



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
CDS FINTECH GROUP, LLC;)
and TERENCE L. VAN HORN,) Case No.: AP-22-08
)
Respondents.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS & SETTLEMENT OF SAME

1. On or about August 17, 2020 (the "**Relevant Period**"), Respondent Terence L. Van Horn ("**Van Horn**"), on behalf of Respondent CDS Fintech Group, LLC ("**Fintech**") (collectively "**Respondents**"), sold a promissory note to one St. Louis, Missouri investor. Respondents never registered any securities nor were they exempt from registration. By engaging in these activities and conduct, Respondents violated Section 409.3-301 of the Missouri Securities Act.¹ The Enforcement Section has asserted that this alleged violation constitutes grounds for the Missouri Commissioner of Securities (the "**Commissioner**") to issue an order pursuant to Section 409.6-604.
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents' alleged violations of Section 409.3-301.

CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Commissioner has jurisdiction over Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409 *et seq.*
4. Respondents 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:

"The commissioner is authorized to issue administrative consent

¹ Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2021 Cumulative Supplement.

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orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondents waive Respondents’ rights to a hearing with respect to this matter.
6. Respondents waive any rights that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold 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. Respondents stipulate and agree 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. Respondents 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. Respondents agree 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 Respondents’ (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. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent 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. Fintech is a Missouri limited liability company formed by Van Horn on August 14, 2020, and headquartered at 7733 Forsyth Boulevard, 11th Floor, Clayton, Missouri 63105. Van Horn is listed as Fintech’s registered agent and organizer.

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13. 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 Respondents.
14. Van Horn is a fifty-year-old St. Louis, Missouri resident at 5455 Delmar Boulevard, #206, St. Louis, Missouri 63112.
15. The Central Registration Depository indicates that at all times relevant, Respondents were not registered in Missouri as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or issuer agent.
16. On or about August 17, 2020, one week after the company was formed, Respondents solicited and sold a \$10,000 promissory note (the "Note") to a then fifty-seven-year-old St. Louis, Missouri resident ("MR").
17. At the time of sale, MR presented Van Horn with only \$4,000 of the total \$10,000 investment.
18. Despite the shortfall of \$6,000, Van Horn agree ^{LODIA} to proceed forward with the transaction on the condition that MR would pay the remaining funds at a later date.
19. The Note was executed by Van Horn on behalf of Fintech and countersigned by MR.
20. Terms of the Note included the following:
 - a. the Note is classified as "Plan B" with an investment amount of \$10,000 and purported to mature on August 25, 2020;
 - b. the Note cited a "yield" of 25%;
 - c. the Note included a "target date" of 12 months;
 - d. monthly interest was listed on the Note to be calculated at \$208.33 per month; and
 - e. at maturity MR was to receive a return of the principle and would earn \$2,500 on the investment.
21. MR remitted the \$4,000 to Van Horn directly through a mobile application and Van Horn confirmed the transaction with a "thumbs up" emoji.
22. Prior to paying the additional \$6,000, MR had second thoughts about proceeding with the investment and demanded his initial \$4,000 investment be returned by Van Horn.
23. To date, the \$4,000 has not been returned to MR. As a result, with 8% annual statutory simple interest applied since the date of the investment to April 17, 2022, MR's loss is \$4,533.40.

24. As part of its investigation, the Enforcement Section learned that Van Horn advertises Notes via social media, networking sites, and online investor forums.
25. Respondents cooperated in full with the Enforcement Section's investigation.

II. CONCLUSIONS OF LAW

26. **THE COMMISSIONER CONCLUDES** that the Note of MR is a security under Section 409.1-102(28) which defines a security as, among other things, "notes".
27. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents issued and sold an unregistered, non-exempt security in violation of Section 409.3-301 and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
28. The Commissioner, after consideration of the stipulations set forth above and on the consent of the Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents 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:

29. 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 Section 409.3-301.
30. Respondents shall pay a civil penalty in the amount of \$25,000 for one (1) violation of Section 409.3-301. This amount shall be made payable to the **Missouri Investor Education and Protection Fund**, and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65102. *All obligations to pay this amount shall be and hereby are suspended, and shall be fully and finally waived when the restitution amounts and investigation costs described herein are paid in full in compliance with this order.*
31. Respondents shall pay restitution in the amount of \$4,533.40 at the time of execution of this order. 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. The restitution shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65102.
32. Respondents shall pay costs of the investigation in the amount of \$1,500 at the time of execution of this order. This amount shall be made payable to the **Missouri Investor Education and Protection Fund**, and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65102.

30 days

- 33. The civil penalty assessed in Paragraph ~~27~~ will be fully waived upon payment of the full \$4,533.40 in restitution and \$1,500 costs of the investigation and compliance with the remaining terms of this Consent Order.
- 34. Upon Respondents' failure to comply with the terms of this Consent Order, all remaining payments shall become immediately due and payable upon operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law.
- 35. Respondents shall pay their 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 15th DAY OF ~~APRIL~~, 2022.



June
JOHN R. ASHCROFT
SECRETARY OF STATE

David M. Minnick
DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

MISSOURI SECURITIES DIVISION

Steven M. Kretzer
STEVEN M. KRETZER
SECURITIES ENFORCEMENT COUNSEL

Terrence L. Van Horn
TERRENCE L. VAN HORN

Terrence L. Van Horn
TERRENCE L. VAN HORN,
AUTHORIZED SIGNATORY
CDS FINTECH GROUP, LLC

CONSENT - EXHIBIT A
AP-22-08 / I2021-0027

IN THE MATTER OF:

CDS FINTECH GROUP, LLC; and
TERENCE L. VAN HORN,
Respondents

MR: \$4,533.40