

State of Missouri
Office of Secretary of State

Case No. AP-12-18

IN THE MATTER OF:

MVP NETWORK, INC.; and
PAUL A. SCHNEIDER,

Respondents.

Serve: MVP Network, Inc. at:
5 Deacon Drive
Saint Louis, Missouri 63131

Serve: Paul A. Schneider at:
5 Deacon Drive
Saint Louis, Missouri 63131

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY
RESTITUTION, CIVIL PENALTIES, AND COSTS SHOULD NOT BE IMPOSED**

On May 22, 2012, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Assistant Commissioner Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

1. MVP Network, Inc. ("MVP"), was incorporated in Nevada in 1955 under the name Oasis Oil Corporation ("Oasis"). In 2005, Oasis changed its name to MVP. MVP was an online gaming company that did business in Missouri and had a last known mailing address of 110 North Jefferson Avenue, Saint Louis, Missouri 63103. MVP's incorporation status was revoked on or about January 1, 2009.
2. MVP Game Business/SkyBuddy, Inc. ("SkyBuddy"), is a Missouri corporation organized on June 14, 2011. SkyBuddy was administratively dissolved on or about January 10, 2012. At the time of the dissolution, Debbra Schneider was listed as the registered agent of SkyBuddy with a mailing address of 5 Upper Barnes Road, Saint Louis, Missouri 63131. SkyBuddy was reinstated as a Missouri corporation on April 16, 2012.
3. Paul A. Schneider ("P. Schneider") was the chief executive officer of MVP and has a mailing address of 5 Deacon Drive, Saint Louis, Missouri 63131. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, P. Schneider was not registered as a securities agent in the State of Missouri.
4. Debbra Schneider ("D. Schneider"), P. Schneider's spouse, was the secretary of MVP and has a mailing address of 5 Deacon Drive, Saint Louis, Missouri 63131.
5. Paul M. Schneider ("M. Schneider") is P. Schneider's son and is the president of SkyBuddy. M. Schneider maintains a mailing address of 2888 Central Park Boulevard, Denver, Colorado 80238.
6. As used herein, the term "Respondents" refers to P. Schneider and MVP.
7. On or about October 13, 2009, Concord Bank ("Concord") filed a motion in the Saint Louis County Circuit Court to appoint a receiver for several affiliated entities of MVP, Case number 09SI-CC04486-Concord Bank v. Online Exchange, Inc. et.al ("MVP Receivership").
8. On or about November 23, 2009, the judge in the MVP Receivership appointed Paul Lerman and ATEC Liquidations, Inc. ("ATEC"), as receiver with full power and authority to "take and have complete and exclusive control, possession, management, and custody of the Collateral" ATEC was also granted authority to enjoin any of the defendants or any person controlling any part of the Collateral from disposing of or misappropriating the Collateral.
9. On or about April 6, 2010, the judge in the MVP Receivership added MVP and another affiliated entity as defendants in the MVP Receivership and appointed ATEC as receiver for these additional entities.

