



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
RICHARD JOOS, individually and)
d/b/a Safe Money Millionaire, Wealth Beyond)
Wall Street, Growth Management Group, LLC,) Case No. AP-19-13
Safe Money Group, and Franklin Financial,)
)
Respondent.)
)
Serve: Richard Joos)
11320 Highridge Drive)
Independence, Missouri 64052)

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

On August 27, 2019, 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:

I. ALLEGATIONS OF FACT

The Petition alleges the following facts:

A. Introduction

From approximately January 2013 to February 2017, Richard Joos (“Joos”) sold \$925,516.94 in unregistered, non-exempt investment contracts and promissory notes to at least fourteen (14) investors while Joos and his associated businesses were not registered to offer and/or sell securities. Prior to the offer and/or sale of securities, Joos failed to disclose, among other things, his 2012 Chapter 13 bankruptcy.

B. Respondent and Related Parties

1. Joos is an 81 year-old Independence, Missouri, resident with a last known address of 11320 Highridge Drive, Independence, Missouri 64052.

2. A check of the Central Registration Depository (“CRD”) indicates that Joos is assigned CRD number 1687216 but has not been a registered investment adviser representative or broker-dealer agent since December 31, 2012.
3. A check of the records maintained by the Missouri Department of Insurance, Financial Institutions & Professional Registration indicates Joos holds an active Insurance Producer license and is assigned number 0141939.
4. Joos filed Chapter 13 Bankruptcy in the United States Bankruptcy Court for the Western District of Missouri on September 12, 2006 that was subsequently discharged on January 26, 2012.¹
5. Franklin Financial is a Missouri fictitious name registration made by Joos on May 4, 2018, with an address at 11320 Highridge Drive, Independence, Missouri 64052.
6. 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 Franklin Financial.
7. Safe Money Millionaire is a business Joos is purportedly associated and/or affiliated with and appears to have no business registration in Missouri.
8. 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 Safe Money Millionaire.
9. Wealth Beyond Wall Street is a business Joos is purportedly associated and/or affiliated with and appears to have no business registration in Missouri.
10. 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 Wealth Beyond Wall Street.
11. Growth Management Group, LLC, is a business Joos is purportedly associated and/or affiliated with and appears to have no business registration in Missouri.
12. 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 Growth Management Group, LLC.
13. Safe Money Group is a business Joos is purportedly associated and/or affiliated with and appears to have no business registration in Missouri.
14. A check of the records maintained by the Commissioner indicates that at all times relevant,

¹ See case number 06-42401-jwv13, U.S. Bankruptcy Court for the Western District of Missouri

there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by Safe Money Group.

15. Future Income Payments, LLC (“FIP”), was a limited liability company organized in the state of Nevada on December 23, 2015, with Scott Kohn (“Kohn”) as its manager. FIP’s last known address was 2850 West Horizon Ridge Parkway, Henderson, Nevada 89052. FIP’s business registration expired on December 31, 2018.
16. FIP purportedly purchased pensions from retirees, bundled them into structured cash flows, then sold investments in the cash flows to investors.
17. Kohn is a 65 year-old Huntington Beach, California, resident with a last known address of 7521 Edinger Avenue, Huntington Beach, California 92647.
18. A check of the CRD indicates that Kohn has never been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or issuer agent.
19. In 2006, in the United States District Court for the Central District of California, Kohn pleaded guilty to three felony offenses related to trafficking in counterfeit goods and served 15 months in prison.²
20. On or about March 12, 2019, Kohn was indicted on 1 count of wire fraud and 1 count of money laundering in the United States District Court for the District of South Carolina, Greenville Division, for Kohn’s activities related to FIP.³
21. 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 FIP.
22. Conestoga International, LLC (“Conestoga”), was organized in San Juan, Puerto Rico, on May 31, 2011, and its registered agent is Strategic Solutions, Inc., Chartis Building 250 Munoz Rivera Avenue, Suite 1400, San Juan, Puerto Rico, 00918.
23. Conestoga purportedly purchased life insurance policies from holders of such policies then sold fractional interests in the policies to investors.
24. A check of the records maintained by the Commissioner indicates Conestoga Settlement Trust (a related entity) filed a Securities & Exchange Commission (“SEC”) Rule 506(b), Regulation D, Notice of Exempt Offering of Securities form on April 7, 2011.
25. Diversified Financing, LLC, was a Florida corporation formed on July 7, 2014. Its registered agent was Main Sail Financial, LLC, 1391 Northwest Street Lucie West

