



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
WILLIAM "BILL" MARTINOLI,) Case No. AP-15-36
)
Respondent.)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION'S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State (the "Division"), through Assistant Chief Counsel Jennifer J. Martin, has alleged that William Martinoli 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 constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2013).
2. Respondent and the Division desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent's alleged violations of Section 409.3-301 and 409.5-501, RSMo. (Cum. Supp. 2013).

CONSENT TO JURISDICTION

3. Respondent and the Division stipulate and agree that the Missouri Commissioner of Securities ("Commissioner") has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. (Cum. Supp. 2013), which provides:

"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 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. Respondents and Related Parties

12. William Martinoli, also known as Bill Martinoli ("Martinoli"), is a Missouri resident with a last known mailing 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 mailing address of 3924 North East 60th Terrace, Gladstone, Missouri 64119.
14. Shawn Nye (“Nye”) is a Missouri resident with a last known mailing 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 Martinoli.

B. Enforcement Section Investigation

Missouri Resident 1 and Missouri Resident 2

25. Sometime prior to November 28, 2006, Nye told a Missouri resident ("MR1") and MR1's spouse ("MR2") about an investment opportunity with Martinoli and Davidson.
26. On or about November 28, 2006, MR1 and MR2 invested \$10,000 with Martinoli and Davidson via a check to DM.
27. On or about November 29, 2008, MR1 and MR2 signed a "Private Party Placement Agreement" ("MR1 Agreement I") with DM pertaining to the \$10,000 investment. The MR1 Agreement I included, among other things, the following:
 - a. MR1 and MR2 would invest \$10,000 with DM;
 - b. DM would put MR1 and MR2's investment funds "into high yield investments";
 - c. the investment period was for 6 months;
 - d. a "guarantee" that MR1 and MR2's principal would be returned;
 - e. MR1 and MR2 would receive a return of approximately 10%, or one thousand \$1,000, per month; and
 - f. if DM was in default more than 30 days with any payment, the principal would be payable upon demand of MR1 and MR2.
28. Davidson signed the MR1 Agreement I on behalf of DM as "[DM] CFO" and "Guarantor CFO."
29. On March 21, 2007, MR1 and MR2 invested a second time with DM, Martinoli, and Davidson via a \$40,000 check payable to "Synergy [*sic*] Group."

30. Two days prior to writing the check, on or about March 19, 2007, MR1 and MR2 signed an agreement with DM titled "Private Placement Agreement" ("MR1 Agreement II") pertaining to this second investment with DM, Martinoli, and Davidson. The MR1 Agreement II included, among other things, the following:
 - g. MR1 and MR2 would invest \$40,000 with DM;
 - h. DM would put MR1 and MR2's investment funds "into high yield investments";
 - i. the investment period was for 12 months;
 - j. a "guarantee" for MR1 and MR2's principal;
 - k. MR1 and MR2 would receive a return of approximately 10%, or \$4,000, per month; and
 - l. if DM was in default more than 30 days with any payment, the principal would be payable upon demand of MR1 and MR2.
31. Martinoli signed the MR1 Agreement II on behalf of DM.
32. MR1 and MR2 never received any prospectuses related to MR1 and MR2's investments.
33. MR1 and MR2 had no management responsibilities and performed no duties with respect to MR1 and MR2's investments with Martinoli and Davidson.
34. Martinoli, Davidson, and/or Nye led MR1 and MR2 to believe, among other things, that Martinoli, Davidson, and/or Nye would invest the funds with James Massaro, also known as Jim Massaro ("Massaro"), and/or a bank located in Italy.
35. After MR1 and MR2's investments, Martinoli, on behalf of Cynergy, sent numerous e-mails to investors with Martinoli, Davidson, and/or Nye. MR1 and MR2 were forwarded these e-mails by Nye. At least some of these e-mails contained information pertaining to Massaro.
36. At some point subsequent to MR1 and MR2's investment, MR1 and MR2 requested a return of principal. Martinoli told MR1 and MR2, among other things, that if MR1 and MR2 "keep putting on the heat, then [Martinoli] was going to drop the contract."
37. MR1 and MR2 invested a total of \$50,000. MR1 and MR2 have only received a total of \$3,000 in return.

