



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

TRIDENT / KD INVESTMENT GROUP, INC.)	
P.O. Box 19537)	Order No. CD-99-43
West Palm Beach, Florida 33416;)	
)	
LISA KLINGER,)	
15782 92 nd Court North)	
West Palm Beach, Florida 33417; and)	
)	
WILL GRANT, JR.)	
1060 West 4 th Street)	
Riviera Beach, Florida 33404,)	
)	
Respondents.)	

FINAL ORDER TO CEASE & DESIST

Now on the 25th day of June, 2001, the Commissioner issues the following findings of fact, conclusions of law and final order to cease and desist:

Procedural Background

On December 1, 1999, John Ellis, Chief of Enforcement, submitted a petition to the commissioner alleging violations of Chapter 409, RSMo and requesting the issuance of a cease and desist order.

On December 2, 1999, Commissioner Douglas F. Wilburn issued a Cease and Desist Order.

On January 14, 2000, Respondents Klinger and Grant requested through counsel a hearing on the Cease and Desist Order.

On June 21, 2001, the matter came on for hearing. Mary Hosmer, Assistant Commissioner, appeared for the Securities Division and Respondents did not appear. The Securities Division moved for dismissal of Resondents' request for

hearing.

The motion to dismiss Respondents' request for hearing is sustained.

FINDINGS OF FACT

1. Trident / KD Investment Group, Inc. was a Florida corporation and had an address of 4910 Pine Ridge Road, #2, West Palm Beach, Florida 33417.
2. Lisa Klinger was the treasurer and former president of Trident and has an address of 15782 92nd Court North, West Palm Beach, Florida 33417.
3. Will Grant, Jr. was the president of Trident and has an address of 1060 West 4th Street, Riviera Beach, Florida 33404.
4. George Hoffman was corporate counsel, registered agent and secretary for Trident and has an address of 7319 73rd Way, West Palm Beach, Florida 33417.
5. As used in this Cease and Desist Order, the term "Respondents" refers to Trident, Klinger and Grant.
6. On or about August 1, 1997, the United States District Court for the Southern District of New York approved a class action settlement of \$22,500,000 on behalf of investors in Polaris Aircraft Income Funds ("PAIF") I through VI.
7. On or about November 10, 1997, Trident made an offer to a Missouri resident ("MR1") to buy MR1's units in PAIF V. Trident sent this offer to MR1 at MR1's Missouri address.
8. Trident's November 10, 1997 offer stated, in part, as follows:

"The purpose of this letter is to inform you of our offer to purchase 5,000 Units (1% of outstanding units) of Polaris Aircraft Income Fund V for \$100.00 per Unit in accordance with the terms, and conditions in the enclosed Assignment of Limited Partnership Units. . . .

Our offer is due to expire Monday, December 1, 1997 at 5:00 P.M. E.S.T. The enclosed Power of Attorney and the Agreement of Transfer must be postmarked no later than November 28, 1997!

. . . As a reminder, properly documented Units are being accepted on a first-received, first-purchased basis. If you have already forwarded your paperwork, we thank you. . . ."

9. This November 10, 1997 offer was signed by Lisa Klinger as president of Trident.
10. The November 10, 1997 offer contained, among other things, a document entitled "Agreement of Transfer and Sale for 4 ("Units") of Polaris Aircraft Income Fund V ("PAIF")" (document attached and incorporated as Exhibit A).
11. The detailed terms of the Agreement of Transfer and Sale were set forth in single-spaced, smaller than normal print.
12. Sometime after MR1 received the information from Trident, MR1 signed the Agreement of Transfer and Sale and mailed the Agreement to Trident.
13. On or about February 3, 1998, Hoffman, as counsel for Trident, sent a letter to MR1 which stated, in part, as follows:

"My client, TRIDENT / KD INVESTMENT GROUP INC. has requested that I process your payment, in accordance with the terms and conditions of your July 1, 1997 contract, for sale of your 4 units of POLARIS AIRCRAFT INCOME FUND V."

14. On or about February 27, 1998, Hoffman sent a letter to MR1 stating that MR1 owed Trident \$191.16 to complete Trident's purchase of MR1's units. This correspondence (attached and incorporated as Exhibit B) stated, in part, as follows:

"I have enclosed a sight draft to be used for payment of your 4 units of POLARIS AIRCRAFT INCOME FUND V and a copy of your contract The following summary details how the balance due was determined:

. . .Purchase Price for 4 units of [PAIF V] (\$100.00 per unit)	\$400.00
. . .less the July 1997 distribution	91.88
. . .less the October 1997 distribution	15.88
. . .less the January 1998 distribution	113.40
. . .less the General Partners transfer fee of	70.00
. . .less my clients [sic] processing costs of	300.00
leaves a balance due Trident in the amount of	191.16"

15. Subsequently, MR1 received an undated notice from Polaris Investment Management Corporation (attached and incorporated as Exhibit C). This notice

indicated that the title to MR1's PAIF V units had been transferred to Paul C. and Darcie L. Frain of Indian Rocks Beach, Florida, on January 1, 1998.

