



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )

ROY HARRIS, JR.; ORTHOGISTIC )  
LABS, INC.; ORTHOGISTIC, LLC; )  
and AMNIOGISTIC, LLC, )

Case No. AP-18-07

*Respondents.* )

Serve: )

Roy G. Harris, Jr. )  
6033 East Farm Road 186 )  
Rogersville, Missouri, 65742 )  
[rharris@orthogisticlabs.com](mailto:rharris@orthogisticlabs.com) )  
[roy.harris@orthogistic.com](mailto:roy.harris@orthogistic.com) )

Orthogistic Labs, Inc. )  
c/o Registered Agents, Inc. )  
700 Lavaca Street, Suite 1401 )  
Austin, Texas 78701 )

Orthogistic, LLC )  
c/o Amy Duncan-Registered Agent )  
200 South Oakridge Drive, Suite 101-522 )  
Hudson Oaks, Texas 76087 )

and )

Amniogistic, LLC )  
4319 South National Avenue, Suite 304 )  
Springfield, Missouri 65810 )

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

On March 3, 2018, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Derek Green,

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”). After reviewing the Petition, the Commissioner issues the following order:

**I. ALLEGATIONS OF FACT**

The Petition alleges the following facts:

**A. Introduction**

1. From approximately June 2014 to May 2017, Roy Harris (“Harris”), through his companies Orthogistic Labs, Inc. (“OLI”), Orthogistic, LLC (“Orthogistic”), and Amniogistic, LLC (“Amniogistic”), solicited at least 25 investors to invest more than \$1 million in unregistered stock in the aforementioned companies. Prior to the investments, Harris failed to disclose to investors, among other things, that Harris was convicted of securities fraud, deceptive business practices, and felony stealing in 2002. A review of Harris’s bank records show that a large portion of the investment funds were used to pay back earlier investors, to settle lawsuits, and to pay for personal expenses.

**B. Respondents and Related Parties**

2. Harris is a 53 year-old Missouri resident with a last known address at 6033 East Farm Road 186, Rogersville, Missouri, 65742. A check of the Central Registration Depository (“CRD”) indicates that Harris is assigned CRD number 2226306, but has never been registered as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent. On or around September 26, 2002, Harris was convicted of securities fraud, deceptive business practices, and stealing in the Greene County, Missouri Circuit Court, case number 31301CF7380.
3. OLI is a business organized in the state of Texas on June 25, 2015. Its registered agent is Registered Agents Inc., and it has a last known address of 700 Lavaca Street, Suite 1401, Austin, Texas 78701. Harris is listed as a Director of OLI. OLI purportedly has a field office located at 1317 East Republic Road, Suite C, Springfield, Missouri 65810. 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 OLI.
4. Orthogistic was a business organized in the state of Texas on February 26, 2014. Its registered agent was Amy Duncan, who has a last known address of 200 South Oakridge Drive, Suite 101-522, Hudson Oaks, Texas 76087. Orthogistic’s business registration is currently inactive. 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 Orthogistic.
5. Cytogistic, LLC (“Cytogistic”) is a business organized in the state of Texas on April, 19, 2016. Its registered agent is Registered Agents, Inc., and it has a last known address of 700 Lavaca, Suite 1401, Austin, Texas 78701. 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 Cytogistic.

6. Amniogistic is an unregistered entity that Harris is associated and/or affiliated with and, according to at least one bank account, has a last known address of 4319 South National Avenue, Suite 304, Springfield, Missouri 65810. 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 Amniogistic.

### **C. Enforcement Section Investigation**

#### **Pennsylvania Resident 1 (“PR1”)**

7. A 46 year-old Warrington, Pennsylvania resident (“PR1”) learned about OLI from a friend who invested funds with OLI/Harris.
8. PR1 never communicated with Harris but decided to invest \$10,000 in OLI on or around April 5, 2016. It was PR1’s belief that the investment funds were to be used to market and/or sell some type of surgical cleaning solution. OLI/Harris markets and sells SurgiCleanse and WoundCleanse, a purported anti-bacterial solution.
9. Sometime after making the investment, PR1 received an OLI stock certificate from Harris via email. The stock certificate indicates PR1 owned 10,000 shares of stock in OLI.
10. To date, PR1 has received no funds back.
11. Prior to the investment, PR1 had no knowledge of Harris’s felony convictions.

#### **Pennsylvania Resident 2 (“PR2”)**

12. A 45 year-old Newtown Square, Pennsylvania resident (“PR2”) learned about OLI/Harris through Georgia resident 2 (“GR2”). Among other things, GR2 told PR2 that OLI’s business of marketing and selling SurgiCleanse and WoundCleanse appeared to be a promising investment.
13. PR2 never spoke to Harris prior to investing, but was included in an email New Jersey resident (“NJR”) sent Harris on March 13, 2016, in which NJR asked Harris about issues discovered in a background check on Harris. Due to Harris’s explanation of the issues discovered by NJR, which is explained below, PR2’s concerns were allayed.
14. On March 16, 2016, PR2 wired \$100,000 to OLI’s bank account.

15. On April 6, 2016, PR2 wired \$30,000 to OLI's bank account. PR2 explained that \$10,000 of this amount was GR2's.
16. Approximately four weeks after making the investment, PR2 received a stock certificate from Harris that indicated PR2 owned 120,000 shares of stock in OLI.
17. To date, PR2 has received approximately \$3,000 back.

