



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF)
)
5A HOLDINGS, LLC;)
CAMERON J. HAGER, AND)
ROBERT D. HAWKINS,) Case No. AP-18-08
)
 Respondents.)
)

**FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING
RESTITUTION AND ASSESSING CIVIL PENALTIES AND COSTS AS TO
RESPONDENTS 5A HOLDINGS, LLC AND CAMERON J. HAGER**

Now on this 4th day of June, 2018, the Missouri Commissioner of Securities (“the Commissioner”), having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On April 2, 2018, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“the Enforcement Section”), through Enforcement Counsel Derek , submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, Costs Should not be Imposed (“Petition”).
2. On April 2, 2018, the Enforcement Section sent, via certified U.S. mail, a copy of the Petition to Respondent Robert D. Hawkins’s (“Hawkins”) last known address at 942 Southeast Highway 7, Clinton, Missouri 64735-9521, and to Respondent Hawkins’s then-attorney James C. Johns (“Johns”) at 102 West Jefferson Street, Clinton, Missouri 64735. On or about April 5, 2018, Johns confirmed he received the copy sent by certified mail and delivered the copy to Respondent Hawkins. John also stated he was no longer representing Respondent Hawkins.
3. On April 2, 2018, the Enforcement Section sent, via certified U.S. mail, a copy of the Petition to Respondents 5A Holdings, LLC (“5A”) and Cameron Hager (“Hager”) to their last known addresses of 7419 Ward Parkway, Kansas City, Missouri 64114 and 585 Southeast 971st Road, Clinton, Missouri 64735-9543, respectively. On April 3, 2018, the Enforcement Section, through investigator Troy Cebulak, hand-delivered a copy of the Petition to Hager for Respondents Hager and 5A.

4. On April 3, 2018, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should not be Imposed (the “C&D Order”). On the same day, the Office of the Commissioner sent, via certified U.S. mail, a copy of the C&D Order and Notice of Right to Request a Hearing to Respondent Hawkins’s last known address at 942 Southeast Highway 7, Clinton, Missouri 64735-9521, and to Respondent Hawkins’s then-attorney James C. Johns (“Johns”) at 102 West Jefferson Street, Clinton, Missouri 64735. On or about April 5, 2018, Johns confirmed he received the copy sent by certified mail and delivered the copy to Respondent Hawkins.
5. On April 3, 2018, the Office of the Commissioner sent, via certified U.S. mail, a copy of the C&D Order and Notice of Right to Request a Hearing to Respondents 5A and Hager to their last known addresses of 7419 Ward Parkway, Kansas City, Missouri 64114 and 585 Southeast 971st Road, Clinton, Missouri 64735-9543, respectively. On April 3, 2018, the Enforcement Section, through investigator Troy Cebulak, hand-delivered a copy of the Petition to Hager for Respondents Hager and 5A.
6. On or around April 3, 2018, a copy of the C&D Order was made available to the general public on the Missouri Secretary of State’s website.¹
7. On April 18, 2018, the Commissioner issued a Consent Order as to Respondent Hawkins.²
8. On May 15, 2018, the Enforcement Section submitted a Motion for Final Order as to Respondents 5A and Hager.
9. Respondents 5A and Hager failed to request a hearing within the time allowed by Section 409.6-604, RSMo.³
10. The Commissioner has not ordered a hearing in this matter in accordance with Section 409.6-604.
11. Respondents 5A and Hager have failed to respond to the Motion for Final Order.

II. FINDINGS OF FACT

A. Summary

12. From approximately March 2016 to August 2017, Hager, through his business 5A, solicited more than 90 investors from at least 21 different states to invest approximately \$4.7 million in 5A purportedly to purchase and sell cattle for profit. No cattle were purchased and Hager used investor funds to pay commissions to investors for referring others to invest, to pay purported returns on investments, and for personal expenses.

¹ <http://www.sos.mo.gov/CMSimages/Securities/AP-18-08.pdf>

² <http://www.sos.mo.gov/CMSimages/Securities/AP-18-08HC.pdf>

³ Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

B. Respondents and Related Parties

13. 5A is a limited liability company organized in the state of Missouri on February 8, 2006. Its registered agent is Todd Campbell with an address at 7419 Ward Parkway, Kansas City, Missouri, 64114. 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 5A.
14. Hager is a 42 year-old Clinton, Missouri resident with a last known address at 585 Southeast 971st Road, Clinton, Missouri, 64735-9543. A check of the Central Registration Depository (“CRD”) indicates that Hager has never been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.
15. Hawkins is a 27 year-old Clinton, Missouri resident with a last known address at 942 Southeast Highway 7, Clinton, Missouri, 64735-9521. A check of the CRD indicates that Hawkins has never been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.