16. In June 1998, MR1 received a letter dated June 11, 1998, from Trident's president, Will Grant, Jr. (attached and incorporated as Exhibit D). This letter stated, in part, as follows:

“. . . Our corporate counsel, George Hoffman has sent to you several requests to resolve this matter. You have chosen to disregard Mr. Hoffman's communications. You could have resolved this matter, prior to June 1, 1998 by sending a check in the amount of \$166.16, made payable to [Trident]. THIS IS NO LONGER AN OPTION AVAILABLE TO YOU. Mr. Hoffman's time and expense has added another \$100.00 to the previous \$166.16 to reflect a total amount due of \$266.16.

This matter can be resolved prior to Friday June 19, 1998 by making payment in the amount of \$266.16 by certified check or money order made payable to [Trident] to the above address.

Should you choose to ignore this final request we will retain outside counsel to file a claim in Palm Beach County, Florida (small claims court). . . . [This claim] should result in a judgement against you in the approximate amount of \$971.16 which once obtained will be reported to all three national credit bureaus and garnishment will be made from your checking account or brokerage account.

NO NEGOTIATIONS ON THE AMOUNT CURRENTLY DUE OF \$266.16 WILL BE CONSIDERED. . . . (Emphasis in original).

17. Sometime during late November 1997 or early December 1997, Trident sent another Missouri resident ("MR2") an offer to purchase MR2's PAIF V units. Included with this offer was a document entitled "Agreement of Transfer and Sale for 20 Units of [PAIF V]" (this document is substantially similar to Exhibit A).
18. Subsequently, MR2 signed the Agreement of Transfer and Sale and mailed the Agreement to Trident.
19. On or about April 20, 1998, Hoffman, as counsel for Trident, sent a letter dated February 20, 1998, to MR2 which stated, in part, as follows:

"At the request of my client, Trident/KD Investment Group Inc. ("Trident") I have enclosed a sight draft to be used for payment of your 20 units of POLARIS AIRCRAFT INCOME FUND V and a copy of your contract with Trident for your review. . . . The following summary details how the balance due Trident was determined:

...Purchase Price for 20 units of Polaris (\$91.37 per unit)	\$1,827.40
...less the July 1997 distribution	\$459.40
...less the October 1997 distribution	\$79.40
...less the January 1998 distribution	\$567.00
...less the February 1998 distribution	\$1,310.20
...less the General Partners transfer fee of	\$70.00
...less my clients [sic] processing costs of	\$275.00
leaves a balance due Trident in the amount of	\$933.60"

20. Subsequently, MR2 received an undated notice from Polaris Investment Management Corporation that indicated that title to MR2's units was transferred to Trident on April 1, 1998.
21. On or about April 2, 1998, the Missouri Securities Division received information that indicated that the Respondents may have purchased securities from Missouri residents.
22. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration for Trident to transact business in the State of Missouri as a broker-dealer.
23. On May 27, 1998, the Securities Division sent a letter of inquiry to Trident. This letter requested information about the above-addressed securities transactions.
24. On July 20, 1998, the Division received a written response dated July 14, 1998, from Trident's counsel. This response stated, in part, as follows:

"Trident purchased the interests on their own behalf with no intention of resell [sic]. They are neither a registered representative or an investment advisor and are purchasing these units strictly for their own investment purposes."
25. On July 21, 1998, the Division sent a letter to counsel for Trident requesting additional information about the above-mentioned securities transactions.
26. On or about August 3, 1998, the Division received Trident's response dated July 30, 1998, which stated, in part, as follows:

“ . . . Trident sold certain of the units they had purchased . . . and instead of receiving them in the broker-dealer with which Mr. Frain was employed, he accepted some of the units on behalf of himself and his wife. . . .”

27. On or about November 18, 1998, the Division sent a third letter to Trident's counsel requesting information concerning its transactions with Missouri residents. The November 18, 1998 inquiry required a response no later than December 19, 1998.
28. To date, Trident has failed to fully respond to the Division's requests for information.
29. On or about December 29, 1998, an investigator with the Securities Division spoke with Paul Frain. Frain stated, among other things, the following:
 - a. Frain's business was called Frain Asset Management (“FAM”).
 - b. FAM made a secondary market in limited partnership investments.
 - c. FAM purchased these securities from investors nationwide.
 - d. FAM did a large volume of business in the Polaris Funds.
 - e. Trident and other such entities were referred to as “tender companies.”
 - f. Trident obtained lists of investors from various limited partnerships at . opportune times.
 - g. Trident would typically telephone FAM to see what FAM was offering for the units.
 - h. Trident then offered to purchase these limited partnership interests from investors at a lower price than what a secondary market maker would pay.
 - i. Trident then sold these limited partnership interests to FAM and other such market makers.
 - j. FAM had purchased PAIF V units from Trident, but stopped doing business with Trident because Frain was getting calls from some of the original investors claiming that they had not been paid.
30. In connection with the offer to buy the above-mentioned securities from Missouri residents, Respondents:
 - a. Omitted to disclose that Trident was not registered as a broker-dealer in

the State of Missouri.