² See *U.S. v. Scott Kohn*, U.S. District Court for the Central District of California, case number 8:03-cr-00330-DOC

³ See *U.S. v. Scott A. Kohn and Future Income Payments, LLC*, case number 6:19-239

Boulevard #105, Port St. Lucie, Florida 34986. Diversified Financing, LLC, was administratively dissolved on September 28, 2018.

26. Diversified Financing, LLC, purportedly engaged in lending funds to commercial businesses and offered a four-year, high-yield note to investors.
27. According to records filed with the Florida Division of Corporations, Daryl G. Bank (“Bank”) and Raeann Gibson (“Gibson”) served as managers for Diversified Financing, LLC.
28. On or about February 5, 2010, the Financial Industry Regulatory Authority (“FINRA”) barred Bank from associating with any member firm for alleged fraudulent activities related to funds Bank wired from his then-employing firm, making false entries in the firm’s books and records, and providing false information and testimony to FINRA.⁴
29. On or about August 23, 2017, in the United States District Court for the Eastern District of Virginia, Bank and Gibson were indicted on multiple counts of wire and mail fraud for alleged fraudulent activities related to securities sales while they were purportedly associated with other businesses.⁵
30. On or about February 14, 2018, the SEC barred Bank from associating with any SEC-registered firm and barred Bank from future sales of penny stocks for allegedly engaging in fraudulent activities related to selling unregistered investments in the sale and lease of Federal Communication Commission (“FCC”) licenses to major wireless carriers.⁶
31. 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 Diversified Financing, LLC.

Enforcement Section’s Investigation

Missouri Resident 1 (“MR1”)

32. On or around December 18, 2018, the Enforcement Section received a complaint and documents from a 62-year-old St. Louis, Missouri, resident (“MR1”) who would later tell the Enforcement Section, among other things, the following:
 - a. sometime around early 2012, MR1 found an advertisement on the internet from Safe Money Millionaire promoting “safe” investments. MR1 called the telephone

⁴ See FINRA Docket/Case Number 2008012955302

⁵ See *U.S. v. Daryl G. Bank and Raeann Gibson*, U.S. District Court for the Eastern District of Virginia, case number 2:17-cr-00126-MSD-LRL.

⁶ See *In the Matter of Daryl G. Bank and Bobby D. Jones*, Respondents, Administrative Proceeding File Numbers 3-18175 and 3-18236, Release No. 82711.

number on the website and spoke to a representative who would later refer Joos to MR1;

- b. Joos visited MR1 at MR1's home and on or around March 15, 2012, sold a \$30,000 annuity to MR1. Prior to this sale, Joos provided several documents to MR1 touting Joos' purported experience that is described below;
- c. after the annuity sale, Joos began sending MR1 newsletters on Wealth Beyond Wall Street stationary described below. Joos began soliciting MR1 to invest in Conestoga. Joos represented the investment as an insurance product that would provide good returns for MR1. Joos was never specific regarding the potential risks associated with an investment in Conestoga. Joos never disclosed the commission or other fees Joos would earn for MR1's investment in Conestoga. Joos never disclosed his 2012 bankruptcy;
- d. Joos had MR1 sign a document indicating MR1 was an accredited investor,⁷ a requirement by Conestoga for investments in Conestoga. However, MR1 and MR1's spouse are not accredited investors;
- e. on March 10, 2014, and August 28, 2014, MR1 made investments totaling \$100,000 in Conestoga;
- f. on July 3, 2017, MR1 sent an email to Joos to inquire about the status of the Conestoga investment but Joos never responded to MR1's email;
- g. sometime in late 2017, MR1 received correspondence from Conestoga that indicated MR1 needed to pay more than \$3,000 in premiums for the investment's policy. Joos never disclosed to MR1 that any further funds would be required to keep the investment active;
- h. MR1 contacted Joos about the requested payment and Joos responded to "not worry about it" and instructed MR1 to make the payment;
- i. on December 5, 2017, MR1 paid \$3,277.69 in fees requested by Conestoga;
- j. in late 2018, Conestoga sent MR1 correspondence requesting a payment of more than \$7,000 but MR1 did not make this payment; and
- k. to date, MR1 has received no returns on MR1's investment in Conestoga.