10. On July 5, 2010, P. Schneider and Concord entered into an assignment and transfer of stock agreement (the "Assignment"). The Assignment stated, among other things, that:
 - a. "[P. Schneider] is the legal and beneficial owner of 323,000,000 shares of the common stock of [MVP]" (this stock is referenced in the Assignment and hereafter as the "Common Stock");
 - b. [MVP] and P. Schneider are indebted to Concord under loans evidenced by five (5) promissory notes totaling approximately three million four hundred ninety-five thousand three hundred thirty-five dollars (\$3,495,335);
 - c. "[P. Schneider] desires to assign to [Concord] the Common Stock, which represents **all** [P. Schneider's] interest in [MVP]" (Emphasis added); and
 - d. "[P. Schneider] hereby assigns, transfers and conveys to [Concord] the Common Stock, any and all preferred stock that he may own in the [MVP], and all other shares of stock, options, rights and warrants issued to [P. Schneider] by [MVP] together with all certificates, options, rights, payments, income, dividends and other distributions issued in addition to, in substitution or exchange for, or on account of the Common Stock"
11. On September 27, 2010, the judge in the MVP Receivership entered judgment against P. Schneider, D. Schneider, MVP, and other entities, in an amount in excess of four million six hundred thousand dollars (\$4,600,000) and ordered P. Schneider to turn over MVP assets.
12. On December 30, 2010, Concord and ATEC conducted a sale of the collateral in the MVP Receivership. These assets were purchased by Concord.
13. Subsequent to the September 27, 2010 judgment in the MVP Receivership, the Enforcement Section received information from Concord that P. Schneider was selling MVP stock.
14. An investigator with the Enforcement Section reviewed documents filed by MVP with the Securities and Exchange Commission ("SEC") that stated, among other things, that in 2005, P. Schneider purchased approximately seventy percent (70%) of the issued and outstanding shares of Oasis for fifty thousand dollars (\$50,000). Subsequently, P. Schneider was appointed president and chief executive officer and D. Schneider was appointed as a director of Oasis.
15. On February 8, 2012, P. Schneider appeared before Enforcement Section representatives for an on-the-record statement ("P. Schneider OTR"). During the P. Schneider OTR, P. Schneider stated, among other things, that:
 - a. in 2005, Oasis changed its name to MVP;
 - b. in or around September 2008, MVP's stock resumed trading in the public market;
 - c. MVP's last filing with the SEC was in April 2009;
 - d. P. Schneider was never registered to sell securities in Missouri;
 - e. P. Schneider was still the chief executive officer of MVP;
 - f. P. Schneider owned three hundred twenty-three million shares (323,000,000) or seventy-two percent (72%) of stock in MVP;
 - g. MVP had a loan with Concord for MVP's working capital. This loan was in excess of three million dollars (\$3,000,000);
 - h. in February 2009, MVP was unable to make the working capital loan payment in the amount of forty-five thousand dollars (\$45,000) a month;
 - i. subsequent to February 2009, Concord filed suit against MVP and P. Schneider;
 - j. ATEC was appointed receiver and took control of all assets of MVP;
 - k. P. Schneider was not able to sell any of the 323,000,000 shares of stock pursuant to an order in the MVP Receivership;
 - l. in September, 2010, the judge in the MVP Receivership entered judgment against P. Schneider;
 - m. subsequent to this judgment in 2010, P. Schneider sold MVP stock to other investors;
 - n. the stock that P. Schneider sold to these investors was not part of the 323,000,000 shares of MVP stock assigned to Concord;
 - o. P. Schneider purchased shares of stock from Oasis shareholders;¹

- p. P. Schneider sold these shares of Oasis stock to MVP investors;²
- q. P. Schneider did not tell at least one of the investors who purchased MVP stock from P. Schneider in 2011, that MVP was in receivership;
- r. SkyBuddy is an online site that does advertising and games;
- s. the president of SkyBuddy is M. Schneider;
- t. M. Schneider is the son of P. Schneider;
- u. P. Schneider does not hold any office or positions in SkyBuddy;
- v. P. Schneider represented himself to SkyBuddy members as the president of SkyBuddy; and
- w. "my son and I sound the same on the phone . . . so I say I'm president of SkyBuddy. They don't know the difference. But I've said that many times."

^[1] On April 19, 2012, P. Schneider told an investigator with the Enforcement Section that P. Schneider purchased these shares of Oasis between 2006 and 2008. On May 9, 2012, P. Schneider told an investigator with the Enforcement Section that P. Schneider did not know when he purchased the shares of Oasis. Upon information and belief, this Oasis stock had not been reissued to these stockholders after the name change to MVP in 2005.

^[2] These shares of Oasis stock were reissued to the purchasers as MVP stock (the shares will hereinafter be referred to as MVP stock).

- 16. During the P. Schneider OTR, P. Schneider produced a document listing the assets that had been seized by Concord, these assets included, among other things, the MVP office building, all corporate and personal bank accounts, and all personal property owned by P. Schneider.
- 17. On April 19, 2012, P. Schneider told Enforcement Section representatives that P. Schneider held approximately seven million (7,000,000) shares of MVP stock that P. Schneider claimed were not pledged in the Assignment.
- 18. On February 14, 2012, an investigator with the Enforcement Section contacted a forty-seven (47) year-old Michigan resident ("MIR"). MIR told the investigator, among other things, that:
 - a. MIR had known P. Schneider through the online gaming industry for approximately two (2) years;
 - b. on or before November 29, 2010, MIR learned that P. Schneider was either selling MVP or merging MVP with another company;
 - c. P. Schneider told MIR, among other things, that:
 - i. MVP was "hooking up with another company to go world-wide;"
 - ii. once MVP partnered with this company, MVP stock would go through the roof;
 - iii. P. Schneider was allowed to sell a certain number of P. Schneider's personal shares in MVP; and
 - iv. P. Schneider would sell MIR three million two hundred thousand (3,200,000) shares of MVP stock for ten thousand dollars (\$10,000);
 - d. MIR agreed to purchase approximately one million six hundred thousand (1,600,000) shares from P. Schneider for five thousand dollars (\$5,000); and
 - e. P. Schneider instructed MIR to wire the investment funds to a bank account MIR believed to be a personal account of P. Schneider.
- 19. Bank records of MIR show that MIR wire transferred five thousand dollars (\$5,000) to a Regions Bank account in St. Louis, Missouri ("Regions Account") with the account name "MVP Game Business" on November 29, 2010.
- 20. The Enforcement Section's investigation revealed, among other things, that:
 - a. the Regions Account was opened in the name of Lauren Manoogian, LLC, on April 3, 2009;
 - b. P. Schneider and D. Schneider were the sole signatories on the Regions Account;
 - c. the Regions Account bank statements reflect that Lauren Manoogian, LLC, does business as MVP Game Business;
 - d. Lauren Manoogian ("Manoogian") is P. Schneider's step-daughter;

