



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
STAFFORD FINANCIAL FIRM; and)	
MARK Q. STAFFORD,)	
)	
<i>Respondents.</i>)	Case No. AP-17-04
)	
Serve:)	
)	
Stafford Financial Firm and Mark Q. Stafford)	
c/o Marc M. Johnson)	
Rosenblum Fry, P.C.)	
120 South Central, Suite 130)	
St. Louis, Missouri 63105)	

FINAL ORDER TO CEASE AND DESIST
AND ORDER AWARDING RESTITUTION, COSTS, AND CIVIL PENALTIES

Now on the 15th day of May, 2017, the Commissioner, having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On February 28, 2017, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through the Director of Enforcement Sandra J. McDowell, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (“Petition”).
2. On March 3, 2017, the Enforcement Section, through the Director of Enforcement Sandra J. McDowell, submitted an Amended Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (“Amended Petition”).
3. On March 6, 2017, the Missouri Commissioner of Securities (“Commissioner”) issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties,

and Costs Should Not Be Imposed (“Order”). On that same day, a copy of the Order and Notice of Right to Request a Hearing were sent, via U.S. Certified mail, return receipt requested, to Respondents’ last known addresses.

4. On or around March 6, 2017, a copy of the Order was made available to the general public on the Missouri Secretary of State’s website.¹
5. On or about March 7, 2017, the United States Postal Service (USPS) tracking service showed the package, which contained the Order and Amended Petition, was left at the Respondents’ last known address. However, Respondents did not appear to be at that address any longer. The package was never returned to the Office of the Commissioner of Securities.
6. On or about March 7, 2017, the Enforcement Section communicated with Respondents’ criminal defense attorney, Marc Johnson of Rosenblum Fry, P.C. Mr. Johnson confirmed via email that he would accept service of the Order and Amended Petition on behalf of Respondents.
7. On March 8, 2017, the Amended Petition, Order, and Notice of Right to Request a Hearing were sent by email and U.S. mail to Respondents’ attorney. The following day, Respondents’ attorney notified the Enforcement Section, via telephone, that he received the documents.
8. On April 11, 2017, the Enforcement Section submitted a Motion for Final Order and Order Awarding Restitution, Costs, and Civil Penalties.
9. Respondents failed to request a hearing within the time allowed by Section 409.6-604, RSMo. (Cum. Supp. 2013).²
10. The Commissioner has not ordered a hearing in this matter pursuant to Section 409.6-604.
11. To date, Respondents have failed to respond to the Motion for Final Order.

II. FINDINGS OF FACT

A. Respondents and Related Parties

12. Mark Q. Stafford (“Stafford”) is a fifty-two (52) year-old Missouri resident with a last known address of 822 Brockwell Drive, O’Fallon, Missouri 63368. A check of the Central Registration Depository (“CRD”) indicates that, at all times relevant, Stafford was not registered as a broker-dealer agent or investment adviser representative.

¹ <http://www.sos.mo.gov/CMSImages/Securities/AP-17-04.pdf>

² Unless otherwise noted, all statutory references are to the 2013 cumulative supplement of the Revised Statutes of Missouri.

13. Stafford Financial Firm (“SFF”) is a fictitious business name registered in Missouri on June 12, 2014, and its owner is Stafford. SFF’s address is located at 822 Brockwell Drive, O’Fallon, Missouri 63368. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by SFF.
14. MQS Properties, LLC (“MQS”) is a Missouri Limited Liability Company organized in the State of Missouri on March 3, 2014. Its registered agent is Stafford. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by MQS.
15. A check of the records maintained by the Missouri Department of Insurance, Financial Institutions & Professional Registration indicates that Stafford’s Missouri insurance producer’s license, number 0223933, is currently active.
16. Forex Capital Markets, LLC (“FXCM”) is registered through the National Futures Association (“NFA”) as a Swap Dealer, FOREX Dealer, Retail Foreign Exchange Dealer, and Futures Commission Merchant and is assigned NFA number 0308179. FXCM maintains an address at 55 Water Street, 50th Floor, New York, New York, 10041.
17. Gain Capital Group, LLC is registered through the NFA as a Retail Foreign Exchange Dealer, FOREX Dealer, and Futures Commission Merchant and is assigned NFA number 0339826. Gain Capital Group, LLC is headquartered at 135 US Highway 202 & 206, Suite 11, Bedminster, New Jersey, 07921.

B. Enforcement Section Investigation

18. On or about April 14, 2016, the Enforcement Section opened an investigation on Stafford and SFF after receiving anonymous information from an insurance company that Stafford, among other things, created statements for at least one of Stafford’s insurance clients in which Stafford affixed the name of the insurance company and inflated the client’s annuity account value.
19. Among the paperwork the insurance company received from the client included the following:
 - a. a fraudulent statement in which the insurance company’s name was affixed. The statement purported that the client had an annuity through the insurance company in which the cash value was \$120,534.69, a “Beginning Annuitization Value” of \$171,984.99, and an “Ending Annuitization Value” of \$122,876.45;
 - b. a statement in which the insurance company’s name was affixed that displayed the correct “Beginning Annuitization Value” as \$20,984.99 and “Ending Annuitization Value” of \$22,876.45;

- c. a statement purportedly from “Gain Capital Group” that indicated a \$32,000 premium was received from the client on March 25, 2007, for a “Non-Qualified Plan”, a withdrawal of \$15,000, a bonus earned that totaled \$3,589, and an ending annuitization value of \$26,256.97; and
 - d. a statement purportedly from “Gain Capital Group” that indicated a \$81,708.54 premium was received from the client on April 16, 2010, for a “Qualified Roth IRA.” The statement indicated the client earned a bonus valued at \$15,341.71, withdrew \$5,000, and had an ending unrealized annuitization value of \$112,278.65.
20. The client also submitted a statement from SFF titled “Overall Financial Review” and “Rule 72 Progress” in which Stafford detailed the following transactions:
- a. the client and the client’s spouse opened the first account on January 28, 2006, with \$22,678.90 and the current account value was \$44,283.09;
 - b. a second account “Started with \$90,000 from reverse Mortgage current Value: 171,984.99 rule 72 account has increased by \$81,000”;
 - c. a third account in which the client “Has paid for 8 years: Started March 3, 2006 \$73,891.26 paid \$863.22 per month for a total payout of \$82,869.12”;
 - d. a fourth account in which the client’s spouse “Has paid for 8 years: Started March 3, 2006 \$26,300.40 paid \$330.62 per month for a total payout of \$31,739.52”;
 - e. “Both IRA’s paid a Total of; \$114,608.64 over the 8 years”;
 - f. “Took gains and opened a 5th account April 16, 2010 Roth IRA started out @ \$81,708.53 current value \$112,278.65 only had this account for 5 years”;
 - g. “Final Account: Non-Qualified Account Started out with \$20,000 issued March 25, 2007 current balance of account: \$36,256.97”
 - h. “Total With Drawn over the last 8 years \$114,608.64”;
 - i. “Withdrawn year 2014: \$25,000”;
 - j. “Total With Drawn: \$139,308.64”;
 - k. “The returns for the year 2014 is 6% available funds currently \$2,167.40”;
 - l. “Current Balance \$305,695.16”; and
 - m. a SFF business card was photocopied onto the statement that indicated Stafford is

a Certified Financial Planner (“CFP”).

21. Although Stafford denied giving the fraudulent insurance statement to the client, Stafford did tell the insurance company the following:
 - a. that Stafford administered his own annuities through SFF;
 - b. that client funds are held in a checking account for SFF and controlled by Stafford; and
 - c. that client funds are invested in Gain Capital at Stafford’s discretion.
22. Due to Stafford’s actions, the insurance company terminated its contract with Stafford.

Missouri Resident 1 (“MR1”)

23. On May 5, 2016, the Enforcement Section interviewed eighty-four (84) year old Florissant, Missouri resident, MR1, the individual who allegedly received the fraudulent statement from Stafford. MR1 authenticated the documents the Enforcement Section received from the insurance company and told the Enforcement Section, among other things, the following:
 - a. that MR1 met Stafford approximately ten (10) years ago at a free lunch seminar. MR1 said approximately fifty (50) people attended the event in which Stafford discussed insurance products and other products related to retirement;
 - b. Stafford met with MR1 in MR1’s home not long after the free lunch seminar. MR1 recalls purchasing several types of insurance products but couldn’t remember the specifics of the purchases;
 - c. MR1’s daughter expressed concern about some of the investments with MR1; and
 - d. MR1 took the statements received from Stafford to MR1’s broker at Edward Jones. The broker thought the statements looked suspicious and notified the insurance company. The Enforcement Section would later contact the Edward Jones broker who said the statement “looked like it was printed from a home printer” and “didn’t make sense.” In addition, as stated above, a statement purports that Stafford is a CFP but the broker, and the Enforcement Section, could find no evidence that Stafford is a CFP.
24. On June 27, 2016, the Enforcement Section interviewed MR1’s daughter who said, among other things:
 - a. MR1 used funds from MR1’s retirement account to make investments with Stafford against MR1’s wife’s wishes;

- b. MR1 may have used funds from a reverse mortgage to invest with Stafford; and
 - c. MR1 is bipolar and doesn't understand the complexities of investing or annuities.
25. MR1's daughter sent the Enforcement Section paperwork concerning her father's investments with Stafford and/or SFF. Although some of the papers received from MR1's daughter was the same as received from the insurance company, MR1's daughter did send a copy of a promissory note Stafford executed with MR1 that specifies the following:
- a. the note is dated February 17, 2006;
 - b. the principal amount borrowed was \$20,000; and
 - c. Stafford promised to pay the principal "together with interest thereon at the rate of 40% ownership of Star Trader Fund."