C. “Frequently Asked Questions” Marketing Document

16. On or about October 31, 2017, after a request from the Enforcement Section, Hager sent the Enforcement Section, among other things, a “Frequently Asked Questions” marketing document that explained 5A’s operations to potential investors.
 - a. In the “What do you do and how do you do it?” section of the document, it explains how 5A provides a solution to cattle farms and ranches who are experiencing financial difficulty by offering a purchase price for herds of cattle: “Once the offer is agreed upon, our job is to raise the capital necessary for that specific herd. We generally require a 2-3 week time span to do so. The funds are remitted to a holdings account and the herd is then purchased direct from the farmer. Our transport team moves in and loads and hauls the cattle to grass pasture, where they will stay for a specified amount of time before final distribution.”
 - b. In the “How do you estimate the return prior to the payout?” section of the document, it explains that 5A pre-calculates an estimated return before an offer is made to the owner of the cattle. “This is done through a well proven and proprietary formula equation.”
 - c. In the “What process is gone through to make sure each deal is a good one?” section, it provides “We carefully review every cattle herd to make sure that your funds are safely used. We have at a minimum two sets of experienced cattle ‘eyes’ view the herd and a seasoned veterinarian will perform an on site evaluation of the health and quality of the herd prior to the offer sheet, therefore mitigating potential risk. We also conduct an extensive financial overview on

each specific herd and create an outlook that will ensure that each transaction we do is a good one.”

- d. In the “How am I protected from downside risk?” section, it provides “We set in place several safeguards and utilize several common sensical [*sic*] protocols into our model. First we hold the cattle for no more than six months currently. These are living and growing animals and there is a fine line of keeping and feeding too long versus selling when there is weight to gain. Currently our experience has shown the shorter time we hold inventory the better. Second we have each herd evaluated by a veterinarian three times minimum during the duration of our ownership. This prevents illness, labor deaths, and other health ramifications. Additionally, we carry a unique umbrella insurance policy to protect from acts of nature, criminal activity, transport accidents and property/road accidents.”
- e. In the “What is the advantage of participating in this?” section, it provides “We don’t open this up to the general public. This is a private input opportunity and utilizing this as a vehicle to further your financial future passively, with low risk and above average returns provide a great opportunity to prosper.”
- f. In the “I know very little about the cattle marke[t] and beef industry, is this still a good fit for me?” section, it provides “Yes it is. We don’t rely on your expertise to have success, that’s what we are here for. Our sole goal is to not only churn a fantastic return on your money, but to provide a passive approach to fulfill your financial goals. You don’t need to follow the market to know how much more expensive your steak is at the restaurant or how much the ground beef has shot up in the grocery store. The current demand for beef is surpassing supply.”
- g. In the “What are the average inputs and what can I expect out of it and in what time frame?” section, it provides “We understand you want your money working for you. Therefore the amount you put in is based on your comfort level and availability of funds at the time. However, the average input is currently \$39,400 per participant. Although we cannot promise or guarantee a specified return on the input or time frame, we can state the average percentage return is currently 23.71% on an average of 138 days. Our goal is to provide an efficient turn around on your working capital to provide an above average return in a very unique and diversified sector.”
- h. In the “Why do you need my participation?” section, it provides “Working in partnership, we apply our operational and financial skills and the inventory at hand to create a profitable situation through supply and demand. Our model is based on the up-front funding of a tangible acquisition to empower two sets of participants; the seller and yourself. We believe in win-win scenarios. It literally takes us, the seller, and you to make it all come together. At the end of the day, we are you, we are not a large firm that posts sales goals on a boardroom white board. Instead we treat everyone with sincerity and respect. We give honest, straight up information and truly put you and your family first. We simply offer a

relationship that can help you and your hard earned money. The initialization of this project began on the premise that every day people could create a large input through the masses of people.”