⁷ The term "accredited investor" includes, among other things, any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1 million, excluding the person's primary residence.

MR1's Conestoga International Documents

33. Conestoga marketing documents Joos provided to MR1 prior to MR1's investment in Conestoga stated, among other things, the following:
 - a. the investments have been "[U]sed by institutional investors and the super wealthy for decades, life settlements may also be offered to the accredited investor.";
 - b. traditional investments, such a stocks, bonds, and mutual funds were described as "Win", "Lose", or "Draw";
 - c. investments in the life insurance policies were described as "Win Early", "Win On Time", and "Win Later"; and
 - d. "Life Settlements are designed to always win-unique because the investor knows what the payout will be when the asset is purchased. When policies mature the payout amounts promised are fixed amounts that are already known-backed by the most financially sound insurance companies in the world."

MR1's Diversified Financing, LLC, Investment

34. In or around early 2017, Joos began soliciting MR1 to invest in Diversified Financing, LLC. Joos purported that the investment would provide a good return and would be "safe."
35. Documents Joos provided to MR1 regarding the Diversified Financing, LLC, investment purport, among other things, the following:
 - a. the four year "Secured Note" provides "ten percent annualized interest at maturity.";
 - b. their strategy is "To Seek growth from medium term, high yielding, secured specialty financing opportunities.";
 - c. the notes are "Secured by collateral in the form of pledged assets.";
 - d. the notes "May protect against volatility in the stock or bond markets."; and
 - e. the notes include "Active Risk Management Factors" that are not defined.
36. Joos never disclosed the commission or other fees Joos would earn for MR1's investment in Diversified Financing, LLC.
37. On or around February 25, 2017, Joos sent MR1 a letter on Wealth Beyond Wall Street stationary that included instructions regarding the investment in Diversified Financing, LLC. Among other things, Joos told MR1:

- a. “Here are the documents that need to be signed and initialed. This is paying 10% a year for 4 years. You should have \$56,000 at the end of 4 years.”; and
 - b. “You need to make out a check to Diversified Financing for \$40,000.”
38. On or about February 25, 2017, MR1 invested \$40,000 via check payable to Diversified Financing, LLC. On the same date, MR1 executed a “Secured Promissory Note” with Diversified Financing, LLC, that promised 10% interest per year for a four year investment.
 39. In a March 1, 2017, email from Joos to MR1, Joos sent MR1 the fully executed Diversified Financing, LLC, promissory note and said “[MR1], here are your documents. Your money is now earning 10%. Congratulations and thank you so much.”
 40. The fully executed note is signed by Bank, representing Diversified Financing, LLC, on March 1, 2017, and is notarized on the same date in Florida.
 41. To date, MR1 has received no returns for MR1’s investment in Diversified Financing, LLC.
 42. In or around July 2017, Joos sent mail to MR1 soliciting MR1 to invest another \$40,000 in Diversified Financing, LLC, but MR1 declined to make the investment.
 43. On July 21, 2017, MR1 sent an email to Joos to inquire about the status of the Diversified Financing, LLC, investment but Joos never responded back to MR1.

Joos’s Purported Qualifications

44. Prior to MR1’s annuity purchase, Joos provided documents to MR1 touting Joos’s purported qualifications. In a January 22, 2012 letter on Franklin Financial letterhead, Joos purported, among other things, the following:
 - a. “I have not had one client lose a dime since the year 2000. I have over 600 clients that depend on me for their retirement.”; and
 - b. “If you can tell me how much income you will need a year or what you are living on now I can work towards that goal without ever having to worry about losing your money in the markets.”
45. Joos provided a copy of a certificate to MR1 that purported Joos to be a “Safe Money Millionaire Advisor” since November 16, 2011.
46. On a flyer with Joos’s Franklin Financial business card attached, Joos purports: “I assist my clients in working toward financial solutions throughout their lifetime, with programs designed to: making safe investments without any risk to assure lifetime incomes so the

client doesn't worry about running out of money, reduce and defer taxes, and maximize retirement income and cover risk management."

