



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
THEODORE JAY EDDINGS,) Case No.: AP-21-13
)
 Respondent.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION’S ALLEGATIONS & SETTLEMENT OF SAME

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("**Enforcement Section**"), alleges that between April 2017 and October 2018 (the "**Relevant Period**"), Respondent Theodore Jay Eddings ("**Eddings**" or "**Respondent**") sold at least \$50,500 in unregistered, non-exempt investment contracts and promissory notes through two Missouri-based companies he purported to run: Black Oak, LLC ("**Purported Entity 1**")¹ and Black Oak Outfitters ("**BOO**"). The investments were marketed and sold to eight (8) investors in five states, including Missouri. In connection with offering the investments, Eddings made material misstatements or omissions and misappropriated investor funds. By engaging in these activities and conduct, Respondent violated Section 409.5-501 of the Missouri Securities Act.²
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent’s alleged violations of Section 409.5-501.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409 *et seq.*
4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Black Oak, LLC is a separately incorporated company in the State of Missouri that has no affiliation nor connection to Eddings. As a result, this document refers to Black Oak, LLC as "Entity 1" in an effort to limit mention the formal name.

² Unless otherwise noted, all statutory references are to the 2020 Supp. Revised Statutes of Missouri.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waives his rights to a hearing with respect to this matter.
6. Respondent waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that he is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents solely for the purpose of this matter only and not for any other matter, to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Eddings is a thirty-seven-year-old Republic, Missouri, resident with an address of 136 N. Fairwood Avenue, Republic, Missouri 65738.

13. 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 Eddings.
14. Eddings claimed to be the owner of Purported Entity 1 and BOO.
15. On or about July 28, 2017, Eddings registered BOO with the Missouri Secretary of State as a fictitious name.
16. Eddings’s relevant legal and criminal background includes the following:
 - a. On or about May 17, 2004, Eddings was found guilty of fraudulent use of a credit device in the Circuit Court of Green County, State of Missouri Case No. 31303CF5063 and ordered to serve two (2) years on probation;
 - b. On or about November 30, 2004, Eddings was found guilty of attempted robbery in the first degree in the Circuit Court of Greene County, State of Missouri Case No. 31304CF9884 and sentenced to seven (7) years in the Missouri Department of Corrections;
 - c. On or about December 3, 2008, a consent judgment in the amount of \$2,947.80 was entered against Eddings in the Circuit Court of Greene County, State of Missouri Case No. 0831-CV15625;
 - d. On or about October 19, 2011, a default judgment in the amount of \$4,000.00 was entered against Eddings in the Circuit Court of Greene County, State of Missouri Case No. 1131-CV12740; and
 - e. On or about May 30, 2017, a default judgment in the amount of \$3,064.82 was entered against Eddings in the Circuit Court of Greene County, State of Missouri Case No. 1731-AC01673.

Eddings’s Bank Accounts

17. To facilitate transactions referenced in this matter, Eddings utilized a personal Central Bank account ending in 3763 (the “**Eddings Account**”).
18. Examination of the Eddings Account revealed the following:
 - a. Eddings opened the account on April 12, 2017, and is listed as the account owner;
 - b. the address referenced on the account by Eddings was 201 E. Hardy St., Republic, Missouri 65738; and
 - c. Eddings claimed to be employed by BOO and listed an email contact that referenced BOO.

Arizona Resident (“AZR”)