MR1's \$86,708.54 Investment

26. The Enforcement Section examined SFF's Bank of America ("BOA") records, account ending in #3124, and discovered, among other things, the following:
- a. Stafford was the signatory on the account along with someone named Michael Larimer; and
 - b. a check payable to SFF from MR1 dated May 11, 2010, in the amount of \$86,708.54 for "ROTH IRA." MR1 told the Enforcement Section that MR1 had no memory regarding this transaction.
27. A further review of SFF's BOA records from May 1, 2010, to June 30, 2010, revealed, among other things, the following:
- a. a beginning balance of \$3,200.91 on May 1, 2010;
 - b. MR1's \$86,708.54 check deposited on May 11, 2010;
 - c. other deposits totaling \$314.26;
 - d. \$50,000 withdrawn and a cashier's check issued to Stafford on May 18, 2010;
 - e. cash withdrawals totaling \$35,488;
 - f. payments in excess of \$1,500 to Home Depot, Shop 'N Save, Holiday Inn Express, and United Airlines; and
 - g. an ending balance of \$3,032.08 on June 30, 2010.

28. A review of Stafford's personal Royal Bank of Missouri ("RBOM") account ending in #6501 from May 4, 2010, to July, 2, 2010, revealed, among other things, the following:
- a. Stafford, along with Lawanda Stafford, were signatories on the account;
 - b. a beginning balance of \$9.42 on May 4, 2010;
 - c. the \$50,000 BOA cashier's check deposited on May 19, 2010;
 - d. \$15,000 in cash deposits;
 - e. \$15,015.03 in other deposits that included \$581.12 in insurance commissions and \$14,433.91 from "GAIN CAPITAL GRP FOREX.COM"
 - f. \$16,868.96 in cash withdrawals;
 - g. \$30,000 in payments to "GAIN CAPITAL GRP FOREX.COM";
 - h. a \$5,000 payment to "MCD PUR FCM CURRENCY TRADING 212-897-7660 NY";
 - i. a debit memo in the amount of \$25,017.50 on June 18, 2010. Out of this amount, Stafford wired \$25,000 to "FOREX CAPITAL MARKETS LTD";
 - j. payments in excess of \$230 to NetZero, insurance companies, gas stations, PREACHIT.org (a website that purports to be a "Resource For Ministers By Ministers"), and Shop 'N Save; and
 - k. an ending balance of \$465.47 on July 2, 2010.

Missouri Resident 2 ("MR2") and Missouri Resident 3 ("MR3")

29. On June 27, 2016, the Enforcement Section interviewed eighty (80) year old MR2 and MR2's seventy-two (72) year old spouse MR3. MR2 and MR3, residents of Ferguson, Missouri, told the Enforcement Section, among other things, the following:
- a. MR3 met Stafford approximately ten (10) years ago at a free lunch seminar at a Ryan's Steakhouse restaurant in the St. Louis area. Stafford discussed "saving money" at this seminar;
 - b. Stafford later met with MR2 and MR3 in their home. MR2 would purchase an annuity from Stafford in which MR2 receives statements directly from the insurance company;
 - c. MR3 invested approximately \$137,000 in a Roth IRA through Stafford. MR3

currently contributes \$1,000 per month for this plan. MR3 believes the IRA has an annuity component because MR3 can withdraw 10% of MR3's funds after five (5) years and can withdrawal the funds without penalty after ten (10) years;

- d. the payments were made and are currently made to SFF. Within the past month, Stafford asked MR3 to make the checks payable to Stafford and not SFF so the checks could clear the bank;
 - e. Stafford personally delivers the statements for MR3's IRA but only after MR3 asks for them; and
 - f. MR2 and MR3 were not aware that Stafford or SFF were not registered to offer and/or sell securities.
30. A review of SFF's BOA records from January 1, 2013, to May 31, 2013, revealed, among other things, the following:
- a. a beginning balance of \$13,781.34 on January 1, 2013;
 - b. deposits totaling \$47,100 that included five (5) checks from MR3 to SFF that totaled \$29,000 "For Roth IRA", a \$9,800 check from MR8 to SFF for "IRA Account" that is described below, a \$10,000 check to SFF from a Mississippi resident (minus \$4,000 Stafford took as cash at deposit), also described below, a \$300 check from a sign company, and a \$2,000 cash deposit;
 - c. cash withdrawals totaling \$18,238.60;
 - d. payments in excess of \$5,000 to Shop 'N Save, gas stations, restaurants, Star Men's Fashion, Wal-Mart, and La Quinta Inns;
 - e. \$19,713.93 withdrawn and two (2) cashier's checks issued to Stafford. At least \$13,500 was deposited into Stafford's personal RBOM account; and
 - f. an ending balance of \$17,247.13 on May 31, 2013.
31. A review of Stafford's personal RBOM account from January 4, 2013, to March 4, 2013, revealed, among other things, the following:
- a. a beginning balance of \$720.64 on January 4, 2013;
 - b. \$31,691.51 in deposits that included a \$13,500 cashier's check from BOA, \$5,520 in cash, \$4,671.51 in insurance commissions and interest, and \$8,000 from FXCM.com;
 - c. \$4,738 in cash withdrawals;

- d. \$10,619 in checks written that included \$4,600 for cash, \$568.58 to a printing company, and the remainder to two (2) individuals for “Rent”;
 - e. payments in excess of \$1,300 to NetZero, insurance companies, T-Mobile, PREACHIT.org, Shop ‘N Save, Best Buy, and gas stations;
 - f. \$11,000 in payments to “MCD PUR FXCM.COM”; and
 - g. an ending balance of \$4,609.35 on March 4, 2013.
32. A review of SFF’s BOA records from February 1, 2014, to March 31, 2014, revealed, among other things, the following:
- a. a beginning balance of \$47,108.60 on February 1, 2014;
 - b. \$18,266.56 in deposits that included two (2) checks from MR3 payable to SFF totaling \$18,000 “For Roth IRA”, and \$266.56 refunded from a hotel;
 - c. cash withdrawals totaling \$14,391.95;
 - d. payments in excess of \$8,200 to Pearle Vision, gas stations, utility and internet companies, restaurants, PREACHIT.org, godaddy.com, Quorum Hotel in Tampa, Florida, insurance companies, and Wal-Mart;
 - e. \$2,803 withdrawn and a cashier’s check issued to an unknown individual on March 13, 2014; and
 - f. an ending balance of \$39,925.01 on March 31, 2014.
33. A review of SFF’s BOA account from December 1, 2014, to January 31, 2015, revealed, among other things, the following:
- a. a beginning balance of \$8,638.46 on December 1, 2014;
 - b. deposits totaling \$13,000 that included a \$12,000 check payable to SFF from MR3 for “Roth IRA”;
 - c. cash withdrawals totaling \$7,914;
 - d. \$7,418.22 withdrawn and at least three (3) cashier’s checks issued that included a \$2,408 cashier’s check payable to an unknown individual, a \$3,018.22 cashier’s check payable to an unknown individual, and an \$800 cashier’s check payable to MR18 described below;
 - e. payments in excess of \$5,000 to Home Depot, restaurants, gas stations, Bed Bath & Beyond, and a liquor store; and

- f. an ending balance of \$1,210.20 on January 31, 2015.
34. A review of SFF's BOA records from September 1, 2015, to December 31, 2015, revealed, among other things, the following:
- a. a beginning balance of \$25,808.53 on September 1, 2015;
 - b. deposits totaling \$301,386.11 that included three (3) checks totaling \$29,000 payable to SFF from MR3 "For Roth IRA Account", three (3) checks totaling \$107,612.44 payable to SFF from MR16 described below, a \$1,700 check payable to SFF from MR17 described below, two (2) checks payable to SFF from two (2) unknown individuals that totaled \$162,973.67, and a \$100 cash deposit;
 - c. cash withdrawals totaling \$18,658.50;
 - d. payments in excess of \$12,700 to utility companies, Home Depot, Six Flags, Milano Men's Wear, restaurants, and Shop 'N Save;
 - e. \$261,012.73 withdrawn and numerous cashier's checks issued to Stafford that included at least twelve (12) cashier's checks totaling \$130,500 that were deposited into MQS's Fifth Third Bank account where the funds were commingled with other personal and business funds and used for, among other things, payments to various individuals and businesses:
 - i. at least three (3) cashier's checks totaling \$32,150.63 payable to Continental Title,
 - ii. a \$21,283.14 cashier's check payable to Investors Title Company,
 - iii. a \$15,000 cashier's check payable to MR1,
 - iv. a \$1,687.52 cashier's check payable to 4mycash.com, LLC,
 - v. a \$51,935.55 cashier's check payable to an unknown individual, and
 - vi. a \$1,037.50 cashier's check payable to MR5 described below;
 - f. a \$26,090.72 wire to Continental Title on October 13, 2015; and
 - g. an ending balance of \$8,287.71 on December 31, 2015.
35. A review of SFF's BOA records from January 1, 2016, to January 31, 2016, revealed, among other things, the following:
- a. a beginning balance of \$8,287.71 on January 1, 2016;

- b. deposits totaling \$14,000 that included two (2) checks payable to SFF from MR3 “For Roth IRA Account”;
- c. cash withdrawals totaling \$5,400;
- d. payments in excess of \$2,400 to Home Depot, DISH Network, T-Mobile, CenturyLink, Barnes & Noble, and Fleur De Lys Mansion, a bed and breakfast located in St. Louis; and
- e. an ending balance of \$14,438.43 on January 31, 2016.

Missouri Resident 4 (“MR4”)

- 36. On June 27, 2016, the Enforcement Section interviewed seventy-one (71) year old St. Louis resident MR4. MR4 told the Enforcement Section the following:
 - a. MR4 met Stafford at a free lunch seminar several years ago;
 - b. not long after the free lunch seminar, MR4 decided to take MR4’s 401K to Stafford to invest. Stafford told MR4 the funds would be invested in an “IRA high yield fund” sponsored by Gain Capital. The plan allowed MR4 to withdrawal 4% of the funds annually without penalty;
 - c. MR4 withdrew funds three (3) times after asking Stafford to do so. MR4 received the funds from Stafford and SFF; and
 - d. MR4 was not certain of the total value of the 401K when invested. The Enforcement Section identified a \$10,000 transaction in SFF’s bank records, but MR4 had no recollection of the transaction.