Joos Newsletters

47. Joos mailed MR1 newsletters using Wealth Beyond Wall Street stationary. A May 31, 2017, newsletter contains, among other things:
- a. "It seems like forever that we've been told, 'The only way to make money is to invest in the stock market'! Well, that's the Wall Street way...I'm here to tell you, there IS another way. It's the same way affluent folks have been making high returns for decades...by lending to small business. And now you can too! I'm an Affiliate Member of a unique commercial [l]ending platform were [sic] small business obtains the capital they need to grow and my clients obtain the higher yields they're looking for. It's a win-win for everyone! Let's get together and I'll show you the way to 6-10% annual yields with your short and mid-term capital."; and
 - b. Joos purports a 270-day loan will yield 6%; an 18-month loan will yield 7%; and a 4-year loan will yield 10% with "No Market Losses" and "Predictable Income."
48. An October 2017 newsletter contains, among other things:
- a. "It has been 9 years since we had a Market Correction. It is a good time to take your profits and put in to something that is safe from market losses and gets a good return. Is 8.84% to conservative for you to get on your money.";
 - b. "Let me show you how we can get a good return with out having to worry about losing your wealth."; and
 - c. "Are you looking for a better income at retirement. I can give you 14-18% more income per year with the different strategies we have in place and possibly tax free."

Kansas Resident 1 ("KR1")

49. On June 18, 2019, the Enforcement Section contacted a 64-year-old Lawrence, Kansas, resident who said, among other things:
- a. approximately five years ago, KR1 found an advertisement from Joos soliciting investors for a "safe money" program later identified as FIP;
 - b. KR1 contacted and later met with Joos who purported an investment in FIP would yield a 7% return on investment. Joos represented FIP as an insurance product;

- c. Joos never disclosed the commission Joos would receive from FIP for KR1's investment;
- d. Joos never disclosed that Joos or his associated businesses were not registered to offer and/or sell securities or that the securities Joos offered were not registered or exempt from registration;
- e. Joos never disclosed his bankruptcy filing that was subsequently discharged on January 26, 2012;
- f. upon information, KR1 invested \$66,831 on August 13, 2015;
- g. for approximately two years, KR1 received interest payments from FIP that, upon information, amounted to approximately \$40,584, before the payments stopped; and
- h. KR1 is currently involved in a class action lawsuit against FIP.

Missouri Resident 2 ("MR2")

50. On July 15, 2019, the Enforcement Section was contacted by a 76-year-old Roach, Missouri, resident ("MR2"). MR2 told the Enforcement Section, among other things, the following:
- a. in or around 2013, Joos solicited MR2 to invest in Conestoga;
 - b. Joos never disclosed that Joos or his business were not registered to offer and/or sell securities, the commission Joos would receive for MR2's investment, or that Joos filed bankruptcy in 2012;
 - c. on or around March 14, 2013, MR2 invested \$25,000 in Conestoga;
 - d. sometime after making the investment, MR2 began receiving mail from Conestoga indicating that MR2 would be required to make monthly premium payments on the investments since the life insurance policy holders were living longer than expected. MR2 could not recall if Joos disclosed the premium payments as part of the investment;
 - e. MR2 is paying approximately \$3,000 per year to keep the investment active; and
 - f. to date, MR2 has received approximately \$7,200 back from Conestoga.

Missouri Resident 3 (“MR3”)

51. On July 15, 2019, the Enforcement Section was contacted by a 74-year-old Sibley, Missouri, resident (“MR3”). MR3 told the Enforcement Section, among other things, the following:
- a. Joos solicited MR3 to invest in Conestoga. Joos represented the investment as an insurance product;
 - b. Joos never disclosed his 2012 bankruptcy or that Joos and his business were not registered to offer and/or sell securities;
 - c. Joos purported Joos would not receive a commission for MR3’s investment (the Enforcement Section would later learn that Joos did receive a commission amounting to \$1,900 for MR3’s investment);
 - d. on or around June 21, 2013, MR3 invested \$25,000 in Conestoga;
 - e. sometime after making the investment, Conestoga sent MR3 mail indicating MR3 would be required to make premium payments to keep the investment active. Joos never disclosed further payments would be required from MR3;
 - f. MR3 is currently paying over \$1,000 per year to keep the investment active; and
 - g. to date, MR3 has not received any funds back from Conestoga.

