

State of Missouri
Office of Secretary of State

Case No. AP-08-19

IN THE MATTER OF:

R.C. TRANSPORT, LLC;

Respondent.

Serve: R.C. Transport, LLC at
36840 State Highway WW
Campbell, MO 63933

CONSENT ORDER

SUMMARY OF ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division alleges that R.C. Transport, LLC, participated in the offer of a high-yield investment program to non-Missouri residents. The program was conceived by Michael Santiago a/k/a Mike Santee; Victoria Thorne and Ricardo Leonardo, also non-Missouri residents. The term "Respondent" used herein refers only to R.C. Transport, LLC.
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondent's alleged activities. While Respondent expressly denies violating any laws as alleged by the Securities Division, Respondent desires to settle the matter to avoid the expense, time, delay and uncertainty of a contested action.

CONSENT TO JURISDICTION

3. Respondent and the Division stipulate and agree that the Commissioner has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act, Chapter 409, *et seq.*
4. Respondent and the Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2007), which provides:

The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.

WAIVER AND EXCEPTION

5. Respondent waives its rights to a hearing with respect to this matter.

6. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Division that, should the facts contained herein prove to be false or incomplete, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent consent to the Commissioner's Findings of Fact and Conclusions of Law as set forth below solely for the purposes of this proceeding and any preceding that may be brought to enforce the terms of this Consent Order.
10. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without a factual basis.
11. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.

COMMISSIONER'S FINDINGS OF FACT AND CONCLUSIONS OF LAW

12. R.C. Transport, LLC ("RCT ") is a limited liability company and was organized in Missouri on December 18, 2002. RCT has an address of 36840 State Highway WW, Campbell, Missouri 63933.
13. Michael A. Santiago a/k/a Mike Santiago a/k/a Mike Santee ("Santiago ") purports to be an officer of RCT. Santiago purports to have an address at 6340 Lake Worth Blvd., Apt. 40, Ft. Worth, Texas 76135-3602.
14. General Investments, LLC ("GI") is a Nevada limited liability company. ~~Robert Corder and~~ Santiago ~~are~~ [is] designated as managing member in documents GI filed with the Nevada Secretary of State. Changes to this paragraph agreed to and initialed by [RC, LJM, JS]
15. Sometime prior to October 22, 2007, Ricardo Leonardo (a California resident) and Victoria Thorne (a Washington resident) met with the members of an Arizona church that was looking for financing for a building project. Leonardo and Thorne told the church members about a bond trading program purportedly planned by Mike Santiago and RCT. The church members were told that if the church would enter into a "strategic alliance " agreement with RCT, and place its real estate in the custody of RCT, the church could participate in a high-yield bond issue. Church members were told that by transferring \$500,000 worth of property they could earn a 100% return in 90 days and the return of the real property.

16. To facilitate the proposed transaction, Thorne and Leonardo gave the church the following documents:
 - a. Letter of Intent
 - b. Strategic Alliance Agreement
 - c. Emissary Note
 - d. Letter of Guarantee from 'Leonardo Enterprises Consultants, mc; and
 - e. Addendum of Nonperformance.
17. The *Letter of Intent* is on RCT letterhead bearing an address of P.O. Box 122, Campbell, Missouri 63933 and provides a Missouri telephone number for both Santiago and RCT.
18. The *Strategic Alliance Agreement*, dated October 22, 2007, alludes to a “strategic alliance” between RCT and the church to conduct “certain complimentary business transactions”. The Agreement does not specify what the “complimentary business transactions” are.
19. The *Promissory Note* states, among other things, that:
 - A. Leonardo Enterprises Consultants, Inc. purports to be a corporation located in California owned by Ricardo Leonardo.
 - B. The Note is governed by the laws of Missouri;
 - C. RCT promises to pay the church the principal sum of five hundred thousand (\$500,000.00), plus an equal sum in interest, in 90 days for a total of \$1,000,000.00;
 - D. “This Note will be back [sic] with \$500,000.00 US Treasuries in 3-5 days. from settlement, from the initial \$500,000.00 deposit has [sic] been made in the R.C. Transport account”...;
 - E. “This note [sic] is subject to the terms of the Custodial agreement in conjunction with anticipated treasury based repurchase Agreements [sic]. This Note is assured by the companies [sic] position under the terms of the previously or above stated repurchase agreement.”...;
 - F. The “depository capital” was required and would be used as follows:
 1. as a “depository balance as required by; US Bank, & [sic] other Institutional Trust [sic] & custody departments, ‘with unrestricted use with safeguards and principal protection feature,’ under the Custody Agreement for R.C. Transport, LLC account.”
 2. “Depository capital as required by third party participants, as an inducement for their participation for future funding of projects, for participants under the strategic alliance agreement with R.C. Transport, LLC.”
 3. “Capitalization as required by securities division of the legal firm which we intend to utilize as a participant in the distribution of our bond

offering.”

20. In connection with the offer of these investments from Missouri, the Respondent failed to file required notice with this Division and failed to provide adequate evidence to this Division to support their reliance on SEC Regulation D exemption from registration. Being that no sales have occurred in the offering such as to prompt a required filing, in lieu of filing the notice Respondent enters into this Consent Order.
21. Where Dean Witter's Blue Sky system could not locate a security in BSKS, it did not reflect its inability to find the security in a "security-not-found" or other exception report.
22. A check of the records maintained by the Missouri Commissioner of Securities confirmed that RCT is not registered as a broker-dealer or agent in Missouri.

ORDER

WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and R.C. Transport and the Enforcement Section of the Securities Division, finds the following Order to be in the public interest and necessary for the protection of public investors and consistent with the provisions of Chapter 409, RSMo. (Cum. Supp. 2007).

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent cease and desist selling unregistered securities in violation of Section 409.3-301 RSMo. (Cum. Supp. 2007);
2. Respondent cease and desist transacting business as an unregistered broker-dealer or agent in violation of Section 409.4-402 RSMo. (Cum. Supp. 2007);
3. Respondent shall file with the Enforcement Division of the Missouri Secretary of State a written statement under oath subject to the penalties of making a false oath or affidavit, certifying that Respondent has not received any funds from any investor and that Respondent is not engaged in any undisclosed business activities with Santiago, Thorne or Leonardo in conjunction with the entering of this Order;
4. Respondent shall cooperate in any investigation, proceeding or action by the Securities Division in this matter or any matter related or unrelated to the facts contained in this Order;
5. Respondent shall pay to the Missouri Investor Education and Protection Fund the amount of ten thousand dollars (\$10,000.00). This amount shall be sent to the Division and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be due and payable within thirty (30) days from the date of this Consent Order. The Division will forward these funds to the Investor Education and Protection Fund;
6. Respondent will reimburse the Division for the costs of the investigation in the

amount of one thousand five hundred sixty-three dollars (\$1,563). This amount shall be sent to the Division and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be due and payable within thirty (30) days from the date of this Consent Order. The Division will forward these funds to the Investor Education and Protection Fund; and

7. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 13TH DAY OF AUGUST, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

Consented to by:

Lori Neidel
Chief of Enforcement
Missouri Securities Division

R.C. Transport, LLC
Robert Corder

Approved as to Form
Jane Stafford
Attorney for Respondent