- i. In the “What if I don’t withdraw the funds in my account after a closing date?” section, it provides “We aim to have simultaneous options available at all times. We intend to let you feel and see success, so you can grow your desired goals each and every month-time and time again. If you want to withdraw and receive a pay out, you are more than welcome to do so. However, if you want to keep your money in and not deal with the taxation liability at that time, you may do that as well.”
- j. In the “Is my money put into a large fund” section, it states “We input wisely into a specified identifier with its own fund. By doing it this way it provides quick and reasonable growth to the participant. In all situations, you will be provided with specific dates of insertion of funds AND the projected return and time frame. You will never need to worry about your money being in a massive fund that could be involved in multiple, watered down portfolios.”
- k. In the “What kind of investor should participate?” section, it provides “We desire passionate and eager individuals who are deeply serious about participating in a plan that will prepare them for the long term. We prefer those who have goals, dreams, and an understanding of their own process when it comes to putting their money to work. When we finalize an option, we take it very serious. Why? Because our record is proven. Our plan and our goal is to help you see growth in something different-something new.”

D. Cattle Share Agreements and/or Cattle Collaboration Agreements

17. Hager executed Cattle Share Agreements and/or Cattle Collaboration Agreements with investors that included the following information:
 - a. the date and amount of the investment;
 - b. Hager and/or 5A are referred to as the “Manager” of the fund and the investor is referred to as a “Partner”;
 - c. the “Partner is defined as a Limited Partner acquiring a percentage of the herd.”;
 - d. “The Partner has no attached responsibility or legal binding to any liabilities, damages, or claims as a result from the Cattle or any associations thereof, from the Effective Date to the Sell Date”;
 - e. a number is assigned to a specific herd of cattle and includes an anticipated purchase date and sell date; and

- f. “Upon the sale of the Cattle, Manager will distribute original Contribution, plus return to Partner. Contribution and return to Partner will be delivered with seven (7) to ten (10) business days of sale execution.”

E. Personal Guarantor Agreements

- 18. Hager executed a Personal Guarantor Agreement with approximately five investors that, among other things:
 - a. referred to Hager as the “Guarantor” and the investor as the “Obligee”;
 - b. stated “The Guarantor does hereby guarantee and agree to pay [insert dollar amount] of all indebtedness of any nature whatsoever in reference to the acquisition. The Guarantor hereby unconditionally guarantees no loss to the Obligee. The maximum time frame for the Debtor to recover the initial input is [insert date]. On or before this date, the Guarantor will ensure no less than [insert dollar amount] is provided to Obligee.”; and
 - c. the document is signed by Hager and the investor.

F. 5A Statements

- 19. After the purported sale of the cattle herd (and sometimes prior), the investor received a statement from 5A and/or Hager, typically via email, that listed, among other things, the following information:
 - a. the specific cattle herd number that was purchased and sold or to be sold;
 - b. the initial date and amount of the investment; and
 - c. the sell date and return on investment or “ROI.” Typically, the ROI was more than 20%.

G. Hager’s Narrative Response

- 20. In a written narrative, Hager said, among other things, the following:
 - a. “I created an opportunity for acquaintances, friends, and others to be involved in cattle herd purchases that would provide a high return over 4-6 months. It was sold to be consistent and covered by catastrophe insurance, but still an investment, but more of a crowd funding opportunity to be a group of guys coming together to chip in money to buy cattle.”;
 - b. Hager paid commissions to investors if they referred others to invest in 5A. The commission payments typically amounted to 5%-10% of the total amount invested; and

- c. “there were never any cattle purchases. I used the money to pay returns, personal bills and purchases and to invest into other opportunities hoping to catch up so I could pay people back and shut down the opportunity. I was wrong and deceived people and I am deeply regretful for what I did.”

H. Virginia Resident (“VR”)

21. On September 26, 2017, the Enforcement Section interviewed a 26 year-old Newport News, Virginia resident (“VR”) who referred, among others, his Uncle to invest in 5A.
22. After VR’s Uncle’s investment of \$10,000 on or around January 5, 2017, VR and his Uncle flew from the Uncle’s home state of Tennessee to Kansas City, Missouri to meet with a purported 5A veterinarian named Robert Harper (“Harper”) on or around April 19, 2017.
23. For approximately 10-12 hours, VR and his Uncle followed Harper to several properties holding cattle purportedly owned by 5A and its investors. Harper would spend only 10-15 minutes at each location looking at the cattle through binoculars from the fence line. When a car would drive by, VR noticed Harper would appear nervous.
24. Harper told VR and his Uncle that Hager was 50% owner of 5A and an elderly Kansas resident named Monte Fortin (“Fortin”) owned the other 50%. VR recalled that Hager frequently spoke of Fortin but VR never met him.