- 37. A review of SFF’s BOA records from September 1, 2011, to November 30, 2011, revealed, among other things, the following:
 - a. a beginning balance of \$1,341.06 on September 1, 2011;
 - b. MR4’s check made payable to SFF in the amount of \$10,000 for “IRA” deposited September 2, 2011;
 - c. MR7’s \$20,000 check described below deposited on October 26, 2011;
 - d. no other deposits into the account during this time period;
 - e. \$14,225 in cash withdrawals;
 - f. \$15,000 withdrawn and a \$15,000 cashier’s check payable to Stafford on

November 3, 2011;

- g. payments in excess of \$1,700 to restaurants, gas stations, Star Men's Fashion, Shop 'N Save, and Wal-Mart; and
 - h. an ending balance of \$118.98 on November 30, 2011.
38. A review of Stafford's personal RBOM account from October 4, 2011, to December 2, 2011, revealed, among other things, the following:
- a. a beginning balance of \$2,273.13 on October 4, 2011;
 - b. a BOA cashier's check in the amount of \$15,000 deposited on November 3, 2011;
 - c. \$7,260 in cash deposits;
 - d. \$1,591.59 in deposits consisting of commissions and interest;
 - e. \$6,700 in deposits from "WD FXCM LLC 1109 ACH";
 - f. \$7,417 in cash withdrawals;
 - g. \$16,800 in payments to "FOREX CAPITAL MA ACH";
 - h. payments in excess of \$2,800 on rent, cell phone companies, NetZero, insurance payments, gas stations, Shop 'N Save, and PREACHIT.org; and
 - i. an ending balance of \$3,536.47 on December 2, 2011.

Missouri Resident 5 ("MR5") and Missouri Resident 6 ("MR6")

39. On June 28, 2016, the Enforcement Section interviewed sixty-seven (67) year old MR5 and MR5's sixty-five (65) year old spouse MR6. MR5 and MR6, residents of Black Jack, Missouri, told the Enforcement Section, among other things, the following information:
- a. MR5 and MR6 received an invitation via mail for a free lunch seminar conducted by Stafford approximately five (5) years ago;
 - b. MR5 and MR6 attended the seminar conducted at a local Golden Corral restaurant. Stafford discussed retirement and investments at the event;
 - c. soon after the seminar, Stafford met with MR5 and MR6 in their home and discussed MR6's desire to move MR6's 401K plan into another investment.
 - d. Both MR5 and MR6 decided to invest in a "Gain Capital Group Qualified IRA Plan" described as a "high yield fund." Stafford told MR5 and MR6 that the plans

have an annuity component and that 100% of the funds would be invested with the S&P 500;

- e. MR5 invested a total of \$30,000 on June 10, 2011. MR6 invested a total of \$35,000 between December 13, 2011, and December 21, 2011;
 - f. MR5 and MR6 never received statements from Gain Capital. In 2012, MR5 and MR6 received a statement purportedly from Gain Capital after asking Stafford to contact them; and
 - g. approximately 3-4 years ago, MR5 and MR6 withdrew some funds from the plan which upset Stafford. Stafford told MR5 and MR6 that when they withdraw funds, they lose money and Stafford loses money.
40. A review of SFF's BOA account from June 1, 2011, to July 31, 2011, revealed, among other things, the following:
- a. a beginning balance of \$4,344.24 on June 1, 2011;
 - b. a \$20,000 check from MR13 (described below) for "Roth IRA" deposited June 9, 2011;
 - c. a \$30,000 cashier's check from MR5 deposited June 10, 2011;
 - d. \$7,812.50 in cash withdrawals;
 - e. \$35,000 withdrawn and a cashier's check issued to Stafford on July 8, 2011;
 - f. payments in excess of \$500 to gas stations, Wal-Mart, and Shop 'N Save; and
 - g. an ending balance of \$10,831.69 on July 31, 2011.
41. A review of Stafford's personal RBOM account from July 1, 2011, to August 4, 2011, revealed, among other things, the following:
- a. a beginning balance of \$47.78 on July 1, 2011;
 - b. \$37,162.28 in deposits that included a \$35,000 cashier's check from BOA deposited on July 8, 2011, and \$162.28 in insurance commissions;
 - c. \$1,007 in cash withdrawals;
 - d. an \$18,000 payment to "FOREX CAPITAL MA ACH" on July 27, 2011;
 - e. payments in excess of \$200 to "RESVGLOW", PREACHIT.org, and NetZero;

- f. two (2) checks totaling \$15,221.28 that included a \$13,021.28 check payable to “RBOM” that was converted to a cashier’s check payable to an unknown individual and a \$2,200 check to an individual for “Rent”; and
 - g. an ending balance of \$2,747.22 on August 4, 2011.
42. A review of SFF’s BOA records from December 1, 2011, to December 31, 2011, revealed, among other things, the following:
- a. a beginning balance of \$118.98 on December 1, 2011;
 - b. a check to SFF from The Boeing Company Voluntary Investment Plan for the benefit of MR6 in the amount of \$24,746.65 deposited on December 13, 2011;
 - c. a check from MR6 payable to SFF for “Roth IRA” in the amount of \$10,253.35 deposited on December 21, 2011;
 - d. \$8,247 in cash withdrawals;
 - e. payments in excess of \$1,900 to Wal-Mart, Shop ‘N Save, Weekends Only, Kmart, Best Buy, and AutoZone; and
 - f. an ending balance of \$24,940.48 on December 31, 2011.

Missouri Resident 7 (“MR7”)

43. On June 28, 2016, the Enforcement Section interviewed seventy (70) year old St. Louis, Missouri resident MR7. MR7 told the Enforcement Section, among other things, the following:
- a. MR7 attended a free lunch seminar conducted by Stafford sometime in 2007 or 2008. Stafford discussed retirement finances, investments. Several people provided testimonials touting Stafford’s purported financial expertise;
 - b. soon after the free lunch seminar, Stafford met with MR7 in MR7’s home. Most of the discussions were about annuities.
 - c. MR7 purchased an annuity for \$40,000 and received statements directly from the annuity company;
 - d. sometime in 2011, Stafford recommended that MR7 liquidate the annuity and invest the funds in a Gain Capital IRA. Based on Stafford’s advice, MR7 partially liquidated \$20,000 from the annuity. The Enforcement Section later learned MR7 didn’t incur a surrender charge from this transaction;
 - e. on October 26, 2011, MR7 invested \$20,000 in a “Qualified Gain Capital Group

ROTH IRA”; and

- f. MR7 receives MR7’s statements directly from Stafford for this plan.
44. MR7 sent documents to the Enforcement Section that included the following:
- a. a letter purportedly from “Gain Capitol Group” thanking MR7 for investing in a “Gain Capitol Group Roth IRA High Yield Fund.” This letter is signed by “Gary Bowery”;
 - b. a statement dated November 20, 2011, purportedly from “Gain Capitol Group” that lists \$20,000 as “Premium Received”, a “Bonus Earned” as \$4,200, “APR Interest” as 4%, and “Ending Unrealized Accumulations” as \$24,200;
 - c. all of MR7’s funds were purportedly invested in Prudential Money Market;
 - d. a statement dated November 22, 2012, purportedly from “Gain Capitol Group” that lists the same amounts as the 2011 statement with the exception of the APR listed as 5% and “Ending Unrealized Accumulations” listed as \$25,410;
 - e. a statement dated November 21, 2013, purportedly from “Gain Capitol Group”, that lists the APR as 6% and “Ending Unrealized Accumulations” as \$26,862;
 - f. a statement dated November 20, 2014, purportedly from “Gain Capital Group” that lists the APR at 6%, and “Ending Unrealized Accumulations” at \$27,942.48;
 - g. a statement dated December 16, 2015, purportedly from “Gain Capitol Group” that list the APR at 4% and “Ending unrealized Annuitization Value” as \$29,060.17; and
 - h. all statements described above displayed SFF’s telephone number.
45. A review of SFF’s BOA records from October 1, 2011, to November 29, 2011, revealed, among other things, the following:
- a. a beginning balance of \$10,188.46 on October 1, 2011;
 - b. MR7’s check made payable to SFF in the amount of \$20,000 deposited on October 26, 2011;
 - c. no other deposits into the account during this time period;
 - d. \$13,225 in cash withdrawals;
 - e. \$15,000 withdrawn and a cashier’s check issued to Stafford on November 3, 2011;

- f. payments in excess of \$1,700 to Star Men’s Fashion, restaurants, gas stations, and Wal-Mart; and
 - g. an ending balance of \$118.98 on November 29, 2011.
46. A review of Stafford’s personal RBOM bank account from October 4, 2011, to December 2, 2011, revealed, among other things, the following:
- a. a beginning balance of \$2,273.13 on October 4, 2011;
 - b. a \$15,000 cashier’s check from BOA deposited on November 3, 2011;
 - c. \$7,260 in cash deposits;
 - d. \$191.59 in commissions and interest deposits;
 - e. a \$1,400 deposit on October 11, 2011, from “MARK Q. STAFFORD CORP PMT”;
 - f. \$6,700 in deposits from “WD FXCM LLC 1109 ACH”;
 - g. \$7,417 in cash withdrawals;
 - h. payments in excess of \$4,900 for rent, insurance companies, gas stations, Shop ‘N Save, Wal-Mart, and PREACHIT.org;
 - i. \$16,800 in payments to “FOREX CAPITAL MA ACH”; and
 - j. an ending balance of \$3,536.47 on December 2, 2011.