**Georgia Resident 1 ("GR1")**

18. A 45 year-old Alpharetta, Georgia resident ("GR1") learned about OLI/Harris through a cousin who invested with OLI/Harris.
19. GR1 never spoke to Harris but GR1 decided to invest \$15,000 sometime in December 2014. GR1 believed the investment funds were to be used by OLI/Harris to "grow the company."
20. Sometime after making the investment, GR1 received an OLI stock certificate from Harris via email that indicated GR1 owned 15,000 shares of stock in OLI.
21. To date, GR1 has received no funds back.
22. Prior to the investment, GR1 had no knowledge of Harris's felony convictions.

**New Jersey Resident ("NJR")**

23. A 38 year-old Cherry Hill, New Jersey resident ("NJR") learned about OLI/Harris through a cousin who invested funds with OLI/Harris.
24. In or around March 2016, NJR participated in a conference call with Harris. Harris was purporting that OLI was preparing to close a deal with Kaiser Medical Group to sell SurgiCleanse and WoundCleanse on the west coast of the United States and that other deals were being finalized to provide the products to several different entities. Harris also purported that OLI would generate sales of more than \$20 million over the next three years.
25. NJR was impressed that OLI/Harris was closing a deal with Kaiser Medical Group and decided to invest \$60,000 in or around March 2016. The funds were to be used to market and/or sell SurgiCleanse and WoundCleanse.
26. Sometime after making the investment, NJR received an OLI stock certificate via email from Harris that indicated NJR owned 60,000 shares of stock in OLI. The certificate is dated May 20, 2016.
27. Sometime after making the investment, NJR learned that OLI's deal with Kaiser Medical Group did not occur.

28. Harris purported that Johnson & Johnson offered to buy OLI for \$15 per share but Harris wanted to grow the company and sell it for a higher price.
29. To date, NJR has received approximately \$468 back.
30. Prior to the investment, NJR conducted a background check on Harris and found, among other things, five federal tax liens, a civil judgment from 1998, and a criminal conviction for larceny/theft. NJR asked Harris about what NJR found in an email dated March 13, 2016. Harris responded back via email purporting, among other things:
  - a. with regard to the tax liens, Harris said “92-96 were due [to] expenses nor (*sic*) allowed do (*sic*) to [an] audit challenge and had been satisfied with [a] zero balance. I have documentation stating such. The 2005 number was due to the IRS erroneous posting of income to my tax ID number. It too was resolved.”;
  - b. the 1998 civil judgment “was a disputed land sales contract and court documents show judgement [was] dropped due to lack of support. Was filed without notification to me and released with[in] 2 hours of our finding out it existed.”;
  - c. “I was never charged or convicted of any theft. I have a Level 2 security clearance with The State of Texas and Missouri as reserve deputy and firefighter. I could not be either if I had a charge or conviction. I also have a carry conceal permit that would not be allowed.”; and
  - d. “When you are doing background check in future please use correct and reliable sources.”

### **Georgia Resident 2 (“GR2”)**

31. A 45 year-old Alpharetta, Georgia resident (“GR2”) met Harris sometime in 2015 when Harris conducted a presentation about OLI at GR2’s place of employment. The presentation revolved around OLI’s marketing and selling SurgiCleanse and WoundCleanse. Harris purported that OLI/Harris had FDA approval on the products and that OLI/Harris had potential clients in the Middle East and the U.S. Defense Department.
32. From around December 2015 to April 2016, GR2 invested \$110,000 in OLI via wires and checks payable to OLI. The funds were to be used to market and sell SurgiCleanse and WoundCleanse.
33. On or around February 7, 2017, GR2 received an email with an OLI stock certificate attached, purportedly from OLI’s attorney. The stock certificate indicates that GR2 owned 400,000 shares of stock in OLI.

34. GR2 referred several colleagues and family members to OLI/Harris, who subsequently invested funds with OLI/Harris. As a result of the referrals, Harris awarded GR2 extra shares of OLI stock.
35. GR2 had no knowledge of Harris's felony convictions prior to the investments. GR2 was included in an email NJR sent Harris on March 13, 2016, in which NJR asked Harris about some issues discovered in a background check on Harris (described above). GR2 was satisfied with Harris's answers concerning the issues discovered.
36. To date, GR2 has received no funds back.

### **Georgia Resident 3 ("GR3")**

37. A 45 year-old Alpharetta, Georgia resident ("GR3") learned about OLI through GR2, a family member, in or around December 2015.
38. GR3 never spoke to Harris but decided to invest \$15,000 in OLI in or around February 2016. It was GR3's belief that Harris was to use the funds to market and sell OLI products that included SurgiCleanse and WoundCleanse.
39. Sometime after making the investment, GR3 received a stock certificate from Harris, via email, that indicated GR3 owned 15,000 shares of stock in OLI.
40. GR3 was unaware of Harris's felony convictions prior to the investment.
41. To date, GR3 has not received any funds back.

### **Texas Resident 1 ("TR1")**

42. A 41 year-old Westlake, Texas resident ("TR1") learned about OLI/Harris through GR2.
43. After speaking to GR2, TR1 spoke to Harris over the telephone. Harris told TR1 about OLI's operations and purported business deals that were expected to occur.
44. Harris indicated TR1's investment funds would be used to market OLI's products, that included SurgiCleanse and WoundCleanse. TR1 asked Harris to send TR1 a sample of the product and Harris purported he would but TR1 never received it.
45. On or around February 19, 2016, TR1 wrote a \$50,000 check payable to OLI.
46. Sometime after the investment, Harris sent TR1 a stock certificate indicating TR1 owned 50,000 shares of stock in OLI.
47. The only returns TR1 received after making the investment was one \$350 payment.
48. Prior to the investment, TR1 had no knowledge of Harris's felony convictions.