- b. Offered to purchase PAIF V limited partnership interests from individual investors who believed such interests had little or no value.
 - c. Offered to purchase PAIF V limited partnership interests that Trident knew or should have known were more valuable than the amount Trident had offered to the investors.
 - d. Stated to MR1 and MR2 that Trident's offer was made on "a first-received, first-purchased basis."
 - e. Stated to MR1 and MR2 that Trident's offer would expire shortly.
 - f. Enclosed the detailed terms of Trident's offer in a single-spaced contract written in smaller than normal print.
 - g. Offered to purchase MR1 and MR2's interests in November 1997, several months after a class action settlement had been reached that entitled MR1 and MR2 to distributions.
 - h. Defined the effective date of the assignment of MR1 and MR2's interests to Trident as of July 1, 1997, several months before the actual dates of the contracts.
 - i. Defined the effective date of the assignment of MR1 and MR2's interests to Trident as of July 1, 1997, in order for Trident to claim the distributions already paid to MR1 and MR2.
 - j. Omitted to disclose that distributions and fees associated with the transfer could actually result in MR1 and MR2 owing money to Trident.
 - k. Used high-pressure collection tactics.
31. This Order is in the public interest.

CONCLUSIONS OF LAW

1. § 409.401, RSMo Cumulative Supp. 1998 provides that "A security is defined as ". . . any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; **limited partnership interest**; voting-trust certificate; certificate of deposit for a security; [or] certificate of interest or participation in an

oil, gas, or mining title or lease or in payments out of production under such a title or lease[.]” (Emphasis added).

2. The units in the Polaris Aircraft Income Fund V as described in the above “Findings of Fact” constitute securities.
3. § 409.201(a), RSMo Cumulative Supp. 1998 provides that “It is unlawful for any person to transact business in this state as a broker-dealer unless he is registered as a broker-dealer under Sections 409.101 to 409.419.”
4. Trident’s conduct described in the Section entitled “Findings of Fact” constitutes a violation of § 409.201(a), RSMo Cumulative Supp. 1998.
5. § 409.101 RSMo 1994 provides that “It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly
 - (1) to employ any devise, scheme, or artifice to defraud,
 - (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or
 - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.”
6. Respondents’ omissions of fact, acts, practices, and courses of business in connection with the offer to purchase securities, as described in the above “Findings of Fact,” constitute violations of § 409.101, RSMo 1994.
7. § 409.408(b), RSMo 2000 provides, in part, that

If the commissioner shall believe, from evidence satisfactory to him, that such person is engaged or about to engage in any of the fraudulent or illegal practices or transactions above in this subsection referred to, he may issue and cause to be served upon such person and any other person or persons concerned or in any way participating in or about to participate in such fraudulent or illegal practices or transactions, an order prohibiting such person and such other person or persons from continuing such fraudulent or illegal practices or transactions or engaging therein or doing any act or acts in furtherance thereof.
7. Transacting business as an unregistered broker-dealer constitutes an illegal practice under the statute.

8. Omitting to state material facts, which would make statements made in light of the circumstances under which they are made not misleading, constitutes an illegal practice under the statute.
9. Engaging in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person constitutes an illegal practice under the statute.
10. The Missouri Commissioner of Securities is empowered to issue such orders as are necessary to protect the public interest. § 409.408, RSMo 2000.

ORDER

NOW, THEREFORE, it is hereby ordered that Respondents Trident / KD Investment Group, Inc., Lisa Klinger and Will Grant, Jr., 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 are prohibited from:

- A. Directing a solicitation to purchase or an offering to purchase units in Polaris Aircraft Income Fund V into or within the State of Missouri; and
- B. In connection with any offer to buy units in Polaris Aircraft Income Fund V from Missouri residents, omitting to disclose material facts necessary to make statements made not misleading, including the fact that Trident is not registered as a broker-dealer in the State of Missouri, and further that distributions and fees associated with the sale of PAIF V interests could actually result in investors owing money to Trident.
- C. In connection with any offer to buy units in Polaris Aircraft Income Fund V from Missouri residents, engaging in acts, practices and a course of business which operate as a fraud by employing the following tactics that have the effect of confusing or deceiving investors. Trident offered to buy units in Polaris Aircraft Income Fund V from Missouri residents who believed such interests had little or no value, when Trident knew or should have known that the interests were more valuable than the amount Trident had offered to the investors. Respondents stated that Trident's offer was made on "a first-received, first-purchased basis" and would expire shortly. The important terms of Trident's offer were enclosed in a single-spaced contract written in smaller than normal print. Respondents offered to purchase PAIF V interests in November 1997, several months after a class action settlement had been reached that entitled investors to distributions. Yet, Respondents defined the effective date of the assignment of investor's

interests to Trident as of July 1, 1997, several months before the actual dates of the contracts, in order for Trident to claim the distributions already paid to investors, and without disclosure that distributions and fees associated with the transfer could actually result in investors owing money to Trident. Respondents then used high pressure collection tactics in obtaining money from the investors.

- D. Offering to purchase or purchasing any other security in violation of §409.101, RSMo 2000.
- E. Staff shall serve on Respondents' counsel by certified mail a copy of the above order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 21^m DAY OF June, 2001.

MATT BLUNT
SECRETARY OF STATE



A handwritten signature in black ink, appearing to read "Douglas M. Ommen", is written over a horizontal line.