19. In June 2017, Eddings began communicating with a Tempe, Arizona resident, AZR, who was sixty-nine-years-old at the time.
20. The communications between Eddings and AZR were conducted using the messenger chat feature on Facebook.
21. While communicating about a future deer hunt being offered by Eddings, Eddings related to AZR that he would permit AZR and AZR’s adult son the opportunity to hunt in Missouri for free if AZR would invest \$15,000 in BOO.
22. Eddings sent AZR a document entitled “Loan Agreement” that included the following representations:
 - a. A \$75,000 profit for scheduled hunts in 2016;
 - b. Beginning July 4, 2017, the promise to remit 70% of future profits of BOO to AZR until the \$15,000 principal was repaid in full; and
 - c. No interest would be added into the remittance amount, although AZR and his son would continue to receive free hunts in consideration for AZR’s investment.
23. Eddings executed the document and had it notarized on July 10, 2017.
24. Eddings deposited the \$15,000 received from AZR July 12, 2017, into the Eddings Account.
25. AZR received neither repayment of the principal amount of \$15,000 nor any percentages of profits derived from hunts, let alone, the 70% promised by the Loan Agreement.
26. AZR died on August 23, 2020.
27. Prior to AZR’s death, AZR reported to the Enforcement Section through his adult son that AZR stumbled across BOO online via Facebook and confirmed the “Loan Agreement” and circumstances leading up to the investment.
28. AZR’s son further stated to the Enforcement Section that he paid Eddings with a cashier’s check for the investment.
29. The Eddings Account revealed that between July 12, 2017 and July 24, 2017, Eddings exhausted AZR’s entire \$15,000 investment through ATM withdrawals, payments toward Eddings’s personal utility bills and a variety of retail purchases from, among other businesses, a rental company, a design company, local restaurants and an agricultural company. None of the money raised from AZR was used to facilitate hunting by BOO.

Tennessee Resident (“TR”)

30. In November 2017, Eddings began corresponding with a then thirty-nine-year-old Tennessee resident, TR, utilizing the same Facebook messenger application described above regarding conversations with AZR.
31. TR discovered Eddings via a Facebook page that touted Purported Entity 1 as an opportunity to hunt wild game, including deer and turkey, in Missouri.
32. During online interactions in November 2017, Eddings asked TR to invest in Purported Entity 1.
33. Eddings provided TR a document entitled “Black Oak Partnership Agreement” (the “**Agreement**”) that included the following terms:
 - a. the Agreement purported to establish a partnership between Eddings and TR;
 - b. Purported Entity 1 was to become a jointly owned company under the Agreement;
 - c. Eddings would own 75% of Purported Entity 1 with TR owning the remaining 25%;
 - d. TR would pay \$6,000 for TR’s 25% share of Purported Entity 1;
 - e. TR would be entitled to all profits earned by Purported Entity 1;
 - f. the Agreement purported to include giving the same share percentage to TR in any subsidiary companies spawned from Purported Entity 1; and
 - g. TR was to have no managerial obligations, or any responsibilities for the day-to-day operations of Purported Entity 1.
34. Eddings executed his portion of the Agreement on November 27, 2017.
35. On November 30, 2017, TR executed TR’s portion of the Agreement and remitted a check in the amount of \$6,000 to Eddings.
36. On December 4, 2017, Eddings deposited the TR check into the Eddings Account.
37. The Eddings Account revealed that between December 8, 2017 and December 27, 2017, Eddings exhausted TR’s entire \$6,000 investment through ATM withdrawals, local restaurants, online purchases, salon services and hotel stays. Additionally, Eddings used TR’s investment funds to purchase cruise tickets, pay his personal cell phone bill and make payments to a local veterinary facility.
38. None of the money raised from TR was used to facilitate the business of Purported Entity 1.

39. To date, TR has not received any return of TR's principal investment nor any portion of profits generated from the business of Purported Entity 1.

Alabama Residents 1, 2 & 3 ("ALR1", "ALR2", & "ALR3")