Missouri Resident 4 (“MR4”)

52. On July 15, 2019, the Enforcement Section was contacted by a 74-year-old Kansas City, Missouri, resident (“MR4”). MR4 told the Enforcement Section, among other things, the following:
- a. MR4 met Joos sometime in 2007 when MR4 purchased an annuity from Joos;
 - b. in or around 2013, Joos solicited MR4 to invest in Conestoga. Joos purported that the investment would provide good returns and that “Warren Buffet was high on it.”;
 - c. Joos never disclosed his 2012 bankruptcy or that Joos and his business were not registered to offer and/or sell securities;
 - d. Joos never disclosed the commission Joos would receive for MR4’s investment in Conestoga;
 - e. on January 30, 2013, MR4 invested \$35,000 in Conestoga in six different policies;

- f. approximately two years after making the investment, MR4 began receiving notices from Conestoga that MR4 was required to make premium payments on the policies;
- g. MR4 refused to make the payments and lost 5 of the investments as a result; and
- h. to date, MR4 has not received a return on MR4's investment.

Missouri Resident 5 ("MR5")

53. On July 15, 2019, the Enforcement Section was contacted by a 64-year-old Blue Springs, Missouri, resident ("MR5"). MR5 told the Enforcement Section, among other things, the following:
- a. MR5 knew Joos through MR5's church;
 - b. in or around 2013, Joos solicited MR5 to invest in Conestoga. Joos represented the investment as an insurance product that was "safe", could "double your money", or provide a 15% return on investment;
 - c. Joos never disclosed that Joos filed bankruptcy in 2012 or that Joos and his business were not registered to offer and/or sell securities;
 - d. Joos never disclosed the commission Joos would receive for MR5's investment;
 - e. on or around July 2, 2013, MR5 invested \$25,000 in Conestoga in five different policies;
 - f. sometime after making the investment, Conestoga sent notices to MR5 that MR5 was required to make payments on some of the policies due to the policy owners living longer than expected;
 - g. MR5 is currently paying \$1,500 per year to keep the investment active;
 - h. one of the policy owners passed away but the insurance company refused to honor the contract with Conestoga. Apparently, legal action is ongoing to resolve the issue; and
 - i. to date, MR5 has received no returns on MR5's investment in Conestoga.

Missouri Resident 6 ("MR6")

54. On July 15, 2019, the Enforcement Section was contacted by a 62-year-old Lees Summit, Missouri, resident ("MR6"). MR6 told the Enforcement Section, among other things, the following:

- a. sometime in 2013, MR6 found an advertisement online from Safe Money Millionaire. MR6 called the telephone number on the website and the representative put MR6 in contact with Joos;
- b. Joos began soliciting MR6 to invest in Conestoga, purporting it would be a good investment;
- c. Joos never disclosed that Joos and his associated businesses were not registered to offer and/or sell securities;
- d. Joos never disclosed that Joos filed bankruptcy in 2012 or the commission Joos would earn for MR6's investment in Conestoga;
- e. on or around June 25, 2013, MR6 invested \$100,000 in Conestoga in four policies;
- f. sometime after making the investment, Conestoga began sending MR6 notices that requested premium payments for some of the policies. MR6 refused to send payments for one of the policies and \$30,000 was "revoked" as a result;
- g. to date, MR6 has made a total of approximately \$5,000-\$6,000 in premium payments;
- h. to date, MR6 has not received any returns on MR6's investment in Conestoga; and
- i. Conestoga will not respond to MR6's mail when MR6 requests information.

Joos Response to the Enforcement Section August 10, 2018

55. On or around August 10, 2018, Joos responded to another inquiry from the Enforcement Section in which he, among other things:
 - a. acknowledged he was not securities-registered;
 - b. claimed he sells only insurance products;
 - c. received a commission amounting to \$2,400 for KR1's investment; and
 - d. identified a 52-year-old Independence, Missouri, investor who invested \$170,450 in FIP on August 29, 2015. Joos earned a \$6,810 commission for this transaction.