DOUGLAS M. OMMEN
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

TRIDENT / KD INVESTMENT GROUP, INC.)	ORDER TO CEASE & DESIST
P.O. Box 19537)	Order No. CD-99-43
West Palm Beach, Florida 33416;)	
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LISA KLINGER,)	
15782 92 nd Court North)	
West Palm Beach, Florida 33417; and)	
)	
WILL GRANT, JR.)	
1060 West 4 th Street)	
Riviera Beach, Florida 33404,)	
)	
Respondents.)	

Trident / KD Investment Group, Inc. made offers to purchase limited partnership units of Polaris Aircraft Income Fund V owned by Missouri residents. These offers were made following a \$22,500,000 nationwide class action settlement with investors in Polaris Aircraft Income Funds I through VI. The Missouri residents were led to believe that they would receive payment from Trident in exchange for the Missouri residents' limited partnership units. But, upon sale of the units to Trident, the Missouri residents were required to pay Trident for transfer fees, processing costs and distributions previously paid to the Missouri residents by the Fund. These charges exceeded the purchase price offered by Trident. Trident was not registered to offer, sell or purchase securities in the State of Missouri.

The Missouri Commissioner of Securities is empowered to issue such orders as are necessary to protect the public interest. Section 409.408, RSMo 1994.

The Commissioner has received a Petition for a Cease and Desist Order and issues the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Trident / KD Investment Group, Inc. was a Florida corporation and had an address of 4910 Pine Ridge Road, #2, West Palm Beach, Florida 33417.
2. Lisa Klinger was the treasurer and former president of Trident and has an address of 15782 92nd Court North, West Palm Beach, Florida 33417.
3. Will Grant, Jr. was the president of Trident and has an address of 1060 West 4th Street, Riviera Beach, Florida 33404.
4. George Hoffman was corporate counsel, registered agent and secretary for Trident and has an address of 7319 73rd Way, West Palm Beach, Florida 33417.
5. As used in this Cease and Desist Order, the term "Respondents" refers to Trident, Klinger and Grant.
6. On or about August 1, 1997, the United States District Court for the Southern District of New York approved a class action settlement of \$22,500,000 on behalf of investors in Polaris Aircraft Income Funds ("PAIF") I through VI.
7. On or about November 10, 1997, Trident made an offer to a Missouri resident ("MR1") to buy MR1's units in PAIF V. Trident sent this offer to MR1 at MR1's Missouri address.
8. Trident's November 10, 1997 offer stated, in part, as follows:

"The purpose of this letter is to inform you of our offer to purchase 5,000 Units (1% of outstanding units) of Polaris Aircraft Income Fund V for \$100.00 per Unit in accordance with the terms, and conditions in the enclosed Assignment of Limited Partnership Units. . . .

Our offer is due to expire Monday, December 1, 1997 at 5:00 P.M. E.S.T. The enclosed Power of Attorney and the Agreement of Transfer must be postmarked no later than November 28, 1997!

. . . As a reminder, properly documented Units are being accepted on a first-received, first-purchased basis. If you have already forwarded your paperwork, we thank you. . . ."
9. This November 10, 1997 offer was signed by Lisa Klinger as president of Trident.
10. The November 10, 1997 offer contained, among other things, a document entitled "Agreement of Transfer and Sale for 4 ("Units") of Polaris Aircraft Income Fund V ("PAIF")" (document attached and incorporated as Exhibit A).

11. The detailed terms of the Agreement of Transfer and Sale were set forth in single-spaced, smaller than normal print.
12. Sometime after MR1 received the information from Trident, MR1 signed the Agreement of Transfer and Sale and mailed the Agreement to Trident.
13. On or about February 3, 1998, Hoffman, as counsel for Trident, sent a letter to MR1 which stated, in part, as follows:

“My client, TRIDENT / KD INVESTMENT GROUP INC. has requested that I process your payment, in accordance with the terms and conditions of your July 1, 1997 contract, for sale of your 4 units of POLARIS AIRCRAFT INCOME FUND V.”

14. On or about February 27, 1998, Hoffman sent a letter to MR1 stating that MR1 owed Trident \$191.16 to complete Trident’s purchase of MR1’s units. This correspondence (attached and incorporated as Exhibit B) stated, in part, as follows:

“I have enclosed a sight draft to be used for payment of your 4 units of POLARIS AIRCRAFT INCOME FUND V and a copy of your contract The following summary details how the balance due was determined:

. . .Purchase Price for 4 units of [PAIF V] (\$100.00 per unit)	\$400.00
. . .less the July 1997 distribution	91.88
. . .less the October 1997 distribution	15.88
. . .less the January 1998 distribution	113.40
. . .less the General Partners transfer fee of	70.00
. . .less my clients [sic] processing costs of	300.00
leaves a balance due Trident in the amount of	191.16”

15. Subsequently, MR1 received an undated notice from Polaris Investment Management Corporation (attached and incorporated as Exhibit C). This notice indicated that the title to MR1’s PAIF V units had been transferred to Paul C. and Darcie L. Frain of Indian Rocks Beach, Florida, on January 1, 1998.
16. In June 1998, MR1 received a letter dated June 11, 1998, from Trident’s president, Will Grant, Jr. (attached and incorporated as Exhibit D). This letter stated, in part, as follows:

“ . . . Our corporate counsel, George Hoffman has sent to you several requests to resolve this matter. You have chosen to disregard Mr. Hoffman’s communications. You could have resolved this matter, prior to June 1, 1998 by sending a check in the amount of \$166.16, made payable to [Trident]. THIS IS NO LONGER AN OPTION AVAILABLE TO YOU. Mr. Hoffman’s time and expense has added another \$100.00 to the previous \$166.16 to reflect a total amount due of \$266.16.

