



WAIVER AND EXCEPTION

5. Respondent waives Respondent's right to a hearing with respect to this matter.
6. Respondent waives any right that Respondent 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, 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 Division that, should the facts contained herein prove to be false or incomplete in a material way, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Division 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 connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent 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 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**

A. Respondent and Related Parties

12. William Martinoli, also known as Bill Martinoli ("Martinoli"), is a Missouri resident with a last known address of 2916 South East 228th Street, Lathrop, Missouri 64465. Upon

information and belief, Martinoli also has a mailing address of P.O. Box 41, Holt, Missouri 64048.

13. Robert Davidson, also known as Bob Davidson (“Davidson”), is a Missouri resident with a last known address of 3924 North East 60th Terrace, Gladstone, Missouri 64119.
14. Shawn Nye (“Nye”) is a Missouri resident with a last known address of 2511 North East 103rd Terrace, Kansas City, Missouri 64155.
15. Creative Lending Group, Inc., (“Creative Lending”) was a Missouri corporation formed on September 30, 2004, with a mailing address of 3924 North East 60th Terrace, Gladstone, Missouri 64119. Davidson was the registered agent and president of Creative Lending with an address of 12200 NW Ambassador Drive, Suite 200, Kansas City, Missouri 64153. Creative Lending was administratively dissolved on May 14, 2009.
16. Cynergy Group, Inc. (“Cynergy”) was originally formed in Kansas and is an active foreign corporation in Missouri. Cynergy became registered as a foreign corporation in Missouri on April 6, 2007. Martinoli is listed as the registered agent and president of Cynergy with an address of 2916 SE 228th Street, Lathrop, Missouri 64465. As of July 2009, the corporate status of Cynergy in Kansas was “Forfeited – failed to timely file A/R.” Martinoli is listed as the registered agent and president for Cynergy.
17. D & M Business Solutions, Inc. (“DM”) was a Missouri corporation formed on or around February 27, 2006. Martinoli was listed as the registered agent and president for DM with a mailing address of 2916 SE 228th Street, Lathrop, Missouri 64465. DM was administratively dissolved on or around October 13, 2009.
18. Dolce Vita, Inc. (“Dolce Vita”) was a Missouri corporation formed on or about July 20, 2007. Martinoli was listed as the registered agent for Dolce Vita with a mailing address of 2916 SE 228th Street, Lathrop, Missouri 64465. Dolce Vita was administratively dissolved on or around February 19, 2010.
19. Elite Ventures.net, Ltd. (“Elite Ventures”) was a Missouri corporation formed on November 30, 2006. Martinoli was listed as the registered agent and president of Elite Ventures with a mailing address of 12200 NW Ambassador Drive, Suite 200, Kansas City, Missouri 64153. Elite Ventures was administratively dissolved on October 23, 2007.
20. MND Group, Inc. (“MND Group”) was a Missouri corporation formed on March 8, 2007, with a mailing address of 2906 SE 228th Street, Lathrop, Missouri 64465. Martinoli was listed as the registered agent and president for MND Group with a mailing address of 12200 NW Ambassador Drive, Suite 200, Kansas City, Missouri 64153. MND Group was administratively dissolved on November 4, 2009.

21. Sarma Investments, Inc. (“Sarma”) was a Missouri corporation formed on November 6, 2006, with a mailing address of 5559 NW Barry Road, Suite 267, Kansas City, Missouri 64155. Nye was listed as the registered agent and president for Sarma with a mailing address of 2511 North East 103rd Terrace, Kansas City, Missouri 64155. Sarma was administratively dissolved on June 8, 2011.
22. At all times relevant to this matter, Martinoli, Davidson, and Nye were not registered as agents or investment adviser representatives in Missouri.
23. At all times relevant to this matter, there was no registration, granted exemption or notice filing indicating status as a "federal covered security" for securities offered and/or sold by Martinoli, Nye, Davison, DM, Cynergy, MND Group, Creative Lending, or Sarma.
24. As used herein, the term "Respondent" refers to Nye.
25. As used herein, the term “Companies” refers to DM, MND Group, Cynergy, Elite Ventures, and/or Sarma.

B. Enforcement Section Investigation

The Investment Group

26. From at least 2006 through at least 2010, Davidson, Martinoli, and/or Nye solicited investments in the Companies from at least 11 individuals (individually, “MR1,” “MR2,” “MR3,” “MR4,” “MR5,” “MR6,” “MR7,” “MR8,” “MR9,” “MR10,” “MR11,” and “OKR”) (collectively, the “Investor Group”).
27. At least some investors in the Investor Group signed “Private Placement Agreement[s]” or “Private Party Placement Agreement[s]” (“PPP Agreements”) with Davidson, Martinoli, and/or Nye on behalf of the Companies. These PPP Agreements included, among other things, the following:
  - a. the investor(s) would invest a specified amount of money with the Companies;
  - b. the Companies would put the investment funds “into high yield investments”;
  - c. a designated investment period;
  - d. a “guarantee” that the investor’s principal would be returned;
  - e. the investor(s) would receive a monthly percentage return or monthly dollar return; and
  - f. if the Companies were in default more than thirty (30) days with any payment, the principal would be payable upon demand of the respective investor.