### **Wyoming Resident (“WR”)**

49. A 42 year-old Rock Springs, Wyoming resident (“WR”) learned about OLI/Harris through GR2. GR2 told WR about OLI’s business and the products it was selling.
50. After talking to GR2 about OLI, WR briefly spoke to Harris over the telephone. Harris told WR about the products OLI was marketing and selling that included SurgiCleanse and WoundCleanse. Harris indicated the funds would be used to do research on the products and to market the products.
51. On or about March 1, 2016, WR wired \$10,000 to OLI’s bank account.
52. Not long after the investment, WR received an OLI stock certificate via email from Harris that indicated WR owned 10,000 shares of stock in OLI.
53. WR did not know about Harris’s felony convictions prior to the investment.
54. To date, WR has received about \$30 back.

### **Texas Resident 2 (“TR2”)**

55. Sometime prior to March 2016, a 43 year-old Midland, Texas resident (“TR2”) learned about Harris/OLI through GR2.
56. TR2 is associated with three other investors who formed a Texas entity.
57. After speaking to GR2, TR2 talked to Harris over the telephone for approximately 15-20 minutes. Among other things, Harris talked about OLI’s operations and the products marketed and sold through OLI that included SurgiCleanse and WoundCleanse. Harris purported that one of the products had FDA approval but TR2 could not recall which one. Harris indicated the business would be grown then sold for a profit.
58. On March 3, 2016, TR2, on behalf of the Texas entity, wired \$100,000 to OLI’s bank account. The funds were to be used to market and sell SurgiCleanse and WoundCleanse.
59. After continually complaining, TR2 finally received a stock certificate from Harris via email approximately 18 months after the investment. The certificate indicates TR2’s Texas entity owned 400,000 shares of stock in OLI.
60. Prior to the investment, TR2 was unaware of, among other things, Harris’s felony convictions.
61. To date, TR2’s entity has received approximately \$3,000 back since making the investment.

### **Georgia Resident (“GR4”)**

62. A 32 year-old Cumming, Georgia resident (“GR4”) learned about OLI/Harris through GR2. GR2 told GR4 about OLI’s business operations regarding marketing and selling SurgiCleanse and WoundCleanse. GR2 told GR4 that OLI appeared to be a good investment.
63. GR4 never spoke to Harris prior to making the investment.
64. On or around December 17, 2015, GR4 made a \$25,000 investment via wire to OLI’s bank account. The investment funds were to be used to expand OLI’s business operations.
65. Sometime after making the investment, GR4 received a stock certificate from Harris indicating GR4 owned 25,000 shares of stock in OLI.
66. To date, GR4 has received approximately \$140 back after making the investment.
67. Prior to the investment, GR4 did not know Harris was a convicted felon.

### **Review of University Federal Credit Union Account Ending in #2823**

68. A review of Orthogistic’s University Federal Credit Union account ending in #2823 from December 1, 2015 to February 29, 2016, revealed, among other things, the following:
  - a. Harris was the sole signatory on the account;
  - b. a beginning balance of \$5 on December 1, 2015;
  - c. deposits totaling \$122,987.99 that included:
    - i. a \$15,000 wire from GR1;
    - ii. a \$25,000 wire from GR2;
    - iii. two wires totaling \$15,000 from GR3;
    - iv. a \$25,000 wire from GR4;
    - v. two checks totaling \$31,984.88 from a Texas business for the purchase of products (“Texas Business”); and
    - vi. \$11,000 in transfers from other OLI accounts;
  - d. \$37,000 in withdrawals/transfers to Harris’s personal account;



- e. \$200 in withdrawals/transfers to OLI's account;
- f. \$3,450 in cash withdrawals;
- g. more than \$25,000 in payments to, among others:
  - i. Capital One and Credit One Bank;
  - ii. "INTERNET";
  - iii. Sam's Club, Lowe's, and Ashley Furniture; and
  - iv. convenience stores;
- h. \$52,856.10 in checks written that included:
  - i. two checks totaling \$37,156.10 to a known manufacturer and supplier of SurgiCleanse and WoundCleanse ("Known Supplier") to OLI and/or Orthogistic;
  - ii. \$5,000 to Amniogistic for "transfer";
  - iii. \$5,000 to a law firm; and
  - iv. four checks to unknown individuals; and
- i. ending balance of \$1,466.80 on February 29, 2016.

**Review of University Federal Credit Union Account Ending in #3485**

69. A review of OLI's University Federal Credit Union bank account ending in #3485 from January 26, 2016 to June 30, 2016 revealed, among other things, the following:
- a. a beginning balance of zero on January 26, 2016;
  - b. \$502,381.95 in deposits that included:
    - i. \$75,000 in wires and checks from GR2;
    - ii. \$60,000 in wires from NJR;
    - iii. \$130,000 in wires from PR2;
    - iv. a \$10,000 wire from PR1;
    - v. a \$50,000 check from TR1;