40. In July 2017, Eddings began corresponding with a then forty-five-year-old Alabama resident, ALR1, utilizing the same Facebook messenger application described above regarding conversations with AZR and TR.
41. ALR1 discovered Eddings via a Facebook page touting Purported Entity 1.
42. On July 31, 2017, ALR1 scheduled and paid \$1,875 for a deer hunt with Purported Entity 1.
43. Subsequently, Eddings did lead ALR1 on the deer hunt referenced in paragraph 42 in the State of Missouri.
44. After the hunt, Eddings reached out to ALR1 via telephone and solicited an investment from ALR1 into Purported Entity 1.
45. Eddings pitched an arrangement for ALR1 to invest \$6,000 wherein ALR1 would have a lease of land operated by Purported Entity 1 along with a percentage from all paid hunts on the property. The lease would permit ALR1 the ability to hunt on the land anytime at ALR1's discretion.
46. ALR1 thought the arrangement was a great idea and recruited two other Alabama residents, ALR2 and ALR3, to join him in the investment.
47. ALR1, ALR2 and ALR3 each contributed \$2,000 toward the investment and ALR1 issued a single \$6,000 check to Eddings, which Eddings deposited into the Eddings Account on December 22, 2017.
48. A review of the Eddings Account revealed that between December 22, 2017 and January 5, 2018, Eddings exhausted the Alabama residents' entire \$6,000 investment through ATM withdrawals, meals and drink expenses at local restaurants, online purchases and salon services. Additionally, Eddings used the investment funds to pay for certain personal expenses, including entertainment, cell phone bills, insurance premiums and cable television bills.
49. None of the \$6,000 raised from the Alabama residents was used to facilitate the business of Purported Entity 1.
50. To date, the Alabama residents never received return of their \$6,000 principal investment nor any portion of profits generated from the business of Purported Entity 1.

Louisiana Resident (“LR”)

51. In August 2017, Eddings began corresponding with a then forty-one-year-old Louisiana resident, LR, utilizing the same Facebook messenger application described above regarding conversations with AZR, TR and ALR1.
52. LR discovered Eddings via a Facebook page touting Purported Entity 1.
53. During the fall of 2017, LR scheduled and paid Eddings for a deer hunt with Purported Entity 1.
54. After the hunt, Eddings sent a chat message to LR on December 23, 2017, asking LR to invest in Purported Entity 1. Eddings’s message read, “Looking for a business partner if you’re feeling crazy, lol.”
55. Eddings initially offered LR a thirty-five percent (35%) interest in all profits from future hunts conducted by Purported Entity 1 in consideration for a \$15,000 investment in Purported Entity 1. LR did not respond to this offer.
56. Eddings then offered LR a sixty percent (60%) interest in all profits from future hunts conducted by Purported Entity 1 in consideration for a \$25,000 investment in Purported Entity 1. According to the terms of the offer, Eddings would reduce LR’s interest in Purported Entity 1’s profits from sixty to fifty percent (50%) once LR received distributions totaling his initial investment of \$25,000.
57. LR informed Eddings that he could only invest \$20,000 and they agreed upon this principal amount.
58. LR retained an attorney who drafted a promissory note to memorialize a \$20,000 investment (the “**LR Note**”) with terms similar to those referenced in paragraph 56.
59. A draft of the LR Note was exchanged on December 28, 2017, between Eddings and LR.
60. In the LR Note, Eddings is identified as “Maker” and LR is identified as “Creditor”. Eddings executed the LR Note representing that he was executing it as an individual and as organizer of Purported Entity 1 by signing his name on lines above these titles.
61. The LR Note states that it is “payable in consecutive quarterly installments of principal, consisting of one half of the deposits for all future hunts received in the previous quarter, commencing on April 15, 2018, and continuing on the 15th day of the first of each succeeding quarter until \$20,000 had been paid on account of principal.”
62. The LR Note further stated that out of consideration of the note bearing zero interest, Eddings would grant LR fifty percent (50%) ownership interest in Purported Entity 1.
63. As part of their agreement, Eddings agreed to register Purported Entity 1 as an LLC with

the State of Missouri.