Enforcement Section's Letter to Joos June 3, 2019

56. On June 3, 2019, the Enforcement Section sent a letter to Joos requesting, among other things, the following information:

- a. a narrative explaining Joos's relationship with several different entities;
- b. a list of all investors in the entities;
- c. copies of all documents provided to or signed by the investors; and
- d. amount of commissions or other fees Joos earned for the investments.

Joos Response to the Enforcement Section June 17, 2019

57. On June 17, 2019, Joos responded to the Enforcement Section's letter from June 3, 2019, in which he said, among other things:
- a. Joos never sold securities;
 - b. Joos was an "appointed affiliate" for Conestoga;
 - c. none of the businesses Joos previously associated with are accepting new business or are no longer in operation; and
 - d. Joos was unable to provide any documents due to a fire.

Conestoga Response to the Enforcement Section August 14, 2019

58. Information received from Conestoga indicates, among other things:
- a. from January 17, 2013 to July 25, 2014, Joos sold \$648,235.94 in Conestoga investments to at least 12 investors that included the investors listed above; and
 - b. Joos earned a total of \$46,987.01 in commissions for the investments in Conestoga.

Joos's Social Media

59. A review of Joos's LinkedIn page revealed, among other things, the following:
- a. Joos identifies himself as "Senior Financial Advisor at Growth Management Group, LLC";
 - b. Joos is associated with Safe Money Group and Franklin Financial;
 - c. as a "Registered Representative" of Safe Money Group, Joos is "Helping families save a different way so you don't have to worry about market crashes and being able to take your retirement money out tax free and lasting a lifetime. You will also get double digit returns on your money and be able to get access any time tax free.

I have been at this for 30 years and I don't know of any other strategy that will do this for you.”; and

- d. on another LinkedIn page, Joos refers to himself as a “Safe Money Millionaire Advisor” and asks “Are you earning 12-16% on your money if not call 1-800-220-5785. Would you like a tax free income for life? Call me.”
60. On his Facebook page, Joos purports “I help people reach their financial dreams without putting their money at risk.”
61. Prior to the offer and/or sale of the investments referenced above, Joos made material misstatements and/or omitted to disclose material information including, but not limited to, the following:
- a. that Joos was not registered to offer and/or sell securities;
 - b. that the businesses Joos associated with, including Franklin Financial, were not registered to offer and/or sell securities;
 - c. that Franklin Financial was operating without a business registration until May 4, 2018;
 - d. that the securities offered by Joos were not registered or exempt from registration;
 - e. specific risks associated with the investments;
 - f. the commission or other fees Joos would earn for the investments;
 - g. falsely telling MR3 that Joos would not receive a commission for MR3's Conestoga investment when, according to information received from Conestoga, Joos received a \$1,900 commission payment for MR3's investment;
 - h. that Joos filed Chapter 13 Bankruptcy that was subsequently discharged on January 26, 2012;
 - i. that FIP was being operated by Kohn, a convicted felon; and
 - j. that Bank, with Diversified Financing, LLC, was barred by FINRA on February 5, 2010, from associating with any member firm for alleged fraudulent activities related to funds Bank wired from his then-employing firm, making false entries in the firm's books and records, and providing false information and testimony to FINRA.

II. COMMISSIONER'S DETERMINATIONS AND FINDINGS

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

62. **THE COMMISSIONER DETERMINES** that Respondent Joos offered and sold unregistered, non-exempt securities:
- a. “Sale” and “offer to sell” are defined in Section 409.1-102(26).⁸ Respondent solicited individuals to invest in Conestoga life settlements, Diversified Financing notes, and Future Income Payments investments and received funds from investors. This activity constitutes the offer and sale of securities;
 - b. “investment contract” is enumerated in the list of items that are securities in Section 409.1-102(28). The investments Respondent offered and sold to investors are investment contracts, in that:
 - i. investors invested funds in a common enterprise with Conestoga, FIP, and/or Diversified Financing, LLC;
 - ii. investors’ funds were to be used to purchase life insurance policies and notes;
 - iii. investors expected a profit from the efforts of others and not from investors’ own efforts; and
 - iv. investors’ expected profits were interwoven with and dependent upon the efforts of others.
63. 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.
64. Respondent offered and sold securities in 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.
65. At the time Respondent engaged in the conduct set forth above, at least one investor was more than 60 years old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
66. Respondent 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.