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NO NEGOTIATIONS ON THE AMOUNT CURRENTLY DUE OF \$266.16 WILL BE CONSIDERED. . . . (Emphasis in original).

17. Sometime during late November 1997 or early December 1997, Trident sent another Missouri resident (“MR2”) an offer to purchase MR2’s PAIF V units. Included with this offer was a document entitled “Agreement of Transfer and Sale for 20 Units of [PAIF V]” (this document is substantially similar to Exhibit A).
18. Subsequently, MR2 signed the Agreement of Transfer and Sale and mailed the Agreement to Trident.
19. On or about April 20, 1998, Hoffman, as counsel for Trident, sent a letter dated February 20, 1998, to MR2 which stated, in part, as follows:

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...less the January 1998 distribution	\$567.00
...less the February 1998 distribution	\$1,310.20
...less the General Partners transfer fee of	\$70.00
...less my clients [sic] processing costs of	\$275.00
leaves a balance due Trident in the amount of	\$933.60"

20. Subsequently, MR2 received an undated notice from Polaris Investment Management Corporation that indicated that title to MR2's units was transferred to Trident on April 1, 1998.
21. On or about April 2, 1998, the Missouri Securities Division received information that indicated that the Respondents may have purchased securities from Missouri residents.
22. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration for Trident to transact business in the State of Missouri as a broker-dealer.
23. On May 27, 1998, the Securities Division sent a letter of inquiry to Trident. This letter requested information about the above-addressed securities transactions.
24. On July 20, 1998, the Division received a written response dated July 14, 1998, from Trident's counsel. This response stated, in part, as follows:

"Trident purchased the interests on their own behalf with no intention of resell [sic]. They are neither a registered representative or an investment advisor and are purchasing these units strictly for their own investment purposes."
25. On July 21, 1998, the Division sent a letter to counsel for Trident requesting additional information about the above-mentioned securities transactions.
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"... Trident sold certain of the units they had purchased ... and instead of receiving them in the broker-dealer with which Mr. Frain was employed, he accepted some of the units on behalf of himself and his wife. ..."

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29. On or about December 29, 1998, an investigator with the Securities Division spoke with Paul Frain. Frain stated, among other things, the following:
 - a. Frain's business was called Frain Asset Management ("FAM").
 - b. FAM made a secondary market in limited partnership investments.
 - c. FAM purchased these securities from investors nationwide.
 - d. FAM did a large volume of business in the Polaris Funds.
 - e. Trident and other such entities were referred to as "tender companies."
 - f. Trident obtained lists of investors from various limited partnerships at opportune times.
 - g. Trident would typically telephone FAM to see what FAM was offering for the units.
 - h. Trident then offered to purchase these limited partnership interests from investors at a lower price than what a secondary market maker would pay.
 - i. Trident then sold these limited partnership interests to FAM and other such market makers.
 - j. FAM had purchased PAIF V units from Trident, but stopped doing business with Trident because Frain was getting calls from some of the original investors claiming that they had not been paid.
30. In connection with the offer to buy the above-mentioned securities from Missouri residents, Respondents engaged in acts, practices or courses of business which operate or would operate as a fraud or deceit by:
 - a. Omitting to disclose that Trident was not registered as a broker-dealer in the State of Missouri.

- b. Making an offer to purchase PAIF V limited partnership interests from individual investors who believed such interests had little or no value.
 - c. Making an offer to purchase PAIF V limited partnership interests that Trident knew or should have known were more valuable than the amount Trident had offered to the investors.
 - d. Stating to MR1 and MR2 that Trident's offer was made on "a first-received, first-purchased basis."
 - e. Stating to MR1 and MR2 that Trident's offer would expire shortly.
 - f. Enclosing the detailed terms of Trident's offer in a single-spaced contract written in smaller than normal print.
 - g. Making the offer to purchase MR1 and MR2's interests in November 1997, several months after a class action settlement had been reached that entitled MR1 and MR2 to distributions.
 - h. Defining the effective date of the assignment of MR1 and MR2's interests to Trident as of July 1, 1997, several months before the actual dates of the contracts.
 - i. Defining the effective date of the assignment of MR1 and MR2's interests to Trident as of July 1, 1997, in order for Trident to claim the distributions already paid to MR1 and MR2.
 - j. Omitting to disclose that distributions and fees associated with the transfer could actually result in MR1 and MR2 owing money to Trident.
 - k. Using high-pressure collection tactics.
31. This Order is in the public interest.

CONCLUSIONS OF LAW

1. A security is defined as ". . . any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; **limited partnership interest**; voting-trust certificate; certificate of deposit for a security; [or] certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease[.]" (Emphasis added). Section 409.401, RSMo Cumulative Supp. 1998.