Missouri Resident 8 (“MR8”)

47. On June 28, 2016, the Enforcement Section interviewed fifty-five (55) year old St. Louis, Missouri resident MR8. MR8 told the Enforcement Section, among other things, the following:
- a. MR8 met Stafford in 2006 or 2007 at a free lunch seminar conducted at a Ryan’s Steakhouse in Bridgeton, Missouri. Stafford discussed, among other things, investing at the seminar;
 - b. MR8 later met with Stafford in Stafford’s office where Stafford discussed annuities, life insurance, and MR8’s desire to move MR8’s IRA from MR8’s previous employer to a new IRA;
 - c. MR8 invested \$40,000 in an IRA but couldn’t remember the sponsor of the plan;

- d. in approximately 2010, MR8 requested to withdraw \$6,000 from the IRA. Stafford was upset that MR8 called the company directly and stated “I can handle this!”; and
 - e. MR8 believes the last statement received from the IRA was in 2013.
48. A review of SFF’s BOA account from January 1, 2013, to February 28, 2013, revealed, among other things, the following:
- a. a beginning balance of \$13,781.34 on January 1, 2013;
 - b. a \$34,800 deposit on January 24, 2013, that included a \$25,000 check payable to SFF from MR3 for “Roth IRA”, and a \$9,800 check payable to SFF from MR8 for “IRA Account”;
 - c. a \$10,000 deposit on February 19, 2013, via check payable to SFF from a Mississippi resident described below. Stafford took \$4,000 cash from this deposit;
 - d. \$5,719.85 in cash withdrawals (not counting the \$4,000 above);
 - e. \$17,000 withdrawn on February 4, 2013, and a cashier’s check issued to Stafford in the amount of \$13,500. Stafford received the remaining \$3,500 in cash;
 - f. payments in excess of \$2,700 to Shop ‘N Save, gas stations, utility companies, “Next Step Financial Hol”, and Star Men’s Fashion; and
 - g. an ending balance of \$28,857.71 on February 28, 2013.
49. A review of Stafford’s RBOM personal account from January 4, 2013, to March 4, 2013, revealed, among other things, the following:
- a. a beginning balance of \$720.64 on January 4, 2013;
 - b. deposits totaling \$31,691.51 that included \$5,520 in cash, approximately \$4,670.51 in insurance commissions, a \$13,500 cashier’s check from BOA, \$8,000 from “MCD CORR CR FXCM.COM”, and the remaining in interest earned;
 - c. cash withdrawals totaling \$4,738;
 - d. \$11,000 in payments to “MCD PUR FXCM.COM”;
 - e. payments in excess of \$1,300 to Office Depot, NetZero, insurance companies, T-Mobile, PREACHIT.org, Shop ‘N Save, and gas stations,

- f. \$10,618.58 in checks written that included \$4,600 for cash, \$568.58 to VIP Printing, and the remaining to individuals for “Rent”; and
- g. an ending balance of \$4,609.35 on March 4, 2013.

Missouri Resident 9 (“MR9”)

- 50. On June 28, 2016, the Enforcement Section interviewed seventy-six (76) year old Florissant, Missouri resident MR9. MR9 told the Enforcement Section, among other things, the following:
 - a. MR9 received an invitation to a free lunch seminar several years ago and decided to attend because MR9 wanted to put MR9’s retirement investment somewhere else;
 - b. soon after the free lunch seminar, Stafford met with MR9 in MR9’s home and discussed IRAs and investing in gold;
 - c. MR9 decided to invest in a “high yield net fund” IRA purportedly sponsored by Quest Holdings, Inc.;
 - d. referencing MR9’s paperwork purportedly from Quest Holdings, Inc., MR9 earned a \$2,400 bonus and earned 20% interest; and
 - e. MR9 could not recall the amount invested in the plan. With regard to \$60,000 in payments MR9 made to Stafford and SFF via checks from January 26, 2010, to July 8, 2013, MR9 believed those payments were contributions to the Quest IRA. MR9 was uncertain why the payments had to go to Stafford and not to Quest Holdings, Inc.
- 51. MR9 sent the Enforcement Section documents that included the following:
 - a. a welcome letter from “Gary Bowery”, President of Quest Holdings, Inc., thanking MR9 for investing in a “Quest Roth IRA High Yield Fund.”;
 - b. a statement dated February 22, 2010, purportedly from Quest Holdings, showing a beginning balance of \$11,905.10, premium received as \$20,000, “Current Interest Earned” as 20%, and an “Ending Realized Accumulations” as \$34,305.10; and
 - c. the statement displays SFF’s telephone number.
- 52. Quest Holdings, Inc. does not exist.
- 53. A review of SFF’s BOA account from January 1, 2010, to January 31, 2010, revealed, among other things, the following:

- a. a beginning balance of -\$149.31 on January 1, 2010;
 - b. \$47,563.23 in deposits that included a \$7,500 check payable to SFF from MR18 described below, a \$20,000 check payable to SFF from an unknown individual for “Roth”, and a \$20,000 check payable to SFF from MR9;
 - c. \$63.23 in other deposits derived from insurance commissions;
 - d. \$5,200 in cash withdrawals;
 - e. payments in excess of \$400 to gas stations, Office Max, and Shop ‘N Save;
 - f. \$30,000 withdrawn and a cashier’s check issued to Stafford on January 29, 2010;
 - g. \$2,725 withdrawn via two (2) checks written to individuals for “Rent”; and
 - h. an ending balance of \$9,003.51 on January 31, 2010.
54. A review of Stafford’s personal RBOM account from January 4, 2010, to February 4, 2010, revealed, among other things, the following:
- a. a beginning balance of \$54.29 on January 4, 2010;
 - b. a \$30,000 BOA cashier’s check deposited on January 29, 2010;
 - c. \$308.92 in other deposits derived from insurance commissions;
 - d. payments in excess of \$140 to NetZero, MetLife, Office Max, and Walgreens;
 - e. \$29,000 in payments to “GAIN CAPITAL GRP FOREX.COM”; and
 - f. an ending balance of \$497.93 on February 4, 2010.
55. A review of SFF’s BOA account from April 1, 2011, to May 31, 2011, revealed, among other things, the following:
- a. a beginning balance of \$121.89 on April 1, 2011;
 - b. a \$20,000 check payable to SFF from MR9 deposited on April 7, 2011;
 - c. \$3,241.25 in cash withdrawals;
 - d. \$12,000 withdrawn and a cashier’s check issued to Stafford on May 5, 2011;
 - e. payments in excess of \$500 to Shop ‘N Save, Barnes & Noble, and gas stations; and

- f. an ending balance of \$4,344.24 on May 31, 2011.
56. A review of Stafford's personal RBOM account from May 4, 2011, to June 3, 2011, revealed, among other things, the following:
- a. a beginning balance of \$267.36 on May 4, 2011;
 - b. a \$12,000 BOA cashier's check deposited on May 5, 2011;
 - c. \$105.86 in other deposits derived from insurance commissions;
 - d. a \$9,500 payment to "FOREX CAPITAL MA ACH" on May 12, 2011;
 - e. payments in excess of \$300 to PREACHIT.org, gas stations, and NetZero;
 - f. a \$2,200 check to an individual for "Rent"; and
 - g. an ending balance of \$117.30 on June 3, 2011.
57. A review of SFF's BOA account from July 1, 2013, to July 31, 2013, revealed, among other things, the following:
- a. a beginning balance of \$10,122.60 on July 1, 2013;
 - b. deposits totaling \$22,193.90 that included two (2) checks totaling \$2,000 payable to SFF from MR3 "For Roth IRA Account", a check payable to SFF from MR9 in the amount of \$20,000, and two (2) other deposits totaling \$193.90 from refunds;
 - c. \$6,906 in cash withdrawals;
 - d. payments in excess of \$1,800 to FedEx, restaurants, gas stations, Crowne Plaza, DISH Network, and MegaHealth; and
 - e. an ending balance of \$23,052.35 on July 31, 2013.

Missouri Resident 10 ("MR10")

58. On June 28, 2016, the Enforcement Section interviewed MR10, a sixty-six (66) year old Florissant, Missouri resident. MR10 told the Enforcement Section, among other things, the following:
- a. MR10 met Stafford in 2009 or 2010 at a free lunch seminar where Stafford discussed investing;
 - b. soon after the seminar, Stafford met with MR10 in MR10's home. Stafford

recommended MR10 switch from one IRA to a “Quest Holdings High Yield Fund” IRA;

- c. MR10 confirmed MR10 invested \$45,464.10 on February 11, 2010, via check payable to SFF, and \$61,000 on December 24, 2013, via check payable to SFF;
 - d. MR10 believes MR10 receives statements directly from Quest Holdings and not Stafford.
59. A review of SFF’s BOA account from February 1, 2010, to February 28, 2010, revealed, among other things, the following:
- a. a beginning balance of \$9,003.51 on February 1, 2010;
 - b. MR10’s check payable to SFF in the amount of \$45,464.10 for “ROTH IRA” deposited on February 11, 2010;
 - c. \$38,600 withdrawn and a cashier’s check issued to Stafford on February 16, 2010;
 - d. \$2,428.50 in cash withdrawals;
 - e. payments in excess of \$1,000 to restaurants, Plaza Tire Service, and Cuivre River Electric;
 - f. a \$2,200 check payable to an individual for “rent”; and
 - g. an ending balance of \$10,149.37 on February 28, 2010.
60. A review of Stafford’s personal RBOM account from February 4, 2010, to March 4, 2010, revealed, among other things, the following:
- a. a beginning balance of \$497 on February 4, 2010;
 - b. a \$38,600 BOA cashier’s check deposited on February 16, 2010;
 - c. \$331.79 in other deposits from insurance company commissions;
 - d. \$363 in cash withdrawals via ATM;
 - e. a check written for cash on February 23, 2010, in the amount of \$38,459.84. This was converted to two (2) cashier’s checks payable to two (2) unknown individuals. One check was valued at \$5,000 and the other \$33,459.84;
 - f. payments in excess of \$300 to gas stations, Wal-Mart, insurance companies, NetZero, and Applied Bank; and

- g. an ending balance of \$256 on March 4, 2010.

