



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
RICHARD C. RENSHAW; INNOVATIVE)	Case No.: AP-18-20
FINANCIAL SOLUTIONS, LLC; and)	
ALTERNATIVE PORTFOLIO SOLUTIONS,)	
LLC,)	
)	
<i>Respondents.</i>)	
)	
Serve: Richard C. Renshaw)	
633 Lakeview Road)	
Lake St. Louis, Missouri 63367)	
)	
Innovative Financial Solutions, LLC)	
633 Lakeview Road)	
Lake St. Louis, Missouri 63367)	
)	
and)	
)	
Alternative Portfolio Solutions, LLC)	
3231 Treelore Court)	
Foristell, Missouri 63348)	

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

On November 30, 2018, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“the Enforcement Section”), through Director of Enforcement Steven C. Reed, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (“the Petition”). After reviewing the Petition, the Missouri Commissioner of Securities (“the Commissioner”) issues the following order:

The Petition alleges the following facts:

I. SUMMARY OF ALLEGATIONS

From approximately July 2014 to September 2017, Richard C. Renshaw (“Renshaw”), through his business Innovative Financial Solutions, LLC (“IFS”), and/or Alternative Portfolio Solutions, LLC (“APS”), solicited at least 20 investors to invest a total of \$2,275,350 in Woodbridge Mortgage Investment Funds 1, 2, 3, 3A, and/or 4 (hereinafter collectively referred to as “Woodbridge”). At least 16 of the investors were elderly at the time of the investment.

On or around December 20, 2017, the United States Securities and Exchange Commission (“SEC”) initiated an enforcement action against, among others, Woodbridge Group of Companies, LLC, and Robert H. Shapiro (“Shapiro”). The SEC alleged that from July 2012 to December 2017, Shapiro engaged in a Ponzi scheme after receiving more than \$1.22 billion dollars from over 8,400 investors nationwide for fraudulent unregistered securities offerings in, among others, Woodbridge.¹ On or around July 9, 2018, Woodbridge filed for Chapter 11 Bankruptcy in the United States Bankruptcy Court for the District of Delaware.²

Prior to the offer and/or sale of securities, specifically non-exempt promissory notes with Woodbridge, Renshaw failed to inform investors that, among other things, Renshaw has not been securities-registered since 2010, Renshaw’s associated businesses were not registered to offer and/or sell securities, or that Renshaw would receive commissions for the investments.

Finally, Renshaw violated the terms of a Consent Order Renshaw entered into with the Enforcement Section of the Missouri Securities Division on September 7, 2017, when Renshaw sold securities to at least two investors after this Order became effective.³

II. ALLEGATIONS OF FACT

A. Respondents

1. IFS is a Missouri business formed on July 27, 2003, with an address at 633 Lakeview Road, Lake St. Louis, Missouri 63367. Its registered agent is Renshaw.
2. 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 IFS.
3. APS is a Missouri business formed on March 18, 2014, with an address at 3231 Treelore Court, Foristell, Missouri 63348. Its registered agent is Laura Hussey.
4. 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

¹ See Securities and Exchange Commission v. Robert H. Shapiro, *et al*, case number 17-24624, United States District Court for the Southern District of Florida.

² See Woodbridge Group of Companies, LLC, *et al*, case number 17-12560, United States Bankruptcy Court for the District of Delaware.

³ See In the Matter of Richard C. Renshaw, *et al*, case number AP-17-21.

covered security” for any securities issued by APS.

5. Woodbridge’s various entities were formed in the state of Delaware between December 6, 2013, and July 28, 2015. Its registered agent is A Registered Agent, Inc., with an address at 8 The Green, Suite A, Dover, Delaware 19901.
6. A check of the records maintained by the Commissioner indicates that notice filings of SEC’s Form D were filed by the following entities, on the following dates:
 - a. Woodbridge Mortgage Investment Fund 2, LLC, on February 24, 2014;
 - b. Woodbridge Mortgage Investment Fund 3, LLC, on January 12, 2015; and
 - c. Woodbridge Mortgage Investment Fund 3A, LLC, on January 26, 2016.
7. Renshaw is a 57 year-old Lake St. Louis, Missouri resident with a last known address at 633 Lakeview Road, Lake St. Louis, Missouri 63367.
8. A check of the Central Registration Depository (“CRD”) indicates that at all times relevant, Renshaw was not registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.
9. Renshaw’s registration as an investment adviser representative and broker-dealer agent lapsed November 2010. Renshaw was assigned CRD number 1113955.
10. On or about September 7, 2017, Renshaw entered into a Consent Order with the Enforcement Section of the Missouri Securities Division after selling unregistered, non-exempt securities related to investments in Virtual Concierge Machines.⁴
11. Shapiro is a 61 year-old Sherman Oaks, California resident with a last known address at 4150 Davana Road, Sherman Oaks, California 91423.
12. A check of the CRD indicates that at all times relevant, Shapiro was not registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.