The units in the Polaris Aircraft Income Fund V as described in the above "Findings of Fact" constitute securities.

2. It is unlawful for any person to transact business in this state as a broker-dealer unless he is registered as a broker-dealer under Sections 409.101 to 409.419. Section 409.201(a), RSMo Cumulative Supp. 1998.

Trident's conduct described in the Section entitled "Findings of Fact" constitutes a violation of Section 409.201(a), RSMo Cumulative Supp. 1998.

3. "It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly
 - (1) to employ any devise, scheme, or artifice to defraud,
 - (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or
 - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. Section 409.101, RSMo 1994.

Respondents' acts, practices, or courses of business in connection with the offer to purchase securities, as described in the above "Findings of Fact," constitute violations of Section 409.101, RSMo 1994.

4. The Commissioner may, if he believes from the evidence satisfactory to him that a person is engaged or about to engage in any fraudulent or illegal practice or transaction, issue an order prohibiting such person from engaging in or continuing such fraudulent or illegal practice. Section 409.408(b), RSMo 1994.

Transacting business as an unregistered broker-dealer constitutes an illegal practice under the statute.

Engaging in an act, practice, or course of business which operates or would operate as a fraud or deceit upon any person constitutes an illegal practice under the statute.

5. Sufficient evidence exists to conclude that Respondents have engaged in willful violations of Sections 409.101, RSMo 1994 and 409.201, RSMo Cumulative Supp. 1998.

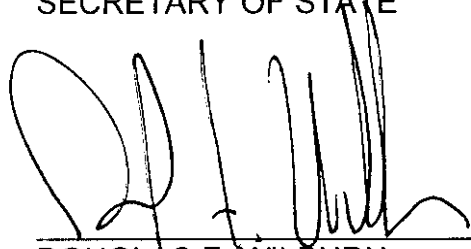
NOW, THEREFORE, the Commissioner of Securities Orders that Trident / KD Investment Group, Inc., Lisa Klinger and Will Grant, Jr., their agents, employees and servants CEASE AND DESIST the offer and sale of securities in violation of Sections 409.101, RSMo 1994, and 409.201, RSMo Cumulative Supp. 1998.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 22 DAY OF December, 1999.



REBECCA MCDOWELL COOK
SECRETARY OF STATE



DOUGLAS F. WILBURN
COMMISSIONER OF SECURITIES

NOTICE:

Respondents and any unnamed representatives aggrieved by this Order may request a hearing in this matter. Any request for a hearing should be sent, in writing to Douglas F. Wilburn, Commissioner of Securities, Office of the Secretary of State, Missouri State Information Center, Room 229, 600 West Main Street, Jefferson City, Missouri 65102, within thirty (30) days of the receipt of this Order. Section 409.412(a), RSMo 1994, and MO 15 CSR 30-55.020.

EXHIBIT A

TRIDENT / KD INVESTMENT GROUP INC.

P.O. Box 19537
West Palm Beach, FL 33416

(800) 729-2571

November 10, 1997

Re: Our offer to purchase **POLARIS AIRCRAFT INCOME FUND V**

Dear [REDACTED]:

The purpose of this letter is to inform you of our offer to purchase 5,000 Units (1% of outstanding units) of **Polaris Aircraft Income Fund V** for **\$100.00** per Unit in accordance with the terms, and conditions in the enclosed Assignment of Limited Partnership Units ("Assignment").

Payment for your units will be made within **10** business days from the date that Polaris/Phoenix notifies both parties that the transfer has been approved and is effective.

Our offer is due to expire **Monday, December 1, 1997 at 5:00 P.M. E.S.T.** The enclosed **Power of Attorney** and the **Agreement of Transfer** must be postmarked no later than **November 28, 1997!**

To tender your units please provide the following *three* items :

- 1) have your signature "Medallion S.T.A.M.P." guaranteed at your bank on both the Assignment and the Limited Power of Attorney (both printed on blue paper)
- and
- 2) return (1) the signed Assignment and (2) the Limited Power of Attorney
- and
- 3) Please provide your phone number next to your signature so we may contact you!

in the *pre-paid* envelope provided.

As a reminder, properly documented Units are being accepted on a first-received, first-purchased basis. If you have already forwarded your paperwork, we thank you.

Should you have any questions you are encouraged to contact us, toll free, at ~~(800) 729-2571~~

Very truly yours,

Lisa Klinger

Lisa Klinger, President

EXHIBIT B

George Hoffman

ATTORNEY AT LAW

P.O. Box 19537, West Palm Beach, FL 33416

Member New York Bar

Member Florida

(561) 471-1534 West Palm Beach Office
(561) 687-7771 Main Office

(561) 687-2008 West Palm Beach Office Facsimile
(561) 615-9195 Main Office Facsimile

Sent via Certified Mail # Z056724612

February 27, 1998



Dear Investor:

I have enclosed a sight draft to be used for payment of your 4 units of POLARIS AIRCRAFT INCOME FUND V and a copy of your contract for your review.