Missouri Resident 11 (“MR11”)

- 61. On June 28, 2016, the Enforcement Section interviewed seventy-four (74) year old MR11, a Florissant, Missouri resident. MR11 told the Enforcement Section, among other things, the following:
 - a. MR11 met Stafford at a free lunch seminar several years ago. Stafford discussed investing at this event;
 - b. soon after the seminar, Stafford met with MR11 at MR11’s home 2-3 times;
 - c. MR11 invested \$10,000 in a “Gain Capital Qualified Roth IRA” on October 30, 2013, via check payable to SFF. MR11 wrote “investment” in the memo section of the check;
 - d. MR11 received a bonus for the investment, and referencing paperwork in MR11’s possession contended the IRA has a current value of \$13,498.70;
 - e. MR11 was unsure of the particulars of the IRA but MR11 said MR11 receives statements 1-2 times per year directly from Stafford via U.S. Mail;
 - f. MR11 is upset MR11 cannot get a W2 from Stafford to file MR11’s taxes; and
 - g. MR11 was unaware that Stafford and SFF were not registered to offer and/or sell securities.

- 62. A review of SFF’s BOA records from October 1, 2013, to November 30, 2013, revealed, among other things, the following:
 - a. a beginning balance of \$14,758.14 on October 1, 2013;
 - b. a deposit of \$1,000 on October 28, 2013, via check payable to SFF from MR3 for “Roth IRA Account”;
 - c. a deposit of \$10,000 on October 30, 2013, via check payable to SFF from MR11 for “Investment”;
 - d. a deposit of \$1,000 on November 29, 2013, via check payable to SFF from MR3 for “Roth IRA Account”;
 - e. cash withdrawals totaling \$15,278;
 - f. payments in excess of \$3,700 to Wal-Mart, FedEx, restaurants, gas stations, DISH Network, TD Auto Finance, and Best Buy; and

- g. an ending balance of \$7,620.06 on November 30, 2013.

Missouri Resident 12 (“MR12”) and Missouri Resident 13 (“MR13”)

- 63. On June 29, 2016, the Enforcement Section interviewed seventy-two (72) year old Florissant, Missouri resident MR12 and MR12’s seventy-three (73) year old spouse MR13. MR12 and MR13 told the Enforcement Section, among other things, the following:
 - a. MR12 and MR13 met Stafford at a free lunch seminar in 2005 or 2006. Stafford discussed investing at the event;
 - b. sometime after the seminar, MR12 and MR13 met Stafford in Stafford’s office where Stafford discussed “how he can invest and make more” with respect to investment funds;
 - c. on June 9, 2011, MR13 invested \$20,000 in a Roth IRA with Stafford. MR13 could not recall the details of the transaction but did say the funds to invest were derived from a savings account;
 - d. on December 13, 2013, MR12 invested \$10,000 in a Roth IRA with Stafford. MR12 could not recall the details of the IRA;
 - e. statements for both IRAs arrive in the mail from Stafford once per year. MR13 said the statements “didn’t look professional.”;
 - f. MR12 and MR13 said Stafford is hard to contact. Their last contact with Stafford was approximately March 2015, when MR12 and MR13 withdrew some funds from the IRA; and
 - g. MR12 and MR13 were unaware that Stafford and SFF were not registered to offer and/or to sell securities.
- 64. MR13 sent the Enforcement Section documents that included the following:
 - a. a statement dated June 17, 2012, purportedly from “Gain Capitol Group” that lists “Premium Received” as \$20,000, “Bonus Earned” as \$4,000, “APR. Interest” as 4%, and “Ending Unrealized Accumulations” as \$24,960;
 - b. a statement dated December 16, 2015, purportedly from “Gain Capital Group” that lists “Premium Received” as \$20,000, “Additional Premium Received” as \$10,000, “Bonus Earned” as \$5,000, and “Ending unrealized Annuitization Value” as \$38,773.09; and
 - c. both statements described above display SFF’s telephone number.

65. In another document MR13 sent the Enforcement Section, titled “About our founder, Mark Stafford”, Stafford describes himself as:
- a. “Minister, Elder, and Motivator”;
 - b. “a safe money advisor, a certified Senior Advisor”;
 - c. Stafford “has also been asked by some of the world’s largest Insurance and Financial Service companies to train some of their top agents and brokers on how to run a more successful business and how to better serve their clients.”; and
 - d. “We’re deeply committed to protecting your family’s assets to help you meet your long term goals. Whether you’re concerned about maintaining the value of your estate, reducing taxes or simply making sure your money lasts, we can help you develop a winning wealth preservation strategy.”
66. A review of SFF’s BOA account from June 1, 2011, to July 31, 2011, revealed, among other things, the following:
- a. a beginning balance of \$4,344.24 on June 1, 2011;
 - b. a deposit of \$20,000 on June 9, 2011 via check payable to SFF from MR13 for “Roth IRA”;
 - c. a cashier’s check in the amount of \$30,000 from MR5 deposited June 10, 2011;
 - d. \$7,812.50 in cash withdrawals;
 - e. \$35,000 withdrawn and a cashier’s check issued to Stafford on July 8, 2011;
 - f. payments in excess of \$600 to Shop ‘N Save, Wal-Mart, gas stations, and restaurants; and
 - g. an ending balance of \$10,831.69 on July 31, 2011.
67. A review of Stafford’s personal RBOM account from July 1, 2011, to August 4, 2011, revealed, among other things, the following:
- a. a beginning balance of \$47.78 on July 1, 2011;
 - b. deposits totaling \$37,000 that included a \$35,000 BOA cashier’s check deposited on July 8, 2011;
 - c. \$162.28 in other deposits derived from insurance commissions;

- d. \$1,000 in cash withdrawals;
 - e. payments in excess of \$200 to ResVGLow, PREACHIT.org, NetZero, and MetLife;
 - f. an \$18,000 payment to “FOREX CAPITAL MA ACH” on July 27, 2011;
 - g. a \$13,021.28 check written to “RBOM” on July 26, 2011. This was to purchase a cashier’s check payable to an unknown individual. The Remitter portion of the check indicated “Mark Stafford/Quest Holdings”;
 - h. a \$2,200 check written to an individual for “Rent” on July 11, 2011; and
 - i. an ending balance of \$2,747.22 on August 4, 2011.
68. A review of SFF’s BOA from December 1, 2013, to January 31, 2014, revealed, among other things, the following:
- a. a beginning balance of \$7,620.06 on December 1, 2013;
 - b. a \$10,000 check payable to SFF from MR12 deposited on December 13, 2013;
 - c. a \$61,000 deposit on December 24, 2013 that included a \$60,000 check payable to SFF from MR10 for “IRA” and a \$1,000 check payable to SFF from MR3 “For Roth IRA Account”;
 - d. a \$1,000 check payable to SFF from MR3 “For Roth IRA Account” deposited January 28, 2014;
 - e. \$24,002.75 in cash withdrawals;
 - f. \$3,500 withdrawn and a \$3,428 cashier’s check payable to an unknown individual on December 23, 2013;
 - g. payments in excess of \$4,800 to Shop ‘N Save, DISH Network, Best Buy, Macy’s, K&G Men’s Center, SDC Tickets, Ann’s Bra and Lingerie, Budget Rent-A-Car, restaurants, and gas stations; and
 - h. an ending balance of \$47,108.60 on January 31, 2014.

Missouri Resident 14 (“MR14”)

69. On June 30, 2016, the Enforcement Section interviewed seventy-four (74) year old St. Louis, Missouri resident MR14. MR14 told the Enforcement Section, among other things, the following:

- a. MR14 met Stafford approximately five (5) years ago at a free lunch seminar. MR14 could not recall what was discussed at the event but does recall several people providing testimonials touting Stafford's purported financial expertise;
 - b. MR14 later met with Stafford and decided to invest in an IRA that possibly was named "Gain." The funds to invest in the IRA were derived from an annuity;
 - c. MR14 confirmed he made a \$21,505.08 investment via check payable to SFF for "Roth" on July 3, 2015, and a \$21,175.08 investment via check payable to SFF for "Roth IRA" on July 15, 2015;
 - d. MR14 received a statement directly from Stafford approximately three (3) months ago and didn't notice anything suspicious about it; and
 - e. MR14 was unaware that Stafford and SFF were not registered to offer and/or sell securities.
70. A review of SFF's BOA account from July 1, 2015, to July 31, 2015, revealed, among other things, the following:
- a. a beginning balance of \$153.71 on July 1, 2015;
 - b. a \$21,505.08 deposit on July 3, 2015, that included a \$20,505.08 check payable to SFF from MR14 for "Roth" and a \$1,000 check payable to SFF from MR3 "For Roth IRA Account";
 - c. a \$21,175 deposit on July 15, 2015, that included a \$20,505.08 check payable to SFF from MR14 for "Roth ira", a \$170 check to Stafford from Grand Crowne Resorts, and two (2) checks totaling \$500 from an insurance company;
 - d. a \$1,000 deposit on July 31, 2015, via check payable to SFF from MR3 "For Roth IRA Account";
 - e. a withdrawal of \$20,505.08 on July 17, 2015, for "RETURN ITEM CHARGEBACK";
 - f. \$6,140 in cash withdrawals;
 - g. \$7,000 withdrawn and a cashier's check issued to Stafford on July 17, 2015;
 - h. payments in excess of \$5,000 to restaurants, Walgreens, Home Depot, gas stations, and utility companies; and
 - i. an ending balance of \$5,197.09 on July 31, 2015.
71. A review of the MQS Properties, LLC's Fifth Third Bank account from July 1, 2015, to

July 31, 2015, revealed, among other things, the following:

- a. a beginning balance of -\$491.82 on July 1, 2015;
- b. deposits totaling \$45,845.72 that included a \$15,815.89 wire transfer from Hoomano, LLC, a \$7,000 cashier's check from BOA, a \$20,000 check payable to MQS Properties from Hoomano, LLC, and several debit card returns;
- c. \$28,687.27 withdrawn via thirty-three (33) checks written to numerous individuals and businesses;
- d. payments in excess of \$12,000 to Home Depot, Stone Hill Winery, Walgreen's, Shop 'N Save, DISH Network, restaurants, and gas stations; and
- e. an ending balance of \$4,414.54 on July 31, 2015.