28. Nye signed at least some of these PPP Agreements on behalf of the Companies as “CFO” and/or “Guarantor CFO.”
29. Davidson, Martinoli, and/or Nye solicited MR9, MR10, MR11, and OKR by at least purporting the information contained in the PPP Agreements.
30. The Investor Group had no management responsibilities and performed no duties with respect to their respective investments in the Companies.
31. No members of the Investor Group received any prospectuses pertaining to the respective investments.
32. Nye was a participant in the solicitations for investments. The investments derived from these solicitations were all to be pooled and used to invest in various investment programs.
33. The Investor Group invested a total of \$475,000 and has only received \$47,500 in return.

#### Bank Records

34. Funds from the Investor Group were invested via checks to the respective bank accounts of the Companies (“Companies’ Accounts”), and/or Martinoli or Nye personally.
35. Records from the Companies’ Accounts and Martinoli’s personal bank account (“Martinoli Account”), revealed, among other things:
  - a. deposits in excess of one million seven hundred twenty-five thousand dollars (\$1,725,000) into the Companies’ Accounts, some of which were from the Investor Group; and
  - b. investment funds were commingled and used, among other things, for: check and ATM withdrawals at casinos in Las Vegas, Nevada; wire transfers to Martinoli personally; debit and ATM withdrawals at Ameristar Casino and Royal Caribbean Cruise Line; purchases at St. Maarten & St. Thomas Island; and purchases at clothing and jewelry stores.
36. Bank records show that Nye received a total of at least \$60,000 in connection with the offers and sales of securities.

## Fraud

37. In connection with the offers and sales of securities, Nye made untrue statements of material fact which, upon information and belief, Nye learned from Martinoli. Such material misrepresentations included, but were not limited to, the following:
  - a. the guarantees of investment returns;
  - b. the guarantees of returns of principal; and
  - c. how the funds would be used.
38. In connection with the offers and sales of securities, Nye, among others, omitted to state material facts. Nye guaranteed the investment returns and returns of principal; however, Nye failed to state material facts, including, but not limited to:
  - a. that at least some investment funds would go to Martinoli for Martinoli's personal use; and
  - b. the viability of each of the Companies.

## **II. CONCLUSIONS OF LAW**

39. The Commissioner finds Respondent offered and sold unregistered, non-exempt securities and 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 in violation of Sections 409.3-301 and 409.5-501, RSMo. (Cum. Supp. 2013), and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2013).
40. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Division, 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. (Cum. Supp. 2013).

## **III. ORDER**

**NOW, THEREFORE**, it is hereby Ordered that:

41. Respondent, Respondent's agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from offering and/or selling unregistered, non-exempt securities, and engaging in an act, practice, or course of business that would

mg 7

operate as a fraud or deceit in connection with the offers and/or sales of securities in violation of Sections 409.3-301 and 409.5-501.

- 42. Respondent is hereby BARRED.
- 43. Respondent is ordered to pay \$50,000 in restitution. Thirty thousand dollars (\$30,000) of this amount will be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of three years from the date of execution of this Consent Order. The remaining \$20,000 of this amount shall be paid as follows: (a) \$5,000 shall be paid within 30 days of the execution of this Consent Order; and (b) the remaining \$15,000 shall be paid in 24 equal, monthly installments of \$625 each on the first day of each month beginning January 1, 2016, with the final payment due on January 1, 2018. All payments 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 Restitution Fund. These payments will be distributed by that Fund to the investors listed in Exhibit A attached hereto.
- 44. Respondent shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of \$10,000. This amount will be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of three years from the date of execution of this Consent Order.
- 45. Respondent is ordered to pay \$3,000 as the cost of this investigation. This amount will be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of three years from the date of execution of this Consent Order.
- 46. Respondent shall pay Respondent's own costs and attorney's fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 26th DAY OF OCTOBER, 2015.



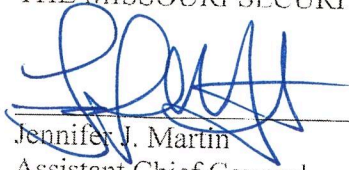
JASON KANDER  
SECRETARY OF STATE

Andrew M. Hartnett  
ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

Nyl 8

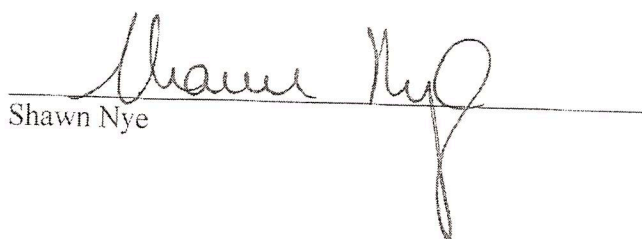
Consented to by:

THE MISSOURI SECURITIES DIVISION



Jennifer J. Martin  
Assistant Chief Counsel

RESPONDENT



Shawn Nye