



**STATE OF MISSOURI
OFFICE OF THE SECRETARY OF STATE**

IN THE MATTER OF:)
)
TRI-CITY BAPTIST CHURCH, INC) Case No. AP-04-31
d/b/a TRI-CITY MINISTRIES)
4500 Little Blue Parkway)
Independence, Missouri, 64057,)
)
Respondent.)

CONSENT ORDER

WHEREAS, the Missouri Securities Division alleges that Respondent Tri-City Baptist Church, d/b/a Tri-City Ministries ("Tri-City") attempted to sell securities under an exemption from registration. The exemption, however, was not applicable and as a result Tri-City offered and sold unregistered securities, in the form of promissory notes in Tri-City Baptist Church, Inc., in the State of Missouri, in violation of Section 409.301, RSMo 2000 and that Tri-City employed unregistered agents to offer and sell securities in violation of Section 409.201, RSMo 2000.

1. Respondent and the Securities Division desire to settle the allegations and the matters raised by the staff of the Securities Division relating to the alleged unregistered activities of Respondent.
2. Respondent and the Securities Division consent to the issuance of this Consent Order.
3. Respondent stipulates and agrees 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.
4. Respondent waives its right to a hearing with respect to this matter.

5. Respondent and the Securities Division stipulate and agree to the following Stipulations of Fact:

STIPULATIONS OF FACT

6. Tri-City Baptist Church, Inc. is a Missouri corporation with its principal place of business listed as 4500 Little Blue Parkway, Independence, Missouri, 64057.
7. From January 1, 1984 through January 20, 2003 the Respondent issued promissory notes ("notes") to individuals who invested in Tri-City Baptist Church, Inc. These notes were initially entitled "Application for Deposit Agreement", and later entitled "Investment Agreement with Tri-City Baptist Church, Inc."
8. The notes allowed investors to select the interest rate from a list of proposed percentages. These rates varied from 0% - 10% on the initial notes, but were reduced to 0% - 5% on the most recent notes. The investor could also choose to receive the interest monthly, quarterly, annually, or the interest could be reinvested. In addition, the investors could withdraw their investment with 30 days written notice.
9. From January 1, 1984 through January 20, 2003, prospective investors learned of the existence of the notes from announcements made during the Sunday morning services held by Respondent.
10. From January 1, 1984 through January 20, 2003, Respondent issued a total of 167 notes, with an aggregate principal balance of \$4,569,124.56.
11. As of April 15, 2004, the Respondent had 73 notes outstanding with an aggregate outstanding principal balance of \$1,466,539.64
12. The investments offered were not registered pursuant to §409.301 RSMo 2000 and no notice filing of exempt status under §409.402, RSMo 2000 was made concerning the investments.
13. The investments offered by Respondent were not federal covered securities.
14. Respondent employed unregistered agents to offer and sell these securities in violation of §409.201 RSMo 2000.

15. Respondent stipulates and agrees that, should the facts contained herein prove to be false or incomplete, the Missouri Division of Securities preserves the right to pursue any and all legal or administrative remedies at its disposal.
16. Respondent stipulates and agrees that Respondent waives any rights Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order and, further, 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.
17. This Order is in the public interest.

JURISDICTIONAL BASIS

18. Respondent and the Securities Division stipulate and agree that the Commissioner has jurisdiction over these matters pursuant to the Missouri Securities Act, Chapter 409, et al.
19. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Consent Order pursuant to Section 409.408, RSMo 2000, which provides:

“[T]he commissioner shall have full power in each case to make such order or orders under this section as he may deem just and he may either prohibit the further sale by such persons of any securities connected with or related to said fraudulent or illegal practices or transaction, or he may fix the terms and conditions on which the sale of such securities may be made,... and it is hereby made unlawful for any person having been served with any such order, or having knowledge of the issuance of said order, while said order remains in effect, either as originally issued or as modified, to violate any provisions thereof.”

ORDER

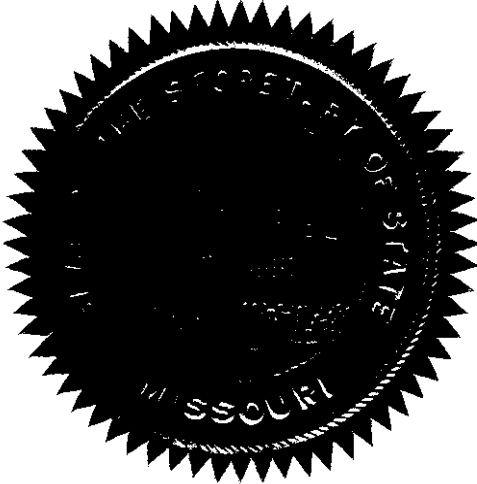
WHEREAS, the Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds the following Order to be in the public interest, necessary for the protection of public investors and consistent with the provisions of Chapter 409.

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent, its agents, employees and servants are prohibited from:
 - A. Offering or selling promissory notes or other investment agreements in violation of §§ 409.3-301 and 409.4-402, RSMo Cumulative Supp. 2003;
 - B. Offering or selling any other security in violation of §§ 409.3-301 and 409.4-402, RSMo Cumulative Supp. 2003;
2. Respondent shall send by certified mail within 30 days of the anniversary date of each investor's original investment in Tri-City Baptist Church, Inc. d/b/a Tri-City Ministries, a return of the investor's unpaid principal together with all interest due and owing on that date. All interest accruing from the date of this order until redemption shall be paid at a rate of 8% per year. In this mailing Respondent shall provide a copy of this Consent Order, and two brochures from the Office of the Secretary of State entitled: *Investment Tips* and *Protect your Nest Egg*. All 73 notes in Tri-City Baptist Church, Inc. will be repaid in full one year from the effective date of this order.
3. Respondent shall file documentation with the Securities Division evidencing the names of the investors who were paid in full that month, the amount of principal and interest paid, the date the payment was sent to the investor, and that the investor was sent the brochures listed above. This documentation shall be filed with the Securities Division within 30 days of the payment and shall be in the form of an affidavit, with all supporting documents attached thereto.
4. Respondent will pay its own costs and attorneys fees with respect to this matter.
5. Respondent will pay \$15,000 to the Secretary of State's Investor Education and Protection Fund. Such amount shall be immediately due and payable.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 13th DAY OF August, 2004.



MATT BLUNT
SECRETARY OF STATE

DOUGLAS M. OMMEN
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

Mary S. Hosmer
Assistant Commissioner – Enforcement

Respondent:

Tri-City Baptist Church, Inc.
d/b/a Tri-City Ministries

By:

Approved as to form:

King Hershey
A Professional Corporation
Irving C. Ness
Attorney for Respondent

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