Please select one of the two options stated on the enclosed sight draft which will satisfy both parties contractual obligations in this matter. The following summary details how the balance due was determined:

4 UNITS OF POLARIS AIRCRAFT INCOME FUND V SOLD TO TRIDENT / KD INVESTMENT GROUP INC.
(CONTRACT DATE: 1/1/97 // GP EFF DATE: 1/1/98)

	CREDITS	DEBITS	TOTAL
Purchase Price for 4 units of POLARIS AIRCRAFT INCOME FUND V (\$100.00 per unit)	\$400.00		
less the January 1997 distribution (You received this money directly from the General Partner @ \$0.00 per unit.)		\$0.00	
less the April 1997 distribution (You received this money directly from the General Partner @ \$0.00 per unit.)		\$0.00	
less the July 1997 distribution (You received this money directly from the General Partner @ \$22.97 per unit)		\$91.88	
less the October 1997 distribution (You received this money directly from the General Partner @ \$3.97 per unit)		\$15.88	
less the January 1998 distribution (You received this money directly from the General Partner @ \$28.35 per unit)		\$113.40	
less the General Partners transfer fee of		\$70.00	
less my clients processing costs of		\$300.00	
leaves a balance due TRIDENT / KD INVESTMENT GROUP INC. in the amount of			(\$191.16)

Should you have any questions please call TRIDENT / KD INVESTMENT GROUP INC. at
(800) 729-2571.

Yours truly,

EXHIBIT B-2

AGREEMENT OF TRANSFER AND SALE for 4 ("Units") of POLARIS AIRCRAFT INCOME FUND V (PAIF V)

COPY

1. Defined Terms

The defined terms used in this assignment shall, unless the context otherwise requires, have the meanings specified in this Section 1.

"Assignor" refers to Account title and address of record as detailed in paragraph 10 of this document.

"Assignee" refers to Trident / KD Investment Group Inc. whose mailing address is P.O. Box 19537 West Palm Beach, FL 33416.

"Effective Date" refers to the effective date of this Assignment which is July 1, 1997.

"Purchase Price" refers to one hundred dollars per unit in accordance with the terms and conditions, as set forth herein.

2. Assignment of Units

The Assignor hereby assigns all of the Assignor's right, title, and interests in and to the Units to Assignee, and hereby directs the Partnership to recognize Assignee as a substitute limited partner of the Partnership. In consideration of the assignment of the Units by the Assignor to Assignee, Assignee hereby agrees to compensate the Assignor in accordance with the terms of this agreement. To be legally binding upon Assignee, this Assignment must be duly executed by the Assignor and returned to the Assignee.

3. Procedure for Payment For the Units

The Assignor and Assignee agree that payment for the Units shall be made as follows. The Assignor shall forward this Assignment, duly executed by the Assignor, with the Assignor's signature Medallion S.T.A.M.P. guaranteed together with the certificate, if any, representing the Assignor's Units, directly to Assignee. Assignee shall pay the Assignor for the Units within 10 business days from the date the transfer agent notifies both parties that the transfer has been approved and is effective.

4. Assignor's Representations and Warranties

The Assignor hereby represents and warrants to Assignee and to the Partnership that:

(I) The Assignor has the full right, power and authority to execute this Assignment and to sell the Units to Assignee;

(II) The Units are owned by the Assignor free and clear of any and all liens, encumbrances, charges, and assessments;

(III) The Assignor has received this unsolicited offer via the U.S. Mail and prior to signing this Assignment has had an opportunity to have this Assignment reviewed by legal counsel, tax advisor or financial advisor and agrees to all terms and conditions contained herein.

(IV) In deciding to sell the Units to Assignee, the Assignor has not relied upon any oral or written representation or warranty made by Assignee or any employee or subcontractor of Assignee with respect to the value of the Units or the income tax consequences of the sale of the Units. The Assignor acknowledges that Assignee is not a member of the National Association of Securities Dealers, Inc., that Assignee and the Assignor have entered into this private transaction voluntarily and that the purchase price agreed upon was determined solely at the discretion of Assignee and may not necessarily represent the fair market value for each unit. The Assignor acknowledges that Assignee may or may not sell the rights provided for in this agreement to a third party and may or may not be the ultimate purchaser of these Units. The Assignor acknowledges that if the Assignor had not sold their Units the Assignor may have received either more or less than the purchase price for each unit at a future liquidation of the Partnership.

5. Miscellaneous Items, Assurances, Fees, Costs, Taxes, Expenses and Authorizations

If the Assignor is more than one person, then and in such event, the obligations of the Assignor under this Assignment shall be joint and several and the representations, warranties, and covenants herein contained shall be deemed to be made by and binding upon each person and his heirs, executors, administrators, successors, and assigns. The Assignor shall be solely responsible for the payment of the transfer fees paid to the General Partner and all processing costs which will be a minimum of twenty five dollars but shall not exceed three hundred dollars. The processing costs will vary from one limited partnership to another depending upon various factors including but not limited to transfer agent processing requests and costs associated with processing the transfer, documentation requests, overnight services, signature guarantee costs, obtaining death certificates, trust documents, additional signature requests and various other expenses which will arise on a case by case basis. The total processing cost associated with this transfer will be determined solely at the discretion of the Assignee. The Assignor authorizes the transfer fee and appropriate processing costs to be deducted from the sale proceeds to be paid to the Assignor.