Missouri Resident 15 ("MR15")

72. On June 30, 2016, the Enforcement Section interviewed eighty-two (82) year old St. Louis, Missouri resident MR15. MR15 told the Enforcement Section, among other things, the following:

- a. MR15 met Stafford at a free lunch seminar several years ago. MR15 could not recall what Stafford discussed at this event;
- b. sometime after the seminar, MR15 met with Stafford in Stafford's office to discuss MR15's desire to put MR15's retirement income someplace where it could earn more interest;
- c. Stafford told MR15 about a "Qualified Gain Capital Roth IRA.";
- d. MR15 invested \$45,541.17 on January 27, 2011, in the IRA;
- e. MR15 has received approximately two (2) statements since making the investment. The statements came directly from Stafford, but only after MR15 asked for them. MR15 recalled that Stafford told MR15 the statements would arrive once per year; and
- f. MR15 was unaware that Stafford and SFF were not registered to offer and/or sell securities.

73. A review of SFF's BOA records from January 1, 2011, to February 28, 2011, revealed, among other things:

- a. a beginning balance of \$2,803.39 on January 1, 2011;

- b. MR15's check payable to SFF in the amount of \$45,541.17 for "Investment" deposited on January 27, 2011;
 - c. no other deposits during this time period;
 - d. \$4,610 in cash withdrawals;
 - e. \$40,000 withdrawn and a cashier's check issued to Stafford on February 2, 2011;
 - f. a \$1,430 payment to "Next Step Financial Ho";
 - g. payments in excess of \$900 to Office Max, utility companies, gas stations, restaurants, Shop 'N Save, and Wal-Mart; and
 - h. an ending balance of \$1,362.01 on February 28, 2011.
74. A review of Stafford's RBOM personal account from January 4, 2011, to March 4, 2011, revealed, among other things, the following:
- a. beginning balance of \$2,279.21 on January 4, 2011;
 - b. a \$40,000 cashier's check from BOA deposited on February 2, 2011;
 - c. \$577.64 in deposits from insurance commissions;
 - d. two (2) deposits totaling \$9,400 from "MISCELLANEOUS CREDIT";
 - e. cash withdrawals totaling \$6,437.50;
 - f. payments in excess of \$1,700 to restaurants, gas stations, Shop 'N Save, Wal-Mart, and PREACHIT.org;
 - g. a \$33,000 payment to "FOREX CAPITAL MA ACH" on February 14, 2011;
 - h. two (2) checks totaling \$4,400 to an individual for "Rent"; and
 - i. an ending balance of \$6,902.53 on March 4, 2011.

Missouri Resident 16 ("MR16")

75. On June 30, 2016, the Enforcement Section interviewed sixty-seven (67) year old Florissant, Missouri resident MR16. MR16 told the Enforcement Section, among other things, the following:
- a. MR16 met with Stafford in her home after a referral from MR16's sister who attended a free lunch seminar;

- b. MR16 didn't want to put funds in the stock market. Stafford told MR16 about several insurance products MR16 had interest in;
 - c. MR16 decided to invest in an IRA that was possibly named "Gain." The investment funds came from another IRA;
 - d. MR16 received a packet purportedly from the IRA sponsor shortly after investing; and
 - e. MR16 has not received a statement yet regarding the investment.
76. MR16 could not recall how much MR16 invested with Stafford. The Enforcement Section identified the following transactions in SFF's BOA records and asked MR16 if the transactions refreshed MR16's memory. The transactions are as follows:
- a. August 26, 2015: \$26,726.93 via check payable to SFF. MR16 had no recollection of this transaction;
 - b. September 4, 2015: \$92,612.44 via check payable to SFF. MR16 had no recollection of this transaction;
 - c. October 19, 2015: check payable to SFF for "Gain High Yield Inv." in the amount of \$10,000. MR16 said this was a deposit for MR16's IRA; and
 - d. November 17, 2015: \$5,000 via check payable to SFF. MR16 believes this was a deposit for MR16's IRA.
77. A review of SFF's BOA account from August 1, 2015, to December 31, 2015, revealed, among other things, the following:
- a. a beginning balance of \$4,414.54 on August 1, 2015;
 - b. two (2) checks totaling \$115,297.64 payable to SFF from Voya Insurance and Annuity Company for the benefit of MR16 deposited on August 26, 2015, and September 4, 2015;
 - c. a \$10,000 check payable to SFF for "Gain High Yield Inv." from MR16 deposited on October 19, 2015;
 - d. a \$5,000 check payable to SFF from MR16 deposited on November 17, 2015;
 - e. three (3) checks totaling \$29,000 payable to SFF from MR3 "For Roth IRA Account" deposited on September 24, 2015, October 30, 2015, and December 4, 2015;

- f. \$142,088.47 in other deposits from various unknown individuals;
- g. \$19,141 in cash withdrawals;
- h. \$264,094.12 withdrawn and numerous cashier's checks issued to Stafford. At least \$130,500 of this amount was deposited into MQS's Fifth Third Bank account where the funds were commingled with other personal and business funds and used for, among other things, payments to the following various individuals and businesses:
 - i. a \$3,081.39 cashier's check payable to MR11,
 - ii. at least three (3) cashier's checks totaling \$32,150.63 payable to Continental Title,
 - iii. a \$21,283.14 cashier's check payable to Investors Title Company,
 - iv. a \$15,000 cashier's check payable to MR1,
 - v. a \$1,687.52 cashier's check payable to 4mycash.com, LLC,
 - vi. a \$51,935.55 cashier's check payable to an unknown individual, and
 - vii. a \$1,037.50 cashier's check payable to MR5;
- i. \$26,090.72 withdrawn via wire to Continental Title on October 13, 2015;
- j. payments in excess of \$15,000 to utility companies, Home Depot, grocery stores, restaurants, gas stations, Six Flags, Milano Men's Wear, Shop 'N Save, and Wal-Mart; and
- k. an ending balance of \$8,287.71 on December 31, 2015.

Missouri Resident 17 ("MR17")

- 78. On July 8, 2016, the Enforcement Section interviewed sixty-seven (67) year old Florissant, Missouri resident MR17. MR17 told the Enforcement Section, among other things, the following:
 - a. MR17 met Stafford in approximately 2004 at the Ferguson School District where Stafford was discussing insurance products;
 - b. MR17 retired in 2014 and needed approximately \$58,000 to add to the retirement funds to receive a better retirement package. MR17 asked Stafford for help to receive the better retirement package;

- c. Stafford found a third party to lend MR17 the \$58,000 to receive the better retirement package;
 - d. Stafford told MR17 the retirement package, valued at \$139,788.76, would be deposited into a trust in order to receive tax benefits. The trust was set up in Stafford's name. MR17 was unsure why the trust was set up in Stafford's name;
 - e. after the funds were deposited into the trust, Stafford solicited MR17 to invest in real estate. Stafford explained Stafford's operations related to MQS Properties and how to make money flipping houses;
 - f. Stafford persuaded MR17 to offer \$60,000 to purchase a house located at 307 Pike Street. According to Stafford, the home would be financed through a "hard money lender." The house needed renovation work and a budget of \$75,000 was agreed to. Stafford would split the costs of the renovation expenses;
 - g. a verbal agreement was established whereby Stafford would earn 20% of the sale of the home after the reconstruction. In addition, Stafford was to oversee contractor work and general property maintenance;
 - h. the "hard money lender" was paid \$1,800 per month. MR17 made the payments but Stafford also made payments occasionally;
 - i. payments to the lender started to be late and MR17 asked for funds from the trust account. Stafford told MR17 the account was frozen due to an audit and that funds could not be withdrawn until the audit was completed;
 - j. MR17 was unimpressed with Stafford's efforts to sell the house so MR17 hired a realtor and sold the house making a profit of \$10,000-\$11,000;
 - k. MR17 would later find out that Stafford had purchased the home prior to MR17 for \$50,000;
 - l. MR17 never received statements from Stafford regarding the trust account and has no idea what Stafford did with the funds; and
 - m. MR17 was unaware that Stafford, SFF, and MQS were not registered to offer and/or sell securities.
79. A review of SFF's BOA records from August 1, 2014, to August 31, 2014, revealed, among other things:
- a. a beginning balance of \$768.30 on August 1, 2014;
 - b. \$143,600.85 in deposits that included a \$45.88 check from a utility company, a \$139,742.88 check payable to SFF from the Public School Retirement System of

Missouri for the benefit of MR17, a \$2,250 check payable to SFF from an insurance company, a \$500 check payable to Stafford from MR17 (MR17 had no memory of this transaction), a \$1,000 check payable to SFF from MR3 for “Roth IRA Account”, and \$62.09 that appeared to be a refund from an online pest control company;

- c. \$3,950 in cash withdrawals;
- d. \$63,800 withdrawn and a cashier’s check issued on August 8, 2014, payable to Risefunding, LLC;
- e. \$25,942.88 withdrawn and a cashier’s check issued on August 11, 2014, payable to MR17;
- f. \$5,000 withdrawn and a cashier’s check issued on August 19, 2014;
- g. payments in excess of \$2,000 to Shop ‘N Save, PREACHIT.org, insurance companies, gas stations, and Milano Men’s Warehouse; and
- h. an ending balance of \$43,524.10 on August 31, 2014.