I. Bank Record Review

25. The Enforcement Section reviewed 5A’s Equity Bank account ending in #1202 from October 1, 2012 to present and found, among other things, the following:
 - a. more than 90 investors from at least 21 different states invested approximately \$4.7 million mostly via wires to the account;
 - b. approximately \$1.2 million in payments back to the investors for return on investments or commissions;
 - c. a \$17,200 payment to an auto sales company on June 13, 2017;
 - d. a \$15,000 payment to an equine business on July 24, 2017. Hager would later tell the Enforcement Section he purchased two horses;
 - e. a \$45,420 payment to a printing company. Hager would later tell the Enforcement Section that the payment was made to purchase a full format printer;
 - f. a \$15,000 payment to an RV business. Hager would later tell the Enforcement Section this payment was made to purchase a travel trailer; and

- g. numerous payments made that appeared to be personal expenses and not related to the purchase or sale of cattle.

J. Hager's On-the-Record Interview

26. On November 29, 2017, the Enforcement Section conducted an on-the-record (“OTR”) interview with Hager. Among other things, Hager said that:
- a. there was never a cattle fund as Hager had purported to investors and that 5A was a “fraudulent business”;
 - b. purported insurance documents pertaining to the cattle that Hager sent investors were not real. Hager found the insurance documents on the internet;
 - c. the Cattle Share Agreements and/or the Cattle Collaboration Agreements Hager executed with investors were created by Hager using a template found on the internet;
 - d. the statements Hager sent investors were created by Hager using a template found on the internet. Not all investors received a statement from Hager because Hager’s “administrative capabilities were utterly pathetic”;
 - e. Fortin “is not a real person.” Hager used Fortin as a “scapegoat” with investors to deflect blame on some business decisions. Hager listed Fortin on a Missouri business registration for Parsh Holdings, an entity that had no investors. Hager told investors Fortin started 5A in 2002 and Hager “fine-tuned” the business model in 2015;
 - f. Hager executed a Personal Guarantor Agreement with approximately five investors “to help the pitch and to add just like the insurance was to add security to the investment stability.”;
 - g. approximately three investors wanted to see actual proof that cattle were purchased so Hager sent them an invoice Hager created from a template found on the internet. Hager showed at least one investor a \$215,000 check purportedly used to pay for a herd of cattle. Hager destroyed the check after showing it to the investor;
 - h. Robert Harper’s real name is Robert Hawkins (“Hawkins”). Hawkins was paid \$500 to act as 5A’s veterinarian when Hawkins met with VR and VR’s Uncle. Hawkins is not a licensed veterinarian; and
 - i. on March 1, 2016, Hager had an email exchange with a doctor in Louisiana in which Hager represented that country singer Alan Jackson was investing \$500,000 in 5A, Carlos Beltran was investing \$850,000 in 5A, and Hager invested

\$144,000 in 5A last year and was investing \$275,000 this year. Hager admitted this was all untrue.

K. Robert Hawkins Identified

27. On November 29, 2017, the Enforcement Section emailed a photograph of Hawkins to VR and VR's Uncle. Both men positively identified Hawkins as 5A's purported veterinarian they met on or around April 19, 2017.

L. Enforcement Section Letter to Robert Hawkins

28. On or about December 8, 2017, the Enforcement Section sent a letter to Hawkins asking for, among other things, a narrative describing Hawkins' relationship with Hager, 5A, and a narrative explaining why Hawkins acted as 5A's veterinarian while meeting with VR and VR's Uncle on or about April 19, 2017.
29. Hawkins, through counsel, declined to cooperate with the Enforcement Section's investigation.
30. Since the OTR on November 29, 2017, Hager has attempted to repay investors at least 10% of their total investment. To date, Hager has purportedly paid back approximately \$350,000 to investors.

III. CONCLUSIONS OF LAW

31. Respondents 5A and Hager 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 April 3, 2018, against 5A and Hager became **FINAL** by operation of law.