⁸ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

Multiple Violations of Transacting Business as an Unregistered Agent

67. **THE COMMISSIONER FURTHER DETERMINES** that Respondent transacted business as an unregistered agent in the state of Missouri.
68. Respondent offered and/or sold securities to investors in and/or from Missouri.
69. These activities constitute transacting business as an agent in the state of Missouri under Section 409.1-102(1).
70. At all times relevant to this matter, Respondent was not registered as an agent in the state of Missouri.
71. At the time Respondent engaged in the conduct set forth above, at least one investor was more than 60 years old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
72. Respondent 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 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

73. **THE COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of a security, Respondent Joos 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 Joos was not registered to offer and/or sell securities;
 - b. that the businesses Joos associated with, including Franklin Financial, were not registered to offer and/or sell securities;
 - c. that Franklin Financial was operating without a business registration until May 4, 2018;
 - d. that the securities offered by Joos were not registered or exempt from registration;
 - e. specific risks associated with the investments;
 - f. the commission or other fees Joos would earn for the investments;

- g. falsely telling MR3 that Joos would not receive a commission for MR3's Conestoga investment when, according to information received from Conestoga, Joos received a \$1,900 commission payment for MR3's investment;
 - h. that Joos filed Chapter 13 Bankruptcy that was subsequently discharged on January 26, 2012;
 - i. that FIP was being operated by Kohn, a convicted felon; and
 - j. that Bank, with Diversified Financing, LLC, was barred by FINRA on February 5, 2010, from associating with any member firm for alleged fraudulent activities related to funds Bank wired from his then-employing firm, making false entries in the firm's books and records, and providing false information and testimony to FINRA.
74. At the time Respondent engaged in the conduct set forth above, at least one investor was more than 60 years old and was an elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
75. Respondent 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.
76. An 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 Respondent, its agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this order be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301, by offering or selling any securities as defined by Section 409.1-102(28), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-402(a), by transacting business as an unregistered agent; and
- C. 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.

III. STATEMENT

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

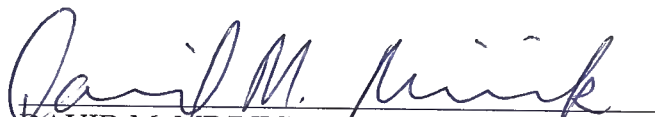
- A. \$15,000 against Respondent for more than one violation of Section 409.3-301, when at least one of these violations was committed against an elderly person, in a final order, unless Respondent requests a hearing and show cause why the penalties should not be imposed;
- B. \$15,000 against Respondent for more than one violation of Section 409.4-402(a), when at least one of these violations was committed against an elderly person, in a final order, unless Respondent requests a hearing and shows cause why the penalties should not be imposed; and
- C. \$15,000 against Respondent for more than one violation of Section 409.5-501, when at least one of these violations was committed against an elderly person, in a final order, unless Respondent requests a hearing and show cause why the penalties should not be imposed;
- D. an order against Respondent to pay restitution for any loss, including the amount of any actual damages that may have been caused by the Respondent's conduct, and interest from the date of the violation causing the loss, or disgorge any profits arising from any violation of Sections 409.3-301, 409.4-402, and 409.5-501, in a final order, unless Respondent requests a hearing and show cause why the penalties should not be imposed;
- E. an order against Respondent to pay 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 28th DAY OF AUGUST, 2019.



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 JOOS, individually and)
d/b/a Safe Money Millionaire, Wealth Beyond)
Wall Street, Growth Management Group, LLC,) Case No. AP-19-13
Safe Money Group, and Franklin Financial,)
)
Respondent.)
)
Serve: Richard Joos)
11320 Highridge Drive)
Independence, Missouri 64052)

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.

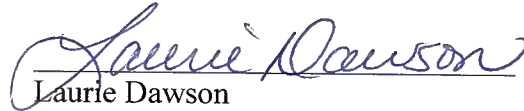
A request for a hearing must be mailed or delivered, in writing, to:

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 28th day of August, 2019, 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 Joos
11320 Highridge Drive
Independence, Missouri 64052


Laurie Dawson
Securities Office Manager