- vi. a \$10,000 wire from WR;
  - vii. a \$100,000 wire from TR2;
  - viii. \$53,418.20 in deposits from Texas Business;
  - ix. \$10,226.79 from “INTUIT”;
  - x. \$2,923.98 in refunds; and
  - xi. \$812.98 in transfers from other accounts;
- c. \$56,650 in withdrawals/transfers to Harris’s personal account;
- d. \$91,000 in withdrawals/transfers to other OLI accounts;
- e. \$87,364.77 in payments to, among others:
- i. more than \$7,000 to Lowes, Sam’s Club, Staples, Best Buy, and Costco;
  - ii. more than \$14,500 in payments to credit card companies;
  - iii. more than \$16,000 in payments to banks;
  - iv. nearly \$8,000 to airline companies and motels;
  - v. more than \$900 to convenience stores and restaurants;
  - vi. nearly \$3,000 to PayPal;
  - vii. \$1,269.48 payment to Reliable Lexus/Toyota;
  - viii. \$19,958.73 to “INTERNET”;
  - ix. \$2,380 to Prosperworks, Inc.; and
  - x. \$4,206.54 to Cestusline, Inc.;
- f. \$264,494.02 in checks written that included:
- i. four checks totaling \$34,770.48 to Known Supplier;
  - ii. two checks totaling \$12,000 to Vertical Vision;

- iii. a \$143,200 check to a Springfield, Missouri law firm. The Enforcement Section would later learn Harris paid back an Orthogistic investor prior to the investor filing a lawsuit;
  - iv. a \$55,000 check to an unknown individual. The Enforcement Section would later learn from information submitted by Harris that this individual was an investor in Orthogistic;
  - v. a \$3,200 check payable to Harris;
  - vi. a \$5,473.54 check to a law firm; and
  - vii. other checks to unknown individuals; and
- g. an ending balance of \$117.16 on June 30, 2016.

**Missouri Resident (“MR”)**

70. Sometime prior to May 2, 2017, a 51 year-old Rogersville, Missouri resident (“MR”), a Certified Financial Planner and registered investment adviser, met Harris through a mutual friend who invested funds with Harris/OLI.
71. MR met with Harris in Harris’s Springfield, Missouri office where Harris told MR about OLI and solicited an investment from MR. Harris did not promise any specific returns, but was optimistic about OLI’s future in selling, among other things, SurgiCleanse and WoundCleanse. MR did not commit to immediately making the investment.
72. Prior to the investment, MR found online, among other things, Harris’s felony convictions in 2002. When MR confronted Harris with this information, Harris denied Harris was the person arrested and convicted of the felonies.
73. MR confirmed with OLI’s manufacturer of products that products were being manufactured and sold through OLI.
74. On or around May 2, 2017, MR wrote a \$50,000 check payable to OLI.
75. After making the investment, MR received from Harris an OLI Founders Shares Stock Purchase Agreement that said, among other things:
- a. 200,000 Founder’s Shares in OLI valued at \$0.25 per share was sold to MR; and
  - b. “Seller and Purchaser hereby represent and warrant that there has been no act or omission by Seller, Purchaser or the Corporation which would give rise to any valid claim against any of the parties hereto for a brokerage commission, finder’s fee, or other like payment in connection with the transaction contemplated hereby.”

76. After making the investment, MR received from Harris an OLI Private Offering Summary that said, among other things:
- a. “The Company was initially capitalized by an investment of \$1,500,000 over 3 years by R G Harris”;
  - b. “The Company intends to raise a minimum of \$250,000 and a maximum of \$375,000 in this Offering to fund the continued growth of our business.”;
  - c. “Proceeds received prior to raising the Minimum Offering Amount will be held in an escrow account with the Company’s bank. Upon raising the Minimum Offering Amount, these proceeds will be released for use by the Company and, thereafter, 100% of the proceeds raised in the Offering, up to the Maximum Offering Amount of \$375,000, will be immediately available for use by the Company with impound or escrow.”;
  - d. “The net proceeds from this offering will be used to expand product development, marketing, sales and distribution capabilities and provide working capital.”; and
  - e. Harris identified himself as “President/CEO” on the document.
77. After making the investment, MR received from Harris an OLI Profit and Loss Statement for the period January 1, 2016 to April 30, 2016. Among other things, the document purports that OLI’s Net Income was \$1,773,546.24 during that period.
78. To date, MR has not received any money back.

**Review of BluCurrent Credit Union Account Ending in #1170**

79. The Enforcement Section reviewed OLI’s BluCurrent Credit Union account ending in #1170 from May 5, 2017 to May 31, 2017 and found, among other things, the following:
- a. Harris, along with Harris’s son and daughter, were signatories on the account;
  - b. a beginning balance of \$8,720.64 on May 5, 2017;
  - c. \$53,254.97 in deposits that included a \$50,000 check from MR that was deposited on May 5, 2017;
  - d. more than \$7,000 in payments to restaurants, convenience stores, Sam’s Club, shipping companies, and computer-related businesses;
  - e. more than \$5,400 in payments to Capital One;
  - f. \$5,750 in withdrawals/transfers to other bank accounts Harris controlled;

- g. \$2,050 in cash withdrawals;
- h. \$40,000 in checks written that included:
  - i. a \$15,000 check to a family member for “SHARE WITHDRAWAL”; and
  - ii. a \$25,000 check to an unknown individual. In a telephone conversation on September 29, 2017, Harris told the Enforcement Section this payment was made to settle a lawsuit; and
- i. an ending balance of \$1,605.28 on May 31, 2017.