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

32. **THE COMMISSIONER CONCLUDES** that Respondents 5A and Hager violated Section 409.3-301 when Respondent Hager, through Respondent 5A, offered and sold unregistered, non-exempt securities in and/or from the state of Missouri to investors by, among other things:
- a. soliciting individuals to invest in Respondent 5A and receiving funds from the investors;
 - b. the investors invested funds in a common enterprise with Respondent Hager and 5A;
 - c. the investors' funds were to be used by Respondents Hager and 5A to purchase, raise, and sell cattle;

- d. the investors expected a profit from the efforts of Respondents Hager and 5A and not from the investors' own efforts; and
 - e. the investors' expected profits were interwoven with and dependent upon the efforts of Respondents Hager and 5A.
- 33. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26).
 - 34. The investments that Respondents Hager and 5A offered and/or sold constitute securities as that term is defined in Section 409.1-102(28).
 - 35. 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 Hager and 5A.
 - 36. Respondents Hager and 5A 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.
 - 37. At the time Respondents Hager and 5A engaged in the conduct set forth above, at least four investors were more than 60-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
 - 38. Respondents Hager and 5A offered and sold unregistered securities in violation of Section 409.3-301 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.

Multiple Violations of Transacting Business as an Unregistered Agent

- 39. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent Hager violated Section 409.4-402(a) when Hager transacted business as an unregistered agent in the state of Missouri.
- 40. Respondent Hager transacted business in Missouri on behalf of 5A by, among other things, offering and/or selling securities to investors.
- 41. These activities constitute transacting business as an agent in the state of Missouri under Section 409.1-102(1).
- 42. At all times relevant to this matter, Respondent Hager was not registered as an agent in the state of Missouri.
- 43. Respondent Hager 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).

44. At the time Respondent Hager engaged in the conduct set forth above, at least four investors were more than 60-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
45. Respondent Hager 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), 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.

Multiple Violations of Employing an Unregistered Agent

46. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent 5A violated Section 409.4-402(d) when it employed or associated with an unregistered agent in the state of Missouri.
47. Respondent 5A employed or associated with Respondent Hager who offered and sold securities on behalf of Respondent 5A.
48. At all times relevant to this matter, Respondent 5A had no registration or granted exemption for any agents of Respondent 5A to transact business in and/or from the state of Missouri.
49. Respondent 5A employed and/or associated with Respondent Hager, who transacted business in and/or from the state of Missouri as an agent without being registered or exempt from registration as an agent, in violation of Section 409.4-402(d).
50. At the time Respondent 5A engaged in the conduct set forth above, at least four investors were more than 60-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
51. Respondent 5A employed an unregistered agent who transacted business in and/or from the state of Missouri in violation of Section 409.4-402(d), 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.

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

52. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents 5A and Hager violated Section 409.5-501(2) when, in connection with the offer, sale or purchase of a security, Hager and 5A 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. in the “Frequently Asked Questions” marketing document, Respondents Hager and 5A stated:
 - i. “Once the offer is agreed upon, our job is to raise the capital necessary for that specific herd. We generally require a 2-3 week time span to do so. The funds are remitted to a holdings account and the herd is then purchased direct from the farmer. Our transport team moves in and loads and hauls the cattle to grass pasture, where they will stay for a specified amount of time before final distribution.”;
 - ii. 5A pre-calculates an estimated return “through a well proven and proprietary formula equation.”;
 - iii. 5A “carefully review every cattle herd to make sure that your funds are safely used. We have at a minimum two sets of experienced cattle ‘eyes’ view the herd and a seasoned veterinarian will perform an on site evaluation of the health and quality of the herd prior to the offer sheet, therefore mitigating potential risk. We also conduct an extensive financial overview on each specific herd and create an outlook that will ensure that each transaction we do is a good one.”;
 - iv. 5A “set in place several safeguards and utilize several common sensical protocols into our model. First we hold the cattle for no more than six months currently. These are living and growing animals and there is a fine line of keeping and feeding too long versus selling when there is weight to gain. Currently our experience has shown the shorter time we hold inventory the better. Second we have each herd evaluated by a veterinarian three times minimum during the duration of our ownership. This prevents illness, labor deaths, and other health ramifications. Additionally, we carry a unique umbrella insurance policy to protect from acts of nature, criminal activity, transport accidents and property/road accidents.”;
 - v. 5A is a “private input opportunity and utilizing this as a vehicle to further your financial future passively, with low risk and above average returns provide a great opportunity to prosper.”;
 - vi. “the average input is currently \$39,400 per participant”; and
 - vii. “the average percentage return is currently 23.71% on an average of 138 days”;
- b. in the “Cattle Share Agreements” and/or “Cattle Collaboration Agreements”, Respondents Hager and 5A stated an anticipated purchase and sale date, as well as an identifying number for each specific herd;
- c. in the investment statements, Respondents Hager and 5A stated:

- i. the specific cattle herd number that was purchased and sold or to be sold; and
- ii. the sell date and return on investment or “ROI”, which was generally more than 20%.
- d. Respondent Hawkins was 5A’s veterinarian and Respondent Hawkins’ name was Robert Harper;
- e. the musician Alan Jackson and the baseball player Carlos Beltran were invested in 5A;
- f. Fortin started 5A in 2002 and Respondent Hager “fine-tuned” 5A’s business model in 2015; and
- g. Fortin was an owner of 5A.

53. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents 5A and Hager violated Section 409.5-501(3), in connection with the offer, sale or purchase of a security, 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 5A was in the business of buying, raising, and selling cattle;
- b. claiming that 5A would use the invested monies to buy, raise, and sell cattle;
- c. using money invested in 5A to pay back other investors;
- d. using money investing in 5A for personal expenses;
- e. claiming Respondent Hawkins was 5A’s veterinarian named Robert Harper;
- f. paying Respondent Hawkins \$500 to pretend to be 5A’s veterinarian, Robert Harper;
- g. creating a “Frequently Asked Questions” marketing document with misleading and/or false information;
- h. creating “Cattle Share Agreements” and/or “Cattle Collaboration Agreements” with misleading and/or false information;
- i. signing “Personal Guarantor Agreements” with at least five investors;
- j. creating investment statements that stated a specific cattle herd number that was purchased and sold or to be sold, a sell date, and a return on investment;
- k. creating insurance documents purporting to show the cattle herds were insured;

- l. creating a person to serve as a “scapegoat” with investors to deflect blame on business decisions; and
 - m. creating and showing an investor a \$215,000 check purportedly used to pay for a cattle herd.
- 54. Respondents 5A and Hager 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.
- 55. Respondents Hager and 5A 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.
- 56. Respondents 5A and Hager 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.
- 57. At the time Respondents Hager and 5A engaged in the conduct set forth above, at least four investors were more than 60-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
- 58. 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).

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 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;

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondents 5A and Hager shall each pay a civil penalty in the amount of \$15,000 for more than one violation of Section 409.3-301, when at least one of these violations was committed against an elderly person. This amount shall be made payable to the State of Missouri and 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. 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.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondent Hager shall pay a civil penalty in the amount of \$15,000 for more than one violation of Section 409.4-402(a), when at least one of these violations was committed against an elderly person. This amount shall be made payable to the State of Missouri and 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. 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.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondent 5A shall pay a civil penalty in the amount of \$15,000 for more than one violation of Section 409.4-402(d), when at least one of these violations was committed against an elderly person. This amount shall be made payable to the State of Missouri and 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. 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.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondents 5A and Hager shall each pay a civil penalty in the amount of \$15,000 for more than one violation of Section 409.5-501, when at least one of these violations was committed against an elderly person. This amount shall be made payable to the State of Missouri and 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. 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.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondents 5A and Hager shall jointly and severally pay restitution for multiple violations of Sections 409.3-301, 409.4-402, and 409.5-501, plus eight percent interest from the dates of the violations in accordance with Section 409-6.604(d)(2). The amount of restitution plus interest is \$3,491,821.00 as of June 1, 2018. This amount shall be paid within 30 days from the date of this

Final Order and shall be made payable to the Missouri Secretary of State's Investor Restitution Fund. Respondents shall deliver, or cause to be delivered, this payment to the Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri, 65102. The Commissioner will take reasonable and necessary actions to distribute all such funds to the investors.


IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(e), Respondents 5A and Hager shall jointly and severally pay \$8,662.40 in actual costs for the investigation into, and the proceedings associated with, this matter. This amount shall be made payable to the Investor Education and Protection Fund, and shall be sent to the Missouri Securities Division at 600 West Main, 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 FOURTH DAY OF JUNE, 2018.



JOHN R. ASHCROFT
SECRETARY OF STATE


DAVID M. MINNICK
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE


I hereby certify that on this 4th day of June, 2018, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution and Assessing Civil Penalties and Costs in the above styled case was **mailed by certified U.S. mail to:**

5A Holdings, LLC
7419 Ward Parkway
Kansas City, Missouri 64114

Cameron J. Hager
585 Southeast 971st Road
Clinton, Missouri 64735-9543

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