- e. on May 21, 2012, representatives of the Enforcement Section spoke with Manoogian. Manoogian stated, among other things, that:
 - i. P. Schneider was not an employee or member of Lauren Manoogian, LLC;
 - ii. Lauren Manoogian, LLC, did not do business as MVP Game Business;
 - iii. Manoogian did not authorize P. Schneider to open the Regions Account or to do business as MVP Game Business;
 - iv. Manoogian first learned that P. Schneider was using the Regions Account in the summer of 2011; and
 - v. Manoogian and/or Lauren Manoogian, LLC, did not receive any funds from the Regions Account;
 - f. from January 2010 to June 2011, the Regions Account received at least five (5) wire transfers from individuals who had purchased MVP stock from P. Schneider;
 - g. on November 29, 2010, the Region's Account received a wire transfer from MIR in the amount of five thousand dollars (\$5,000); and
 - h. on or about December 13, 2010, MIR received one million six hundred sixty-six thousand six hundred sixty-seven (1,666,667) shares of MVP stock.
21. Prior to MIR's investment, P. Schneider did not disclose to MIR that MVP was in receivership or that the judge in the MVP Receivership had entered judgment in excess of four million dollars (\$4,000,000) against P. Schneider and MVP.
22. On February 16, 2012, an investigator with the Enforcement Section contacted a fifty-seven (57) year-old California resident ("CR"). CR told the investigator, among other things, that:
- a. CR was recruited to participate in the online game industry through SkyBuddy;
 - b. CR believed that SkyBuddy was an affiliate of MVP;
 - c. P. Schneider held conference calls with SkyBuddy participants and represented that P. Schneider was the owner and/or president of SkyBuddy;
 - d. sometime prior to March 2011, P. Schneider contacted CR and told CR that MVP shares were available from Oasis shareholders;
 - e. CR purchased over one hundred fifty thousand (150,000) MVP shares from P. Schneider for one thousand five hundred dollars (\$1,500);
 - f. CR made payment to P. Schneider for the MVP stock; and
 - g. prior to CR's investment, P. Schneider did not disclose to CR that MVP had been under receivership, that the judge in the MVP Receivership had entered judgment in excess of four million dollars (\$4,000,000) against P. Schneider and MVP, or that Concord had purchased all MVP assets.
23. The Enforcement Section's investigation revealed:
- a. on February 2, 2011, the Regions Account received a wire transfer from CR in the amount of one thousand five hundred dollars (\$1,500); and
 - b. CR received one hundred fifty-three thousand sixty-two (153,062) shares of MVP stock on or about March 29, 2011.
24. On March 15, 2012, an investigator with the Enforcement Section made contact with a sixty-one (61) year-old Utah resident ("UR"). UR told the investigator, among other things, that:
- a. in or around April 2011, UR made contact with P. Schneider regarding an investment opportunity in MVP. P. Schneider told UR, among other things, that:
 - i. an investor in Oasis was looking to sell shares of stock in MVP; and
 - ii. MVP was in discussions with other companies regarding a merger, or sale, of MVP;
 - b. in or around April 2011, UR invested more than twenty-nine thousand dollars (\$29,000) with P. Schneider to purchase MVP stock;³
 - c. UR believed the twenty-nine thousand dollars (\$29,000) was intended to be paid directly to the Oasis shareholder;

- d. P. Schneider instructed UR to send the funds to P. Schneider and that P. Schneider would facilitate the transaction with the Oasis shareholder;
- e. subsequent to the April 2011 investment, UR requested that P. Schneider return UR's funds. P. Schneider told UR, among other things, that:
 - i. P. Schneider and MVP were in "deep conversations" with other companies to purchase MVP's software and codes;
 - ii. UR should hold onto the shares; and
 - iii. once MVP's gaming software and game codes were sold, MVP shares would be worth two dollars (\$2.00) to three dollars (\$3.00) per share.

^[3] Subsequent information revealed UR's investment funds were used to purchase five million (5,000,000) shares of MVP stock.