B. Enforcement Section Investigation

13. In communications with the Enforcement Section, Renshaw identified 20 investors who Renshaw solicited to invest in Woodbridge from July 2014 to September 2017.
14. Those investors invested a total of \$2,275,350.
15. Seventeen of the investors resided in the St. Louis area; one in Lone Wolf, Oklahoma; and

⁴ See In the Matter of Richard C. Renshaw d/b/a Innovative Financial Solutions, and d/b/a IFS Advisor, and Investors Unlimited, LLC, Case No. AP-17-21.

two in Littleton, Colorado.

16. Sixteen of the investors were elderly at the time of the investments. This included 15 St. Louis area investors and one Lone Wolf, Oklahoma investor.
17. The Enforcement Section contacted the following investors:
 - a. a 66 year-old St. Peters, Missouri resident (“MR1”), who invested approximately \$325,000 between on or about March 11, 2015, and on or about August 17, 2017;
 - b. a 75 year-old O’Fallon, Missouri resident (“MR2”), who invested \$102,850 between on or about September 29, 2016, and on or about April 25, 2017;
 - c. the spouse of a 63 year-old St. Charles, Missouri resident (“MR3”), who invested \$36,700 on or about November 29, 2016;
 - d. a 71 year-old Overland, Missouri resident (“MR4”), who invested \$50,000 on or about December 1, 2016;
 - e. an 84 year-old Lone Wolf, Oklahoma resident (“OR”), who invested \$125,000 between on or about May 10, 2017, and on or about September 18, 2017; and
 - f. the daughter of a 76 year-old Jennings, Missouri resident (“MR5”), who invested \$20,000 on or about May 25, 2017. This investor passed away November 27, 2017.
18. MR1, MR2, MR4, and OR were not aware, and Renshaw did not disclose, that Renshaw, IFS, and APS were not securities-registered.
19. Renshaw told investors that the investment in Woodbridge would be a good investment.
20. Renshaw told investors that the investment involved loaning funds to Woodbridge to purchase real estate.
21. Renshaw did not disclose to investors the commissions Renshaw would receive from Woodbridge for the investments.
22. Woodbridge paid Renshaw commissions totaling \$66,060 for the investments in Woodbridge.
23. The investors received interest payments from Woodbridge until late 2017.
24. Renshaw purportedly relied on advice from an attorney that the solicitations and sale of the Woodbridge investments were exempt from securities registration.

Renshaw’s September 7, 2017 Consent Order AP-17-21

25. On September 7, 2017, Renshaw entered into a Consent Order with the Enforcement

Section of the Missouri Securities Division for, among other things, selling unregistered, non-exempt (page 7, paragraph 43 of Consent Order) investments in Virtual Concierge Machines.

26. As part of the Consent Order, Renshaw agreed to “no longer offer or sell any securities in Missouri.”⁵
27. Renshaw solicited at least two investors to invest in Woodbridge after this Consent Order became effective described as follows:
 - a. \$87,000 from a 59 year-old O’Fallon, Missouri investor on September 11, 2017. Renshaw earned \$2,610 in commissions from Woodbridge for this transaction; and
 - b. \$50,000 from OR on September 18, 2017. Renshaw earned \$1,500 in commissions from Woodbridge for this transaction.

Material Omissions

28. Prior to the offer and/or sale of securities, specifically promissory notes in Woodbridge, Renshaw omitted to disclose, among other things, the following material information:
 - a. that Renshaw has not been securities-licensed since 2010;
 - b. that the businesses associated with Renshaw were not registered to offer and/or sell securities;
 - c. that the securities offered and/or sold by were not registered or exempt from registration in the state of Missouri
 - d. that Renshaw would receive commissions from Woodbridge for the investments; and
 - e. that Renshaw entered into a Consent Order with the Enforcement Section of the Missouri Securities Division on September 7, 2017 (with respect to the two investors mentioned above).

III. COMMISSIONER’S DETERMINATIONS AND FINDINGS

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

29. **THE COMMISSIONER DETERMINES** that Respondent Renshaw, through Respondents IFS and/or APS, offered and/or sold unregistered, non-exempt securities, when Respondent Renshaw, through Respondents IFS and/or APS, offered and sold promissory notes to, among others, MR1, MR2, MR3, MR4, MR5, and OR.

⁵ See paragraph 2 under the “ORDER” section.

30. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26).⁶
31. The investments that Respondents offered and/or sold constitute securities as that term is defined in Section 409.1-102(28).
32. 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/or sold by Respondents.
33. Respondents offered and/or sold securities in Missouri without these securities being (1) federal covered securities, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003, in violation of Section 409.3-301.
34. At the time Respondents engaged in the conduct set forth above, at least 16 investors were more than 60-years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
35. Respondents’s 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 Broker-Dealer

36. **THE COMMISSIONER FURTHER DETERMINES** that Respondents IFS and/or APS transacted business in the state of Missouri as an unregistered, non-exempt broker-dealer by engaging in the business of effecting transactions in securities for the account of others.
37. This activity constitutes transacting business as a broker-dealer in the state of Missouri under Section 409.1-102(4).
38. At all times relevant to this matter, Respondents IFS and APS were not registered as a broker-dealer either with the Securities and Exchange Commission or with the state of Missouri.
39. Respondents IFS and/or APS transacted business in Missouri without being registered or exempt from registration as an broker-dealer in violation of Section 409.4-401(a).
40. At the time Respondent engaged in the conduct set forth above, at least 16 investors were more than 60-years-old and were an elderly persons as that term is defined under Section 409.6-604(d)(3)(B).

