary of Investors #1 and #2 investments are as follows:

<u>Check Date</u>	<u>Amount</u>	<u>Check No.</u>	<u>Check Issued To</u>
1/11/2007	\$215,000		Bralen, Inc.
1/25/2007	\$40,000		Bralen, Inc.
3/15/2007	\$15,000		Bralen, Inc.
4/10/2007	\$28,000		Bralen, Inc.
4/17/2007	\$4,000		Bralen, Inc.
8/23/2007	\$35,000		Bralen, Inc.
<b>TOTAL: \$437,000</b>			

12. The Respondents did not return to the investors their principle investment or interest as agreed, especially after many demands by the investors to do so.

13. OFIR staff conducted a search to locate records of any securities registration or exemption filing pursuant to the MUSA in the matter of Bralen or Schlüssel. No such records were found.

14. Respondents are not authorized to offer or sell securities in the State of Michigan under MUSA.

15. Respondents marketed, offered and sold unregistered, nonexempt securities to Michigan residents in violation of Section 301, MCL 451.701 of the Michigan Uniform Securities Act.

16. The Order, served on Respondents in accordance with Section 408(b) of the MUSA, MCL 445.808(b), advised Respondents that failure to request a hearing within 15 days to

contest the validity of the allegations would result in the issuance and entry of a Final Order to Cease and Desist against the Respondents.

17. The Order was served on Respondents on or about July 21, 2009, as evidenced by signed certified mail Domestic Return Receipts.
18. Respondents failed to request a hearing within 15 days as required by statute, and the allegations stand as true.

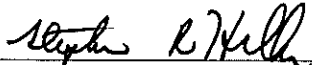
**II.  
ORDER**

**NOW THEREFORE**, based upon the factual findings set further above and the files and records of the Office of Financial and Insurance Regulation, **IT IS HEREBY ORDERED THAT:**

1. A Final Order to **CEASE AND DESIST**, pursuant to MCL 451.808, shall be and hereby is entered against the Respondents.

**IT IS SO ORDERED.**

**OFFICE OF FINANCIAL AND  
INSURANCE REGULATION**

  
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Stephen R. Hilker  
Chief Deputy Commissioner