**Florida Resident (“FR”)**

- 80. Sometime prior to October 9, 2015, a 73 year-old Odessa, Florida resident (“FR”) was referred to Harris and Amniogistic. FR’s doctor told FR about Amniogistic’s work with stem cells. FR’s doctor also told FR that the doctor had invested funds with Harris/Amniogistic.
- 81. FR called Harris and learned about Amniogistic’s operations with respect to stem cells. Harris solicited a \$100,000 investment from FR to purchase stock in Amniogistic.
- 82. On October 9, 2015, FR wired \$100,000 to Amniogistic’s bank account. After making the investment, FR received a stock certificate from Harris that indicated FR owned 200,000 shares of stock in Amniogistic.
- 83. Not long after making the investment, FR learned from a friend, who also invested in Amniogistic, that Harris was a convicted felon. FR asked Harris if this information was true and Harris denied he was a convicted felon. FR told Harris that FR knew Harris was lying and to send FR’s investment funds back immediately.
- 84. Approximately 18 months after making the investment, FR received \$25,000 back from Harris after FR repeatedly requested FR’s funds back. Later, FR received \$25,000 in medical products (stem cells) as partial compensation.
- 85. FR has repeatedly asked Harris for the remaining \$50,000 back to no avail.

**Review of Citizens Bank of Rogersville Account Ending in #3971**

- 86. A review of Amniogistic’s Citizens Bank of Rogersville (“CBOR”) account ending in #3971 during the month of October 2015 revealed, among other things, the following:
  - a. Harris, and Harris’s son and daughter, were signatories on the account;
  - b. a beginning balance of \$10,892.40 on October 9, 2015;

- c. FR's \$100,000 investment deposited via wire on October 9, 2015;
- d. \$100,000 transferred to Harris's personal CBOR account ending in #3986 on October 13, 2015; and
- e. from Harris's personal account ending in #3986, \$100,000 withdrawn via wire transfer to KR below for "PURCHASE OF PRODUCT" on October 13, 2015.

**Kansas Resident ("KR")**

- 87. In late 2014 or early 2015, a 50 year-old Leawood, Kansas resident ("KR") met Harris through a mutual friend who was an Orthogistic investor.
- 88. KR met Harris at Harris's office in Springfield, Missouri where Harris told KR about Orthogistic and its products SurgiCleanse and WoundCleanse. Harris solicited a \$25,000 investment from KR at this meeting.
- 89. KR decided to make the \$25,000 investment via 2 checks: \$20,000 on or about March 24, 2015 and \$5,000 on or about April 15, 2015.
- 90. Not long after making the investment, Harris solicited KR for a \$200,000 investment. Harris purported the funds would be used for lab testing and research on SurgiCleanse and WoundCleanse. Harris told KR the funds would be paid back with interest within 60 days. KR decided to make the investment.
- 91. A \$150,000 wire from KR to Harris on June 18, 2015, was confirmed by KR as being a loan for lab testing and development on the products SurgiCleanse and WoundCleanse.
- 92. Harris failed to pay the funds back to KR as promised and Harris provided a number of excuses why the funds could not be paid back. Harris offered KR Orthogistic stock in return but KR declined this offer.
- 93. KR hired an attorney after numerous requests for the funds to be paid back. Prior to a lawsuit being filed against Harris, Harris paid back a majority of the funds.
- 94. With regard to a \$100,000 wire from Harris to KR on October 13, 2015 for "PURCHASE OF PRODUCT", KR advised this transaction was a loan payment. KR did not know why Harris indicated on the wire documentation that product was being purchased from KR because KR never sold any products to Harris.
- 95. Among others, KR confirmed Harris made the following payments on the investment and/or loan:
  - a. \$10,000 on September 3, 2015;

- b. \$100,000 on October 13, 2015;
- c. \$10,000 on November 23, 2015; and
- d. \$77,500 on September 1, 2016.

**KR's \$25,000 Investment**

96. A review of Orthogistic's University Federal Credit Union account ending in #2823 from March 23, 2015 to April 27, 2015 revealed, among other things, the following:
- a. a beginning balance of \$6,446.17 on March 23, 2015;
  - b. deposits totaling \$26,331.04 that included:
    - i. two checks totaling \$25,000 from KR;
    - ii. two checks totaling \$652.92 from a medical facility;
    - iii. a \$300 check from a chiropractor; and
    - iv. a \$378.12 check from a pharmacy;
  - c. more than \$8,000 in payments to credit card companies, convenience stores, Sam's Club, Best Buy, and Go Daddy;
  - d. a \$3,423.67 check written to an unknown individual;
  - e. \$10,500 in transfers to other accounts;
  - f. \$2,800 in cash withdrawals; and
  - g. an ending balance of \$8,022.09 on April 27, 2015.

**KR's \$150,000 Investment**

97. A review of Orthogistic's University Federal Credit Union account ending in #2823 from June 17, 2015 to July 9, 2015 revealed, among other things, the following:
- a. a beginning balance of \$7,529.43 on June 17, 2015;
  - b. \$150,404.98 in deposits that included a \$150,000 wire from KR on June 18, 2015; and

- c. \$136,000 in withdrawals/transfers to other accounts that included \$125,500 in transfers to Harris's personal University Federal Credit Union account ending in #3745.
98. A review of Harris's personal University Federal Credit Union account ending in #3745 from June 17, 2015 to July 10, 2015 revealed, among other things, the following:
- a. Harris was the sole signatory on the account;
  - b. a beginning balance of \$304.77 on June 17, 2015;
  - c. deposits totaling \$125,500 via transfers from Orthogistic's University Federal Credit Union account ending in #2823;
  - d. a \$102,909.83 withdrawal via wire to a title company on July 10, 2015. The Enforcement Section would later learn this transaction was made to purchase a residence in Phelps County, Missouri; and
  - e. ending balance of \$1,894.96 on July 10, 2015.