Missouri Resident 18 (“MR18”)

80. On September 7, 2016, the Enforcement Section interviewed MR18’s daughter. MR18’s daughter told the Enforcement Section, among other things, the following:
- a. MR18, an eighty-two (82) year old St. Louis resident, invested with Stafford in late 2009;
 - b. MR18’s daughter has been serving as MR18’s Power of Attorney since March 2016. MR18 cannot recall the details of the transaction with Stafford;
 - c. MR18’s daughter found a statement purportedly from “Gain Capital Group” dated June 15, 2014, that indicates MR18 has \$7,500 invested in a “Qualified Roth IRA.”
 - d. The statement indicates that MR18’s “Bonus Earned” is \$1,500, “APR” is 3%, and “Ending Unrealized Accumulations” is \$4,267.89;
 - e. the statement displays SFF’s telephone number; and
 - f. MR18 had trouble withdrawing funds from the IRA several years ago. MR18’s daughter asked Stafford what the website address for the IRA was so she could contact them. Stafford replied the company didn’t have a website. MR18’s daughter thought Stafford was rude.

81. A review of SFF's BOA account from January 1, 2010, to January 31, 2010, revealed, among other things, the following:
- a. a beginning balance of -\$149.31 on January 1, 2010;
 - b. \$47,563.23 in deposits that included a \$7,500 check payable to SFF from MR18, a \$20,000 check payable to SFF from an unknown individual for "Roth", and a \$20,000 check payable to SFF from MR9;
 - c. \$63.23 in other deposits derived from insurance commissions;
 - d. \$5,200 in cash withdrawals;
 - e. payments in excess of \$400 to gas stations, Office Max, and Shop 'N Save;
 - f. \$30,000 withdrawn and a cashier's check issued to Stafford on January 29, 2010;
 - g. \$2,725 withdrawn via two (2) checks written to individuals for "Rent"; and
 - h. an ending balance of \$9,003.51 on January 31, 2010.
82. A review of Stafford's personal RBOM account from January 4, 2010, to February 4, 2010, revealed, among other things, the following:
- a. a beginning balance of \$54.29 on January 4, 2010;
 - b. a \$30,000 BOA cashier's check deposited on January 29, 2010;
 - c. \$308.92 in other deposits derived from insurance commissions;
 - d. payments in excess of \$140 to NetZero, MetLife, Office Max, and Walgreens;
 - e. \$29,000 in payments to "GAIN CAPITAL GRP FOREX.COM"; and
 - f. an ending balance of \$497.93 on February 4, 2010.

Missouri Resident 19 ("MR19")

83. On March 2, 2017, the Enforcement Section interviewed seventy-five (75) year old Florissant, Missouri resident MR19. MR19 told the Enforcement Section, among other things, the following information:
- a. sometime in or around 2007, MR19 attended a free lunch seminar conducted by Stafford at a Ryan's Steakhouse restaurant in Florissant, Missouri;
 - b. approximately 20-25 other people attended the event. Stafford talked about

“investing money” and “making interest on money” at the event.

- c. later, Stafford met with MR19 in his home where Stafford discussed how MR19 could earn interest on MR19’s money;
 - d. Stafford solicited MR19 to invest in an IRA purportedly named “Quest Holdings”;
 - e. on or about February 5, 2007, MR19 invested \$71,933.29 in the Quest Holdings IRA. The funds were from a settlement MR19 received from MR19’s former employer, Burlington Railroad. MR19 could not recall specifically what Stafford promised regarding the investments;
 - f. MR19 would withdrawal approximately \$3,200-\$3,400 each year to pay property taxes;
 - g. in approximately 2009, MR19 withdrew about \$5,000. In another year, MR19 withdrew \$10,000;
 - h. Stafford would deliver MR19’s statements personally each year;
 - i. at the end of 2016, MR19 wanted to withdrawal some funds to pay MR19’s property taxes, but MR19 could not find Stafford at the church where Stafford is a minister. MR19 couldn’t connect with Stafford via telephone because Stafford’s business telephone was no longer in service;
 - j. at the end of 2016 or beginning of 2017, MR19’s daughter connected with Stafford via text and asked about her father withdrawing funds from his account. Stafford responded that the IRS froze Stafford’s business account preventing Stafford from withdrawing the funds; and
 - k. MR19 was unaware that Stafford was not registered to offer and/or sell securities.
84. MR19 provided the Enforcement Section copies of statements received from Stafford. The statements show, among other things, the following:
- a. The statements purport to be from Quest Holdings, located in Beaver Dam, Wisconsin. The statements display Stafford’s business telephone number;
 - b. The initial application in January 2007, indicates that the investment would be allocated 100% in the S&P 500;
 - c. The 2007 statement indicates the initial investment amount, or “Beginning Current Value” as \$71,933.29, “Bonus Earned” as \$10,789.99, “Current Bonus Rate” as 15%, and “Index Adjustment” as \$82,723.29; and

- d. The 2015 statement indicates “Premium Received” as the initial investment of \$71,933.29, “Bonus Earned” as \$5,193.29, “Interest Accumulation” as \$3,015.78, “Withdrawal Amount” as \$42,893.89, and “Ending Unrealized Accumulations” as \$39,127.32.
85. MR19 sent the Enforcement Section copies of paperwork received from Stafford in which Stafford purports to be a “Certified Senior Advisor” and “Registered Financial Consultant”. However, the Enforcement Section could find no evidence to suggest Stafford was a member of either organization.
86. Another paper MR19 received from Stafford said “Here at The Stafford Financial Firm and Quest High Yield Fund providers we are deeply committed to protecting your families wealth and assets while preserving your quality of life during your golden years.”

Source of \$5,018.12 Payment to MR19

87. A review of Stafford’s personal RBOM account from December 4, 2009, to January 4, 2010, indicated, among other things:
- a. a beginning balance of \$93.19 on December 4, 2009;
 - b. a \$5,000 deposit on December 15, 2009, from “MCD CORR CR FOREX.COM”;
 - c. other deposits from insurance commissions totaling \$3,777.82;
 - d. a \$5,018.12 cashier’s check payable to MR19 on December 17, 2009;
 - e. payments in excess of \$3,900 to gas stations, department stores, grocery stores, and restaurants; and
 - f. an ending balance of \$54.29 on January 4, 2010.

Missouri Resident 20 (“MR20”)

88. On March 2, 2017, the Enforcement Section interviewed fifty-six (56) year-old Florissant, Missouri resident MR20. MR20 told the Enforcement Section, among other things, the following:
- a. MR20 met Stafford at her father’s house sometime in 2015, to discuss investing a retirement check MR20 received from her employer;
 - b. Stafford solicited MR20 to invest approximately \$12,000 in an IRA named Gain Capital and another \$4,000 in another IRA also named Gain Capital. MR20 couldn’t recall specifically what Stafford promised for the investments, but believed the \$12,000 IRA would pay up to 20% interest for five (5) years, and 7%

- interest for three (3) years on the \$4,000 investment;
- c. MR20 was somewhat concerned about the investments because she thought the statements for both IRAs would arrive at least quarterly. However, to date, only one statement for the \$4,000 investment has been received from Stafford; and
 - d. MR20 was unaware Stafford was not registered to offer and/or sell securities.
89. The Enforcement Section received copies of a statement that MR20 received from Stafford regarding the \$4,000 investment. The statement, purportedly from “Gain Capitol Group”, indicates, among other things:
- a. “issue date” as October 13, 2015;
 - b. “7% for Three Years”;
 - c. “Plan Type Qualified High Yield Fund”;
 - d. “Premium Received” as \$4,000;
 - e. “Bonus Earned” as \$280;
 - f. “APR” 7%;
 - g. “Interest Accumulation” as \$11;
 - h. “Ending High Yield Value” is \$4,291; and
 - i. “Ending unrealized Annuitization Value” \$4,291.
90. The Enforcement Section was unable to confirm the deposit of the \$4,000 investment.
91. The Enforcement Section received paperwork that MR20 received from Stafford regarding the \$11,038.12 investment. The paperwork includes, among other things:
- a. a welcome letter from “Gain Capitol Group” that indicates if any incorrect information is noticed to contact SFF. The letter is signed by “Gary Bowery”;
 - b. the “Policy Overview” indicates “Allocation” to the “S&P Index Annual”,
 - c. “Bonus” as 12%, and “Enhanced Withdrawal Benefit” as \$12,362.69; and
 - d. the contract has a term of five (5) years.

MR20's \$11,038.12 Investment Deposited

92. A review of SFF's BOA records from October 1, 2015, to October 31, 2015, indicated, among other things:
- a. a beginning balance of \$85,711.86 on October 1, 2015;
 - b. deposits totaling \$173,973.67 that included:
 - i. a \$151,935.55 check payable to SFF from an unknown individual on October 2, 2015,
 - ii. a \$11,038.12 check payable to SFF from the Illinois Municipal Retirement Fund for the benefit of MR20 deposited October 13, 2015,
 - iii. a \$10,000 check payable to SFF from MR16 for "Gain High Yield Inv" deposited October 19, 2015, and
 - iv. a \$1,000 check payable to SFF from MR3 for "Roth IRA Account" deposited October 30, 2015;
 - c. \$136,906 withdrawn and seven (7) cashier's checks issued. At least three (3) of the cashier's check totaling \$30,500 was deposited into the MQS account. It appeared the funds were spent on business and personal expenses;
 - d. \$26,090.72 withdrawn and wired to Continental Title of Missouri on October 13, 2015;
 - e. \$2,900 in cash withdrawals;
 - f. payments in excess of \$2,700 to Milano Men's Wear, utility companies, and RK Home Enterprises, LLC; and
 - g. an ending balance of \$91,061.86 on October 31, 2015.