25. The Enforcement Section's investigation revealed:

- a. the Regions Account received a wire transfer from UR on May 20, 2011, in the amount of twenty-nine thousand six hundred fifty dollars (\$29,650); and
- b. UR received five million (5,000,000) shares of MVP stock on or about June 20, 2011.⁴

26. Prior to UR's investment, P. Schneider did not disclose to UR that MVP had been in receivership, that the judge in the MVP Receivership had entered judgment in excess of four million dollars (\$4,000,000) against P. Schneider and MVP, or that Concord had purchased all MVP assets.

27. Prior to MIR's, CR's, and/or UR's investments, P. Schneider failed to disclose to MIR, CR, and/or UR, among other things, that:

- a. MVP was in receivership;
- b. Concord and/or ATEC had possession over all MVP assets; and/or
- c. in September 2010, a judge issued a judgment in excess of four million dollars (\$4,000,000) against P. Schneider and MVP, among others, in the MVP Receivership.

28. P. Schneider misrepresented to CR that P. Schneider was the owner or president of Skybuddy.

^[4] As of the 2012, UR still owned the five million (5,000,000) shares of MVP stock that UR purchased from P. Schneider.

29. P. Schneider misrepresented to UR that P. Schneider was facilitating the securities transaction between UR and the Oasis shareholder.

30. In May 2012, an investigator with the Enforcement Section spoke to representatives of Concord and ATEC regarding P. Schneider. Representatives of Concord and ATEC told the investigator, among other things, that P. Schneider failed to disclose to Concord and/or ATEC that:

- a. P. Schneider held shares in MVP and/or Oasis in addition to the three hundred twenty-three million (323,000,000) shares stated in the Assignment;
- b. after ATEC was appointed as the receiver in the MVP Receivership, P. Schneider sold MVP stock that P. Schneider held to MIR, CR, and UR; and
- c. P. Schneider deposited funds from the sale of the MVP stock to MIR, CR, and UR into the Regions Account.

II. STATUTORY PROVISIONS

31. Section 409.1-102(26), RSMo. (Cum. Supp. 2011), defines "Sale" as "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and 'offer to sell' includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."

32. Section 409.1-102(28), RSMo. (Cum. Supp. 2011), defines "Security" as "a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest of participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or in general,

an interest or instrument commonly known as a 'security'; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing."

33. Section 409.5-501, RSMo. (Cum. Supp. 2011), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

(1) To employ a device, scheme, or artifice to defraud;

(2) To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or

(3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

34. Section 409.6-601, RSMo. (Cum. Supp. 2011), states:

(a) This act shall be administered by the commissioner of securities who shall be appointed by and act under the direction of the secretary of state, and shall receive compensation as provided by law.

35. Section 409.6-602, RSMo. (Cum. Supp. 2011), states:

(a) The commissioner may:

(1) Conduct public or private investigations within or outside of this state which the commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the adoption of rules and forms under this act;

(2) Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3) Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

(b) For the purpose of an investigation under this act, the commissioner or its designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the commissioner considers relevant or material to the investigation.

36. Section 409.6-604, RSMo. (Cum. Supp. 2011), states:

(a) If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or that a person has materially aided . . . an act, practice or course of business constituting a violation of this act . . . the commissioner may:

(1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act;

(2) Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3) Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

(b) An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the commissioner will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen days after receipt of a request in a record from the person, the matter

will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested or ordered pursuant to subsection (b), a hearing before the commissioner must be provided. A final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record in accordance with the provisions of chapter 536, RSMo, and procedural rules promulgated by the commissioner. The final order may make final, vacate, or modify the order issued under subsection (a).

(d) In a final order under subsection (c), the commissioner may:

(1) Impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation;

(2) Order a person subject to the order to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct and interest at the rate of eight percent per year from the date of the violation causing the loss or disgorge any profits arising from the violation;

(3) In addition to any civil penalty otherwise provided by law, impose an additional civil penalty not to exceed five thousand dollars for each such violation if the commissioner finds that a person subject to the order has violated any provision of this act and that such violation was committed against an elderly or disabled person. For purposes of this section, the following terms mean:

(A) 'Disabled person', a person with a physical or mental impairment that substantially limits one or more of the major life activities of such individual, a record of such impairment, or being regarded as having such an impairment;

(B) 'Elderly person', a person sixty years of age or older.