#### **Harris's Communications with the Enforcement Section**

99. On July 24, 2017, Harris called the Enforcement Section and said among other things, that Harris was convicted of securities fraud in 2002 and this information was not disclosed to investors prior to the investments in OLI and/or Orthogistic. In another telephone conversation with the Enforcement Section on September 29, 2017, Harris purported that Harris told all investors about the felony convictions sometime after the telephone conversation with the Enforcement Section on July 24, 2017.
100. On or about October 3, 2017, the Enforcement Section received a response from Harris to an information request. Among other things:
- a. Harris included an Excel spreadsheet that indicated Orthogistic had six investors who invested a total of \$320,000 between June 2014 and June 2015. The shares in the company have purportedly been repurchased by Harris;
  - b. Harris identified 17 investors in OLI who invested a total of \$485,000 between December 2015 to May 2017. All of the above investors were included;
  - c. Harris identified himself as the "President and CEO" of OLI and said he is the largest shareholder;
  - d. with regard to Orthogistic, Harris indicated he "was the Managing Member and ran the company. It was set up when I was alone and selling medical devices for other companies as a distributor.";



- e. Harris is the “Managing Director” for Cytogistic and runs “the day to day operations of the company.” No investors in this entity were identified, but, Harris included a Cytogistic Summary that indicated the company intended to raise \$250,000-\$500,000. In addition, the Summary indicated Cytogistic acquired Amniogistic in May of 2016;
  - f. “Investor funds were used in several areas to develop business in the US, Costa Rica, Panama and support the sales effort.”;
  - g. “I received no compensation for investments, I take no salary only commission on my sales and overrides.”; and
  - h. Harris claimed an exemption from securities registration citing “Rule 506 of Regulation D promulgated under the Securities Act of 1933.”
101. Due to Harris’s securities fraud conviction in 2002, Harris is considered a “bad actor” and is disqualified from claiming an exemption from securities registration under Rule 506 of Regulation D.

#### **Interview With Former OLI Attorney**

102. On August 7, 2017, the Enforcement Section interviewed an attorney who represented OLI/Harris from approximately 2014 to the fall of 2016. Among other things, the attorney said:
- a. he never solicited for any investments in OLI or any other entity associated with Harris. His duties included “certain transactional matters, including a trademark dispute as well as a trademark trial”;
  - b. he never created or used email addresses associated with OLI or any other entity associated with Harris. All emails from him should have a signature block with the law firm’s address that he was then-associated with;
  - c. the Enforcement Section sent the attorney PDF copies of emails purportedly from the attorney to several investors, and at least one letter purportedly drafted by the attorney to an individual. The attorney said he did not draft and/or send the emails or the letter. In fact, many of the emails spelled his name wrong; and
  - d. the attorney never gave Harris “permission or authority to sign my name to any communications, nor did I give him permission to send or receive any communications on my behalf.”

#### **December 6, 2017 Letter to Investors**

103. On or about December 6, 2017, Harris sent a letter to OLI investors that said, among other things, the following:

- a. Harris intended to pay back all investors by the end of 2017 when OLI received payment for products sold;
- b. Harris is the largest shareholder in OLI and “I haven’t taken 1 penny in dividends and left mine in the company to be very clear.”;
- c. Harris purported that Harris never received a salary and that Harris “only received commissions on sales I have made and have been reimbursed for business expenses.”;
- d. Harris purported that a large amount of money was spent to grow the business in the Republic of Panama, Costa Rica, and attempts to gain contracts from the U.S. Army; and
- e. Harris admitted he was convicted of securities fraud and said “I apologize for not sharing this up front with you all and will accept anything that comes for that failure to disclose that to you.”

**Misleading Statements/Omissions**

104. In connection with the offer and/or sale of securities, specifically stock in OLI, Orthogistic, and/or Amniogistic, Harris made misleading statements and/or omitted to disclose material information to investors including the following:
- a. a 2000 judgment in the amount of \$32,631.68 against Harris in Trade Partners, Inc. v. Midwest Investment Services, Inc., case #99-01829-CK, 17th Judicial Circuit in the state of Michigan;
  - b. a 2001 judgment in the amount of \$295,000 against Harris in Tyrus Cowden v. Roy G. Harris, case #31100CC3627, Circuit Court of Greene County, Missouri;
  - c. a 2001 judgment in the amount of \$93,750 against Harris in Greg Nelson v. Roy G. Harris, case #31100CC2116, Circuit Court of Greene County, Missouri;
  - d. Harris’s 2002 felony convictions for securities fraud, deceptive business practices, and stealing;
  - e. a 2005 federal tax lien in the amount of \$845,048.31;
  - f. a 2016 judgment in the amount of \$282,674.03 against Harris in Jimmy Evans v. Roy G. Harris, case #1631-CC0063, District Court of the state of Texas for the county of Travis;

- g. specific information concerning how Harris would use the investment funds and that Harris would use a large portion of the funds to pay back other investors and to pay personal expenses;
- h. specific information regarding how Harris would be compensated for each investment;
- i. that Harris would use the name of a former OLI attorney and communicate with investors via email and letters using the attorney's name without authorization; and
- j. that Harris was not registered to offer and/or sell securities.