⁶ Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

41. Respondents IFS and/or APS's conduct is in violation of Section 409.4-401(a) and 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

42. **THE COMMISSIONER FURTHER DETERMINES** that Respondent Renshaw transacted business as an unregistered agent in the state of Missouri.
43. Respondent Renshaw offered and sold securities to investors in and/or from Missouri.
44. This activity constitutes transacting business as an agent in the state of Missouri under Section 409.1-102(1).
45. At all times relevant to this matter Respondent Renshaw was not registered as an agent in the state of Missouri.
46. Respondent Renshaw 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).
47. At the time Respondent engaged in the conduct set forth above, at least 16 investors were more than 60 years-old and were an elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
48. Respondent Renshaw's conduct is in violation of Section 409.4-402(a) and 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

49. **THE COMMISSIONER FURTHER DETERMINES** that Respondents IFS and/or APS employed Respondent Renshaw who offered and sold securities on behalf of IFS and/or APS
50. IFS and/or APS's activities constitute employing and/or associating with an agent in the state of Missouri under Section 409.4-402(d).
51. At all times relevant to this matter, IFS and/or APS had no registration or granted exemption for any agents of IFS and/or APS to transact business in the state of Missouri.
52. IFS and/or APS employed and/or associated with Respondent Renshaw, 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).

53. IFS and/or APS'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

54. **THE COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of a security as described above, Respondent Renshaw, through Respondents IFS and/or APS, 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. that Renshaw has not been securities-registered since 2010;
 - b. the businesses associated with Renshaw were not registered to offer and/or sell securities;
 - c. the commissions Renshaw would receive from Woodbridge for the investments; and
 - d. that Renshaw entered into a Consent Order with the Missouri Securities Division on September 7, 2017 (with respect to the two investors mentioned above).
55. Respondents 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 and 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's conduct in violation of Section 409.5-501 constitutes engaging 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. 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 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 409.4-401(a), by transacting business as an unregistered broker-dealer;
- C. Section 409.4-402(a), by transacting business as an unregistered agent;
- D. Section 409.4-402(d), by employing an unregistered agent; and
- E. 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.

V. STATEMENT

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

- A. a \$15,000 civil penalty against each Respondent for more than one violation of Section 409.3-301, when at least one of these violations was committed against an elderly person;
- B. a \$15,000 civil penalty against Respondents IFS and APS for more than one violation of Section 409.4-401(a), when at least one of these violations was committed against an elderly person;
- C. a \$15,000 civil penalty against Respondent Renshaw for more than one violation of Section 409.4-402(a), when at least one of these violations was committed against an elderly person;
- D. a \$15,000 civil penalty against Respondents IFS and APS for more than one violation of Section 409.4-402(d), when at least one of these violations was committed against an elderly person;
- E. a \$15,000 civil penalty against each Respondent for more than one violation of Section 409.5-501, when at least one of these violations was committed against an elderly person;
- F. an order against Respondents to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct, and interest from the date of the violation causing the loss and/or disgorge any profits arising from the violation of Sections 409.3-301, 409.4-401, 409.4-402, and 409.5-501, in a final order, unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed; and

- G. an order against Respondents to pay the costs of the investigation in this proceeding, after a review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 21st DAY OF DECEMBER, 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:)	
)	
RICHARD C. RENSHAW; INNOVATIVE)	Case No.: AP-18-20
FINANCIAL SOLUTIONS, LLC; and)	
ALTERNATIVE PORTFOLIO SOLUTIONS,)	
LLC,)	
)	
<i>Respondents.</i>)	
)	
Serve: Richard C. Renshaw)	
633 Lakeview Road)	
Lake St. Louis, Missouri 63367)	
)	
Innovative Financial Solutions, LLC)	
633 Lakeview Road)	
Lake St. Louis, Missouri 63367)	
)	
and)	
)	
Alternative Portfolio Solutions, LLC)	
3231 Treelore Court)	
Foristell, Missouri 63348)	

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 21st day of December, 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 to:**

Richard C. Renshaw
633 Lakeview Road
Lake St. Louis, Missouri 63367

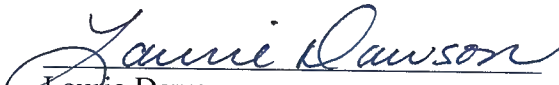
Innovative Financial Solutions, LLC
633 Lakeview Road
Lake St. Louis, Missouri 63367

and

Alternative Portfolio Solutions, LLC
3231 Trelore Court
Foristell, Missouri 63348

And hand delivered to:

Steven C. Reed, Director of Enforcement
Securities Division
Missouri Secretary of State's Office
600 West Main Street, Room 229
Jefferson City, Missouri 65101


Laurie Dawson
Securities Office Manager