(e) In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

37. Section 409.6-605(b), RSMo. (Cum Supp. 2011), states:

Under this act, a rule or form may not be adopted or amended, or an order issued or amended, unless the commissioner finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this act. In adopting, amending, and repealing rules and forms, section 409.6-608 applies in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

III. CONCLUSIONS OF LAW

Multiple Violations of Omitting to State Material Facts in Connection with the Offer or Sale of a Security

38. Paragraphs 1 through 37 are incorporated by reference as though fully set forth herein.

39. Respondents offered and sold a security as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum Supp. 2011), when P. Schneider offered and sold MVP stock to investors and the investors received MVP stock certificates.

40. In connection with the offer, sale or purchase of a security, Respondents omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to:

a. P. Schneider failed to disclose to MIR, CR, and/or UR, among other things, that:

i. MVP was in receivership;

ii. Concord and/or ATEC had possession over all MVP assets; and/or

iii. in September 2010, a judge issued a judgment in excess of four million six hundred thousand dollars (\$4,600,000) against MVP, among others, in the MVP Receivership Matter;

b. P. Schneider failed to disclose to Concord and/or ATEC, among other things, that:

i. P. Schneider held shares in MVP and/or Oasis in addition to the three hundred twenty-three million (323,000,000) shares stated in the Assignment;

- ii. after ATEC was appointed as the receiver in the MVP Receivership, P. Schneider sold MVP stock to MIR, CR, and UR and reissued stock in MVP to these investors; and/or
 - iii. P. Schneider deposited funds from the sale of the MVP stock to MIR, CR, and UR into the Regions Account.
41. In connection with the offer, sale or purchase of a security, Respondents made untrue statements of material fact to MIR, CR, and/or UR including, but not limited to, the following:
 - a. P. Schneider was allowed to sell a certain number of P. Schneider's personal shares in MVP;
 - b. P. Schneider was the owner and/or president of SkyBuddy;
 - c. P. Schneider and MVP were in "deep conversations" with other companies to purchase MVP's software and codes; and/or
 - d. P. Schneider would facilitate the purchase of shares of MVP stock from Oasis shareholders.
42. In connection with the offer, sale or purchase of a security by Respondents engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon MIR, CR, UR, Concord and/or ATEC by, among other things, the following:
 - a. representing that P. Schneider assigned all P. Schneider's interest in MVP to Concord, when in fact, P. Schneider held additional shares of MVP stock;
 - b. selling these additional shares of MVP stock to investors after representing that P. Schneider had assigned all his interest in MVP to Concord;
 - c. opening the Regions Account in the name of Lauren Manoogian, LLC, when in fact, P. Schneider was not an employee or member of Lauren Manoogian, LLC;
 - d. filing documents with Regions bank that Lauren Manoogian, LLC, does business as MVP Game Business, when in fact Lauren Manoogian, LLC, does not do business as MVP Game Business; and/or
 - e. depositing funds from these MVP investors into the Regions Account which was in the name of Lauren Manoogian, LLC, dba MVP Game Business, when P. Schneider was not authorized to open and/or use this account by Manoogian.
43. Respondents violated Section 409.5-501, RSMo. (Cum. Supp. 2011), when they made untrue statements of material fact, omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, and engaged in an act, practice, or course of business that operated as a fraud or deceit upon investors.
44. Respondents' actions in making untrue statements, omitting to state material facts, and engaging in fraudulent acts, practices or courses of business constitute illegal acts, practices, or courses of business and thus such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).
45. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2011).

IV. ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order are prohibited from violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), by, in connection with the offer or sale of securities, making an untrue statement of a material fact, omitting to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an order of restitution, the Commissioner will determine whether to order Respondents to pay restitution for any loss, possibly to include the amount of any actual damages that may have been caused by the conduct of the Respondents, and interest at the rate of eight percent per year from the date of the violation causing the loss, or disgorge any profits, arising from the violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2011), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why such award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 30TH DAY OF MAY, 2012.

ROBIN CARNAHAN
SECRETARY OF STATE

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



State of Missouri
Office of Secretary of State

Case No. AP-12-18

IN THE MATTER OF:

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Respondents.

Serve: MVP Network, Inc. at:
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Serve: Paul A. Schneider at:
5 Deacon Drive
Saint Louis, Missouri 63131

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2011), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for hearing.

A request for a hearing must be mailed or delivered, in writing, to:

**Matthew D. Kitzi, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of May, 2012, a copy of the foregoing Order to Cease and Desist and Order to Show Cause

Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was **mailed by Certified U.S. mail to:**

MVP Network, Inc.
5 Deacon Drive
St. Louis, Missouri 63131

Paul A. Schneider at:
5 Deacon Drive
Saint Louis, Missouri 63131

And via hand-delivery to:

Mary Hosmer
Assistant Commissioner
Missouri Securities Division

John Hale, Specialist