## **II. COMMISSIONER'S DETERMINATIONS AND FINDINGS**

### **Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities**

105. **THE COMMISSIONER DETERMINES** that Respondent Harris, through OLI, Orthogistic, and Amniogistic, offered and sold unregistered, non-exempt securities in and/or from the state of Missouri to, among others, PR1, PR2, GR1, NJR, GR2, GR3, TR1, TR2, WR, GR4, MR, FR, and KR, collectively "Investors", by, among other things:
- a. soliciting individuals to invest in OLI, Orthogistic, and Amniogistic;
  - b. in exchange for their investment, the Investors received shares of stock;
  - c. the Investors' funds were to be used to market and sell SurgiCleanse and WoundCleanse;
  - d. the Investors expected a profit from the efforts of Harris, OLI, Orthogistic, and Amniogistic and not from the Investors' own efforts; and
  - e. the Investors' expected profits were interwoven with and dependent upon the efforts of Harris, OLI, Orthogistic, and Amniogistic.
106. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26), RSMo. (2016).<sup>1</sup>
107. The investments that Respondent Harris offered and/or sold constitute securities as that term is defined in Section 409.1-102(28).
108. 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 Respondent.

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<sup>1</sup> Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

109. Respondent Harris is disqualified from using the exemptions under Rule 506 of Regulation D,<sup>2</sup> as Respondent Harris's securities fraud conviction qualifies Respondent Harris as a "bad actor".
110. Respondents offered and sold securities in and/or from Missouri without these securities 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.
111. At the time Respondents engaged in the conduct set forth above, FR was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
112. 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.

#### **Multiple Violations of Transacting Business as an Unregistered Agent**

113. **THE COMMISSIONER FURTHER DETERMINES** that Respondent Harris transacted business as an unregistered agent in the state of Missouri.
114. Respondent Harris offered and/or sold securities to investors in and/or from Missouri.
115. These activities constitute transacting business as an agent in the state of Missouri under Section 409.1-102(1).
116. At all times relevant to this matter, Respondent Harris was not registered as an agent in the state of Missouri.
117. At the time Respondent Harris engaged in this conduct, FR was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
118. Respondent Harris offered and/or sold securities to investors in and/or from Missouri without being registered or exempt from registration as an agent in violation of Section 409.4-402(a).
119. Respondent Harris's conduct in violation of Section 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.

#### **Multiple Violations of Employing an Unregistered Agent**

120. **THE COMMISSIONER FURTHER DETERMINES** that Respondents OLI, Orthogistic, and Amniogistic employed or associated with an unregistered agent in the state of Missouri.

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<sup>2</sup> 17 C.F.R. § 230.506

121. Respondents OLI, Orthogistic, and Amniogistic employed or associated with Respondent Harris who offered and sold securities on behalf of Respondents OLI, Orthogistic, and Amniogistic.
122. These activities constitute employing and/or associating with an agent in the state of Missouri under Section 409.4-402(d).
123. At all times relevant to this matter, Respondents OLI, Orthogistic, and Amniogistic had no registration or granted exemption for any agents of Respondents OLI, Orthogistic, or Amniogistic to transact business in and/or from the state of Missouri.
124. At the time Respondents OLI, Orthogistic, and Amniogistic engaged in this conduct, FR was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
125. Respondents OLI, Orthogistic, and Amniogistic employed or associated with an unregistered agent who transacted business in and/or from the state of Missouri in violation of Section 409.4-402(d).
126. Respondents OLI, Orthogistic, and Amniogistic 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**

127. **THE COMMISSIONER FURTHER DETERMINES** that, in connection with the offer, sale or purchase of a security, Respondents made untrue statements of material fact or 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, including, but not limited to, the following:
  - a. a 2000 judgment in the amount of \$32,631.68 against Harris in Trade Partners, Inc. v. Midwest Investment Services, Inc., case #99-01829-CK, 17th Judicial Circuit in the state of Michigan;
  - b. a 2001 judgment in the amount of \$295,000 against Harris in Tyrus Cowden v. Roy G. Harris, case #31100CC3627, Circuit Court of Greene County, Missouri;
  - c. a 2001 judgment in the amount of \$93,750 against Harris in Greg Nelson v. Roy G. Harris, case #31100CC2116, Circuit Court of Greene County, Missouri;
  - d. Harris's 2002 felony convictions for securities fraud, deceptive business practices, and stealing;

- e. a 2005 federal tax lien in the amount of \$845,048.31;
  - f. a 2016 judgment in the amount of \$282,674.03 against Harris in Jimmy Evans v. Roy G. Harris, case #1631-CC0063, District Court of the state of Texas for the county of Travis;
  - g. specific information concerning how Harris would use the investment funds and that Harris would use a large portion of the funds to pay back other investors and to pay personal expenses;
  - h. specific information regarding how Harris would be compensated for each investment;
  - i. that Harris would use the name of a former OLI attorney and communicate with investors via email and letters using the attorney's name without authorization; and
  - j. that Harris was not registered to offer and/or sell securities.
128. **THE COMMISSIONER FURTHER DETERMINES** that, in connection with the offer, sale or purchase of a security, Respondents engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by, among other things, lulling the investors in order to obtain additional investment funds, and/or avoid or delay detection by:
- a. claiming that Respondent Harris did not have any charges or convictions against him, when Respondent Harris was convicted of securities fraud, deceptive business practices, and stealing in 2002;
  - b. claiming that Respondent OLI was preparing to close a deal with Kaiser Medical Group to sell SurgiCleanse and WoundCleanse on the west coast of the United States;
  - c. claiming that Johnson & Johnson had offered to buy Respondent OLI for \$15 per share;
  - d. settling potential lawsuits against Respondents using investor funds;
  - e. misrepresenting a \$100,000 wire to KR as "PURCHASE OF PRODUCT";
  - f. using investor funds to make investment and/or loan payments to KR;
  - g. using investor funds for personal expenses; and
  - h. claiming to be an attorney representing Respondents.