Mississippi Resident ("MSR")

93. On July 6, 2016, the Enforcement Section interviewed sixty-three (63) year old Clarksdale, Mississippi resident MSR. MSR told the Enforcement Section, among other things, the following:
- a. MSR met Stafford several years ago when they attended the same church;
 - b. after receiving \$10,000 in a settlement from an accident, MSR took the funds to Stafford and requested the funds be placed in some type of safe investment because MSR preferred "no risk." Stafford discussed investing in gold and silver;

- c. Stafford promised MSR that the investment would be safe. MSR was unsure what Stafford did with the funds but Stafford promised \$1,500 plus interest after five (5) years. MSR couldn't recall how much interest Stafford promised;
 - d. MSR confirmed the investment occurred on February 19, 2013, after the Enforcement Section identified a payment on that date in SFF's bank records;
 - e. MSR receives statements approximately once per year. MSR could not recall what the statements said but did express concern because the statements were coming directly from Stafford; and
 - f. MSR was unaware that Stafford and SFF were not registered to offer and/or sell securities.
94. A review of SFF's BOA records from February 1, 2013, to February 28, 2013, revealed, among other things, the following:
- a. a beginning balance of \$42,159.27 on February 1, 2013;
 - b. a \$17,000 withdrawal on February 4, 2013, that included \$3,500 in cash and a cashier's check issued to Stafford in the amount of \$13,500, which was deposited into Stafford's personal RBOM account the same day;
 - c. MSR's check payable to SFF in the amount of \$10,000 was deposited on February 19, 2013. \$4,000 of this deposit was taken as cash;
 - d. in excess of \$1,900 in payments to gas stations, "Next Step Financial Hol", and Star Men's Fashion; and
 - e. an ending balance of \$28,857.71 on February 22, 2013.

Target Letter to Stafford

95. On or about May 2, 2016, the Enforcement Section sent a Target Letter to Stafford asking for, among other things, a list of all investors and/or clients of SFF from January 1, 2014, to present.

Target Letter Response

96. In his response to the Enforcement Section, dated May 16, 2016, Stafford said, among other things, the following:
- a. Stafford met MR1 at a seminar in 2006;
 - b. MR1 provided funds for "four different baskets." The first basket "was funded

threw a SPIA, we put \$100,191.66 in the policy it was held by ING they are now VOYA this basket paid them \$1193,84 for eight years a total payout of \$114,608.64 they say they never got the money.”;

- c. “Second basket we put \$33,108.20 those funds were held by Allianz Life under the Trust of [MR1].”
- d. “Third basket we put \$81,276.66 that had grown to \$126,796.64 how ever [MR1] would request funds outside the withdrawal period. That would cause surrender charges to occur. I just want to point out that I fully disclosed to [MR1] during this period you can only with draw 10% annually with out penalties.”
- e. “The fourth basket [MR1] gave me \$113,708.54 he told me he did not want his money in the market. I reassured him I was not putting the money in the market. I am a safe money adviser. I was putting the money with Gain Capital they do not sell securities. It was at that time I told him I do some forex trading and I would personally guarantee his principal.”
- f. “Needless to say the forex market began to get very volatile and I began to lose money so I closed the account. We were down to \$50,000 in the account I had given him my word that I would personally guarantee his principal.”; and
- g. “I realize I perhaps should not have put the money in a forex account but my intensions was not to take advantage of [MR1].”

Forex Capital Markets, LLC

- 97. The Enforcement Section received documents from Forex Capital Markets, LLC. Among the information found in the documents included:
 - a. in the application section, Stafford indicates he is self-employed in the “Financial Services/Banking” sector with a position of “Currency Exchange.”;
 - b. Stafford lists his total annual income between \$100,000-\$249,999;
 - c. Stafford lists his Net Worth between \$1,000,000-\$4,999,999;
 - d. between July 2010, to August 2013, Stafford made numerous trades resulting in substantial loses.
- 98. Prior to the offer and/or sale of securities, Stafford failed to disclose, among other things, the following material information:
 - a. that Stafford and SFF were not registered to offer and/or sell securities;
 - b. that Stafford would not forward funds to the purported IRA companies. Rather,

Stafford would forward funds to forex accounts to trade, and use funds for personal and business expenses;

- c. that Stafford would create fraudulent statements for investors who believed they were invested in an IRA;
- d. that Stafford is not a CFP; and
- e. that some funds would be used to pay other investors.

III. CONCLUSIONS OF LAW

- 99. Because Respondents failed to request a hearing within the time allowed by Section 409.6-604, and because the Commissioner never ordered such a hearing, the Order issued on March 6, 2017, against the Respondents became **FINAL** by operation of law.
- 100. 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).

Violation of Offering and Selling an Unregistered, Non-Exempt Security

- 101. **THE COMMISSIONER CONCLUDES** that Respondents violated Section 409.3-301 when Respondents offered and sold a security by, among other things:
 - a. soliciting investors to invest with SFF and/or Stafford;
 - b. receiving funds to invest in purported IRAs from investors;
 - c. Providing IRA statements from purported IRAs to investors;
 - d. Promising a return on investments that was dependent upon the efforts of others and not on the efforts of the investors; and
 - e. Pooling investment funds with Stafford's personal funds.
- 102. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26).
- 103. The investment that Respondents offered and/or sold constitutes a security as that term is defined in Sections 409.1-102(28).
- 104. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondents.
- 105. Respondents offered and sold a security in Missouri without this security being (1) a

federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.

106. At the time Respondents engaged in the conduct set forth above, most of the investors and were over sixty years old were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
107. Respondents' conduct in violation of Section 409.3-301 constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Violation of Transacting Business as an Unregistered Agent

108. **THE COMMISSIONER FURTHER CONCLUDES** that Stafford violated Section 409.4-402(a) when he transacted business as an unregistered agent in the State of Missouri.
109. Stafford was a representative of SFF.
110. Stafford offered and/or sold securities to investors in and/or from Missouri on behalf of SFF by, among other things, offering and/or selling investments in purported IRAs.
111. This activity constitutes transacting business in the State of Missouri under Section 409.1-102(1).
112. At all times relevant to this matter, Stafford was not registered as a securities agent in the State of Missouri.
113. At the time Stafford engaged in this conduct, most of the investors were over sixty years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
114. Stafford transacted business in Missouri by offering and/or selling securities without being registered or exempt from registration as an agent in violation of Section 409.4-402(a).
115. Stafford's conduct in violation of 409.4-402(a) constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Violation of Employing an Unregistered Agent

116. **THE COMMISSIONER FURTHER CONCLUDES** that SFF violated Section 409.4-402(d) when SFF employed and/or associated with an unregistered agent in the State of Missouri.
1. SFF employed Stafford, who offered and sold securities on behalf of SFF.

117. SFF's activities constitute employing and/or associating with an agent in the State of Missouri under Section 409.4-402(d).
118. At all times relevant to this matter, SFF had no registration or granted exemption for any agents of SFF to transact business in the State of Missouri.
119. SFF employed and/or associated with Stafford, who transacted business in Missouri as an agent without being registered or exempt from registration as an agent, in violation of Section 409.4-402(d).
120. At the time SFF engaged in this conduct, most of the investors were over sixty years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
121. SFF's conduct in violation of Section 409.4-402(d) constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making an Untrue Statement, Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security

122. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.5-501, when in connection with the offer, sale or purchase of a security, Stafford, on behalf of SFF, made untrue statements or omitted to state to investors material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, omitting to disclose:
 - a. that Stafford and SFF were not registered to offer and/or sell securities;
 - b. that the securities were not registered or exempt from registration;
 - c. that Stafford would not forward investor funds to the purported IRA companies;
 - d. that Stafford would use investor funds for personal expenses, business expenses, and to trade in Forex accounts;
 - e. that Stafford would create fraudulent IRA statements and send them to investors;
 - f. that Stafford is not a CFP; and
 - g. That some investor funds would be used to pay other investors.
123. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents violated Section 409.5-501, when in connection with the offer, sale or purchase of a security as

described above, Stafford, on behalf of SFF, engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by, among other things:

- a. convincing investors to invest in fictitious IRA companies;
 - b. converting investment funds to Stafford's personal and business funds and to trade in Forex accounts;
 - c. sending investors fraudulent statements from purported IRA companies; and
 - d. using investment funds to pay other investors.
124. At the time Respondents engaged in this conduct, most of the investors were over sixty years old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
125. Respondents made an untrue statement of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in violation of Section 409.5-501, and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

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 be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301 by offering or selling any securities as defined by Section 409.1-102(28), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-402(a) by transacting business as an unregistered agent;
- C. Section 409.4-402(d) by employing an unregistered agent; and
- D. Section 409.5-501 by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is 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), each Respondent shall pay a civil penalty in the amount of \$6,000 for violating Section 409.3-301, when this violation was committed against an elderly person. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent Stafford shall pay a civil penalty in the amount of \$6,000 for violating Section 409.4-402(a), when this violation was committed against an elderly person. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondent SFF shall pay a civil penalty in the amount of \$6,000 for violating Section 409.4-402(d), when this violation was committed against an elderly person. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of \$15,000 for multiple violations of Section 409.5-501, when these violations were committed against an elderly person. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), Respondents shall jointly and severally pay restitution and interest in the amount of \$1,132,660.13 for violations of Sections 409.3-301, 409.4-402, and 409.5-501. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to the investors listed on Exhibit 1. This amount shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri, 65102, within 30 days from the date of this Final Order.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(e), Respondents shall, jointly and severally, pay \$2,762.90 in actual costs for investigation into, and the proceedings associated with, this matter. This amount shall be made payable to the Investor Education and Protection


Fund. This amount shall be sent to the Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days of the date of this Final Order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 15th DAY OF MAY, 2017.



JOHN R. ASHCROFT
SECRETARY OF STATE



DAVID M. MINNICK
COMMISSIONER OF SECURITIES


CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of May, 2017, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution, Costs, and Civil Penalties in the above styled case was **emailed and mailed by certified U.S. mail to:**

Marc M. Johnson
Rosenblum Fry, P.C.
120 South Central, Suite 130
St. Louis, Missouri 63105
mjohnson@rflawpc.com
Attorney for Respondents

and by hand-delivery to:

Sandra J. McDowell
Director of Enforcement
Missouri Securities Division


Laurie Dawson

Securities Office Manager