6. Effective Date of Assignment; Allocation of Distributions

The Assignor agrees that from and after the Effective Date, Assignee shall be entitled to all distributions made by the Partnership with respect to the Units, including any distributions attributable to periods or events occurring prior to the Effective Date. Should the Assignor receive any distribution by the Partnership from or after the Effective Date, the Assignor authorizes the amount of any such distributions from the Partnership paid to the Assignor to be deducted from the sale proceeds to be paid to the Assignor.

7. Survival of Representations and Warranties.

The representations, warranties, covenants, and agreements contained in this Agreement shall survive the transfer of the Units made by this Assignment and the payment of the consideration therefore.

8. Attorney's Fees; Venue of Actions, Indemnification., Severability.

Should either party hereto commence any proceeding to enforce the provisions of this Assignment, then and in such event, the Assignor must reimburse Assignee all Assignee all costs, including attorney's fees, incurred by the Assignee, in the investigation and prosecution of such proceeding or action. The parties agree that the proper venue for any action shall be in the County of Palm Beach, State of Florida and Assignor hereby consents to the jurisdiction over the Assignor by the state and federal courts of or in the State of Florida, County of Palm Beach in connection with any proceeding or action brought under this Assignment. Assignor waives any claim that Palm Beach County, Florida is an inconvenient forum, and waives any right to trial by jury.

9. Severability

Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining provisions of this Agreement or affecting the validity or enforceability of any provisions of this Agreement in any other jurisdiction

10. Transferor Title and Address

[Redacted]

IN WITNESS WHEREOF, Assignee and the Assignors have executed this Assignment as of the Effective Date at [Redacted]

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
CENTRAL BANK OF CENTRAL MISSOURI

Medallion S.T.A.M.P. Signature Guaranteed [Redacted]

[Redacted Signature]

(45) X 9004157
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM
SR

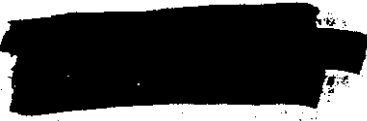
Agreed to and Accepted for Trident / KD Investment Group Inc. by:

Lisa Klinger
Lisa Klinger, President

EXHIBIT C



POLARIS AIRCRAFT INCOME FUND V



The requested trustee/title transfer on the investment referenced below has been completed. No certificate will be issued. Please review the information and contact Phoenix Transfer Inc at (415) 453-5413 if there are any discrepancies.

Previous Titleholder



Previous Broker

WILLIAM J. JARRETT
FAHNESTOCK & CO INC
500 S BARRETT AVE
SEDALIA, MO 65301-3927

Investor Number: [REDACTED]
Investor Type: Individual
IRS Tax ID: [REDACTED]

Subscription: P05-022865
Units: 4.0000
Transfer Date: 12/31/97

Current Titleholder

PAUL C FRAIN &
DARCIE L FRAIN JTWROS
320 6TH AVENUE
INDIAN ROCKS BEACH, FL 34635

Current Broker

NO BROKER ON RECORD
C/O POLARIS
P O BOX 2609
SAN RAFAEL, CA 94912

Investor Number: [REDACTED]
Investor Type: Joint Tenants
IRS Tax ID: 099-56-4538

Subscription: P05-032301
Units: 4.0000
Start Date: 12/31/96
Transfer Number: 30063

Check Payee

PAUL C & DARCIE L FRAIN

TRIDENT/KD INVESTMENT GROUP INC
P.O. BOX 19537
WEST PALM BEACH, FL 33416

(800) 729-2571

EXHIBIT C

June 11, 1998

Sent via Certified Mail #
Copy sent via regular US MAIL
Copy sent to The Law Offices of George Hoffman

RECEIVED

JUN 24 1998

MISSOURI
SECRETARY OF STATE

Re: Your contract for the sale of 4 units of POLARIS AIRCRAFT INCOME FUND V

Attention:

As a result of your contract with Trident/KD Investment Group Inc. you owed our firm \$166.16.

Our corporate counsel, George Hoffman has sent to you several requests to resolve this matter. You have chosen to disregard Mr. Hoffman's communications. You could have resolved this matter, prior to June 1, 1998 by sending a check in the amount of \$166.16, made payable to Trident/KD Investment Group Inc. *THIS IS NO LONGER AN OPTION AVAILABLE TO YOU.* Mr. Hoffman's time and expense has added another \$100.00 to the previous \$166.16 to reflect a total amount due of \$266.16.

This matter can be resolved prior to Friday June 19, 1998 by making payment in the amount of \$266.16 by certified check or money order made payable to Trident/KD Investment Group Inc. to the above address.

Should you choose to ignore this final request we will retain outside counsel to file a claim in Palm Beach County, Florida (small claims court). The cost for filing this claim (\$80.00), retaining outside counsel (\$500.00) to represent our firm in court and hiring an independent process server (\$125.00) should result in a judgement against you in the approximate amount of \$971.16 which once obtained will be reported to all three national credit bureaus and garnishment will be made from your checking account or brokerage account.

NO NEGOTIATIONS ON THE AMOUNT CURRENTLY DUE OF \$266.16 WILL BE CONSIDERED.

Please consult your attorney immediately regarding this matter. Govern yourself accordingly.

Sincerely,

Will Grant, Jr., President

Will Grant, Jr., President