129. At the time Respondents engaged in this conduct, FR was more than 60-years-old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
130. Respondents made untrue statements 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.
131. 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).

### **III. 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 and/or from 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;

### **IV. STATEMENT**

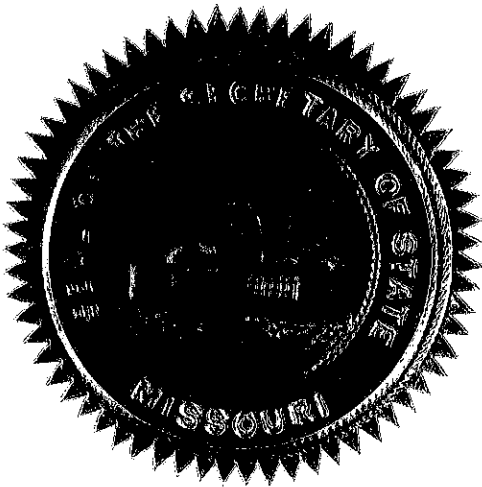
Pursuant to Section 409.6-604, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's request for:

- A. \$15,000 civil penalty against each Respondent for multiple violations of Section 409.3-301, when at least one of these violations was committed against an elderly person;
- B. \$15,000 civil penalty against Respondent Harris for multiple violations of Section 409.4-402(a), when at least one of these violations was committed against an elderly person;

- C. \$15,000 civil penalty against Respondents OLI, Orthogistic, and Amniogistic for multiple violations of Section 409.4-402(d), when at least one of these violations was committed against an elderly person;
- D. \$15,000 civil penalty against each Respondent for multiple violations of Section 409.5-501, when at least one of these violations was committed against an elderly person;
- E. an order against Respondents to pay, jointly and severally, restitution in the amount of \$622,889.81 or more for any loss, including any actual damages that may have been caused by the conduct, and interest at the rate of 8% per year from the date of the violation causing the loss or disgorge any profits arising from the violations of Sections 409.3-301, 409.4-402, and 409.5-501, in the final order, unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed; and
- F. an order against Respondents to pay, jointly and severally, the costs of the investigation in this proceeding, after a review of evidence of the amount submitted by the Enforcement Section.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 12<sup>th</sup> DAY OF MARCH, 2018.



JOHN R. ASHCROFT  
SECRETARY OF STATE

  
\_\_\_\_\_  
DAVID M. MINNICK  
COMMISSIONER OF SECURITIES





STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
ROY HARRIS, JR.; ORTHOGISTIC )  
LABS, INC.; ORTHOGISTIC, LLC; )  
and AMNIOGISTIC, LLC, )  
)  
*Respondents.* )

Case No. AP-18-07

Serve: )  
)  
Roy G. Harris, Jr. )  
6033 East Farm Road 186 )  
Rogersville, Missouri, 65742 )  
[rharris@orthogisticlabs.com](mailto:rharris@orthogisticlabs.com) )  
[roy.harris@orthogistic.com](mailto:roy.harris@orthogistic.com) )  
)  
Orthogistic Labs, Inc. )  
c/o Registered Agents, Inc. )  
700 Lavaca Street, Suite 1401 )  
Austin, Texas 78701 )  
)  
Orthogistic, LLC )  
c/o Amy Duncan-Registered Agent )  
200 South Oakridge Drive, Suite 101-522 )  
Hudson Oaks, Texas 76087 )  
)  
and )  
)  
Amniogistic, LLC )  
4319 South National Avenue, Suite 304 )  
Springfield, Missouri 65810 )

**NOTICE**

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

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo. (2016), and 15 CSR 30-55.020. Any request for a hearing before the Commissioner must contain:

- a. a brief statement of the facts;
- b. a summary of the factual and legal issues involved;
- c. a request for relief;
- d. suggestions in support of the relief sought, including the relevant statutes;
- e. the name of the party requesting the hearing; and f. the name of the attorney representing the party, if any.

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

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

**David M. Minnick, Commissioner of Securities**  
**Office of the Secretary of State, Missouri**  
**600 West Main Street, Room 229**  
**Jefferson City, Missouri, 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 12<sup>th</sup> day of March, 2018, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was **mailed by certified U.S. mail and email to:**

Roy G. Harris, Jr.  
6033 East Farm Road 186  
Rogersville, Missouri, 65742  
[rharris@orthogisticlabs.com](mailto:rharris@orthogisticlabs.com)  
[roy.harris@orthogistic.com](mailto:roy.harris@orthogistic.com)

Orthogistic Labs, Inc.  
c/o Registered Agents, Inc.  
700 Lavaca Street, Suite 1401  
Austin, Texas 78701

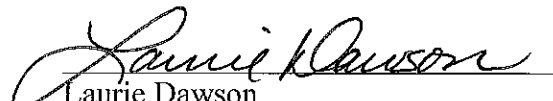
Orthogistic, LLC  
c/o Amy Duncan-Registered Agent  
200 South Oakridge Drive, Suite 101-522  
Hudson Oaks, Texas 76087

and

Amniogistic, LLC  
4319 South National Avenue, Suite 304  
Springfield, Missouri 65810

**and hand delivered to:**

Derek Green, Enforcement Counsel  
Securities Division  
Missouri Secretary of State's Office  
600 West Main Street, Room 229  
Jefferson City, Missouri 65101

  
Laurie Dawson  
Securities Office Manager