64. Though Eddings had previously registered BOO as a fictitious business name, Eddings never registered Purported Entity 1 as an LLC in the State of Missouri.³
65. According to the terms of the LR Note, Eddings agreed to pay LR late fees of ten percent (10%) on any installment payment made more than ten (10) days late with a cap of \$250.
66. On December 9, 2017, Eddings executed his portion of the LR Note.
67. On January 3, 2018, LR executed LR's portion of the LR Note and provided \$20,000 to Eddings.
68. On that same day, Eddings deposited the \$20,000 into the Eddings Account.
69. To date, LR never received any return of the \$20,000 principal nor any portion of the promised late fees for delinquent payments. The parties agree the late fee equated to \$3,000 between the execution date and the filing of the instant matter. The parties agree that LR's total loss is reasonably calculated at \$23,000.
70. A review of the Eddings Account revealed that between January 3, 2018 and February 8, 2018, Eddings exhausted LR's entire principal \$20,000 investment through ATM withdrawals, meal and drink expenses at local restaurants, online purchases and other retail purchases. Additionally, Eddings used the investment funds to pay for certain personal expenses, including entertainment, cell phone bills and insurance premiums.

Missouri Resident ("MR")

71. In July 2018, Eddings began corresponding with a then sixty-three-year-old Missouri resident, MR, utilizing the same Facebook messenger application described above regarding conversations with AZR, TR, ALR1, and LR.
72. MR discovered Eddings via a Facebook page touting Purported Entity 1.
73. In July, 2018, Eddings asked MR to invest in Purported Entity 1 through an investment contract after MR had scheduled and paid for a deer hunt.
74. On July 12, 2018, MR signed the proposed investment contract (the "**MR Contract**").
75. The MR Contract memorialized an investment in Purported Entity 1 of \$3,500.
76. According to the terms of the MR Contract, in consideration for the \$3,500 investment, MR was to receive fifty percent (50%) of profits from Purported Entity 1 deer hunts for two (2) consecutive seasons.

³ As previously mentioned, the name utilized by Purported Entity 1 was already registered by separate non-affiliated individuals. Because of this, Eddings could not register Purported Entity 1 as an LLC in Missouri.

77. On July 12, 2018, Eddings also executed his portion of the MR Contract.
78. On July 12, 2018, MR gave Eddings \$3,500 and Eddings deposited \$3,500 into the Eddings Account.
79. Contrary to promises made in the MR Contract, MR never received a return of MR's principal investment or any percentages from the business of Purported Entity 1.
80. A review of the Eddings Account revealed that between July 12, 2018 and July 23, 2018 (just eleven (11) days), Eddings exhausted MR's entire \$3,500 investment through ATM withdrawals, meal and drink expenses at local restaurants and salon services. Additionally, Eddings used the investment funds to pay for certain personal expenses, including utility bills and insurance premiums.

Additional Findings

81. Eddings misled investors MR and LR when they asked for the return of their principal investments by claiming that his mother was gravely ill, in hospice care and would soon die.
82. Eddings further misled LR by telling LR that Eddings was attending a funeral for his mother shortly after he told LR that she was in hospice care.
83. Eddings misled LR by claiming that Eddings was forced to file bankruptcy when no bankruptcy filing by Eddings was ever discovered.
84. Eddings misled LR by claiming that Eddings would be selling Purported Entity 1 in order to repay LR when in reality Purported Entity 1 did not exist.
85. Eddings misled MR by claiming that Eddings was immersed in a bitter divorce and custody battle with Eddings's wife while no Petition for Dissolution was ever discovered.
86. Eddings misled MR and LR by claiming Eddings's attorney would be returning their principal investments. However, no attorney for Eddings ever contacted MR and LR, let alone made arrangements to repay their principal investments.
87. Eddings admitted to the Republic Police Department in Republic, Missouri, the following:
 - a. Eddings's mother was never in hospice care;
 - b. Eddings told police officers that he did not keep receipts related to purchases for his businesses and that he would review bank records for tax purposes. Regardless, Eddings's bank records do not show any business related purchases in the time periods he was spending investor money;

- c. Eddings told police officers that he used investor funds to purchase hunting blinds, food for hunters, beds, pots and pans and other items needed to conduct hunts by Purported Entity 1 when no evidence supporting any such purchases was uncovered; and
 - d. Eddings admitted he had not been employed since 2016.
88. Eddings never disclosed to any investors his criminal history.
89. Eddings never disclosed to any investors the civil judgments rendered against him.
90. Eddings misappropriated investor money by using investor money to make personal retail purchases, purchase spa services, make utility payments, and to purchase a vacation to Mexico from Galveston, Texas, via a cruise.

II. CONCLUSIONS OF LAW

91. The Commissioner finds that Respondent, in connection with the offer and sale of the investment contracts and promissory notes in this matter: (i) employed a device, scheme, or artifice to defraud, (ii) made untrue statements of material fact or omitted to state material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, and (iii) engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person all in at least six instances, all of which were in violation of Sections 409.5-501(1), 409.5-501(2) and 409.5-501(3) to wit:
- a. touting the success of Purported Entity 1 and BOO in each of the investments in order to give investors a false sense of security and induce them into their investments;
 - b. misrepresenting the fact that Purported Entity 1 was owned and controlled by Eddings;
 - c. omitting to disclose Eddings's criminal history in all of his correspondence in the course of securing the investments;
 - d. omitting to disclose Eddings's civil judgments in all of his correspondence in the course of securing the investments;
 - e. misrepresenting to investors claims that Eddings's mother was ill and in hospice care in order to assuage or put off their inquiries concerning repayment of their investments;
 - f. misrepresenting the state of his marriage to investors in order to assuage or put off their inquiries concerning repayment of their investments; and
 - g. misappropriating investor funds for his own personal use and benefit by taking

investor money and making retail purchases, restaurant purchases, purchasing spa services and vacations, and making personal utility payments.

92. At the time Respondent engaged in the conduct set forth above, two investors (AZR and MR) were more than sixty-years-old and were elderly persons, as that term is defined under Section 409.6-604(d)(3)(B).
93. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby ordered that:

94. Respondent, his 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 Section 409.5-501.
95. Respondent shall pay civil penalties in the amount of \$240,000 for six violations of Section 409.5-501 where said violations involved an elderly person as defined by Section 409.6-604(d)(3)(B). This amount shall be made payable to the State of Missouri. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. ***All obligations to pay this amount shall be and hereby are suspended, and shall be fully and finally waived when the other amounts described herein are paid in full and when Respondent provides proof he has complied with any court orders in Green County Case No. 2031-CR05376-01 within and not to exceed two (2) years from the execution of this document.***
96. At the time this Consent Order is executed, Respondent shall pay restitution in the amount \$53,500. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to the investors listed in Exhibit A. These amounts shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
97. Within twenty-four (24) months from the execution of this document Respondent shall pay \$12,000 to the Missouri Secretary of State Investor Education and Protection Fund in amount no less than \$500 per month. This payment shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Securities Division will forward the funds to the Missouri Secretary of State's Investor Education and Protection Fund.

98. Upon Respondent's failure to comply with the terms of this Consent Order, all remaining payments shall immediately become due and payable upon operation of law, and such immediately due payments shall be in addition to any and all other penalties available under the law at that time.
99. Respondent shall pay his own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 7th DAY OF DECEMBER, 2021.




JOHN R. ASHCROFT
SECRETARY OF STATE



DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION



STEVEN M. KRETZER
SECURITIES ENFORCEMENT COUNSEL



SCOTT PIERSON
ATTORNEY FOR RESPONDENT



THEODORE JAY EDDINGS
RESPONDENT



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
THEODORE JAY EDDINGS,) Case No.: AP-21-13
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)
)
)
Respondent.)

**EXHIBIT A - RESPONDENT'S
RESTITUTION REMITTANCE SCHEDULE**

Respondent agrees to the following Restitution Remittance Schedule pursuant to the Consent Order:

INVESTOR	AMOUNT
AZR	\$15,000.00
TR	\$6,000.00
ALR1	\$2,000.00
ALR2	\$2,000.00
ALR3	\$2,000.00
LR	\$23,000.00
MR	\$3,500.00
GRAND TOTAL	\$53,500.00