Missouri Resident 3 and Missouri Resident 4

38. In or around August 2006, Nye told a Missouri resident ("MR3") and MR3's spouse ("MR4") about an investment opportunity with Martinoli, Davidson, and Nye in MND Group. Nye discussed this investment opportunity with MR3 and MR4 for approximately

six months prior to MR3 and MR4 making an investment. Nye told MR3 and MR4, among other things, the following:

- a. Davidson and Martinoli made Nye a partner in MND Group;
 - b. Nye was receiving significant returns from Nye's investment with Martinoli and/or Davidson;
 - c. Martinoli knew someone who worked on the New York Stock Exchange who could achieve a high rate of return on investments; and
 - d. Nye had to receive investment funds from MR3 and MR4 one month prior to MR3 and MR4 signing a contract to enter into MND Group's investment program.
39. On or about February 28, 2007, MR3 and MR4 invested fifty \$50,000 in MND with Martinoli, Davidson, and Nye via two personal checks to Sarma.
40. On or about April 6, 2007, MR3 met with Nye to sign a Private Placement Agreement ("MR3 Agreement") with MND Group pertaining to MR3 and MR4's \$50,000 investment.¹ The MR3 Agreement included, among other things, the following:
- a. MR3 would invest \$50,000 with MND;
 - b. MND would put MR3's investment funds "into high yield investments";
 - c. the investment period was for approximately 12 months;
 - d. MR3 would receive a return of approximately 10%, or \$5,000, per month;
 - e. a "guarantee" that MR3's principal would be returned; and
 - f. if MND was in default more than 30 days with any payment, the principal would be payable upon demand of MR3.
41. Nye signed the MR3 Agreement on behalf of MND as "[MND] CFO."
42. MR3 and MR4 never received a prospectus related to MR3 and MR4's investment.
43. MR3 and MR4 had no management responsibilities and performed no duties with respect to MR3 and MR4's investment with Martinoli, Davidson, and Nye.
44. MR3 has demanded a return of MR3 and MR4's principal on numerous occasions. Martinoli has responded to MR3 and MR4 stating, among other things:

¹ This meeting occurred at the office building Nye shared with Martinoli and Davidson in Missouri.

- a. the term [of the investment] does not start until the funds go into trade, and that has not happened yet”;
 - b. “...the funds are in the Bank Hands and in a larger Letter of Credit that is being transferred to the platform bank, and thus the funds are not available for refunding”; and
 - c. “My advice to you is please wait a little longer and the returns will start, Failing that, you may loose [sic] more than you gain by any other course of action.”
45. Martinoli, on behalf of Cynergy, communicated with MR3 and MR4 several times about MR3 and MR4’s investments using the e-mail address cynergygroupinc@yahoo.com.
46. MR3 and MR4 invested a total of \$50,000. MR3 and MR4 have not received any returns on the investment or a return of any principal.

Missouri Resident 5 and Missouri Resident 6

47. Sometime prior to March 29, 2007, Nye told a Missouri resident (“MR5”) and MR5’s spouse (“MR6”) about an investment opportunity with Martinoli, Davidson, and MND. Nye told MR5 and/or MR6, among other things, that Nye made over \$700,000 with Martinoli.
48. On or about March 29, 2007, MR5 and MR6 invested \$60,000 with MND Group via personal check payable to Nye personally. MR3 and MR4 wrote and delivered this check to Nye at Nye’s Missouri residence.
49. On or about March 31, 2007, MR5 and MR6 met with Martinoli, Davidson, and Nye to sign a Private Placement Agreement (“MR5 Agreement”) pertaining to the \$60,000 investment. The MR5 Agreement included, among other things, the following:
- a. MR5 and MR6 would invest \$60,000 with MND;
 - b. MND would put MR5 and MR6’s investment funds “into high yield investments”;
 - c. the investment period was for approximately 12 months;
 - d. MR5 and MR6 would receive a return of approximately 10%, or \$6,000, per month;
 - e. a “guarantee” that MR5 and MR6’s principal would be returned; and
 - f. if MND was in default more than 30 days with any payment, the principal would be payable upon demand of MR5 and MR6.
50. Martinoli signed the MR5 Agreement on behalf of MND as “[MND] CFO.”

51. During the meeting on March 31, 2007, both Martinoli and Davidson verbally guaranteed MR5 and MR6's investment.
52. Martinoli led MR5 and MR6 to believe, among other things, the following pertaining to the investment:
 - a. the money would eventually be put into an investment through a Dutch bank;
 - b. MND Group later became known as Cynergy; and
 - c. MR5 and MR6 were part of Cynergy's "investment group."
53. MR5 and MR6 never received a prospectus related to MR5 and MR6's investment.
54. MR5 and MR6 had no management responsibilities and performed no duties with respect to MR5 and MR6's investment with Martinoli, Davidson, and Nye.
55. After MR5 and MR6's investments, Martinoli, on behalf of Cynergy, sent numerous e-mails to investors with Martinoli, Davidson, and/or Nye. MR5 and MR6 were forwarded these e-mails by Nye. At least some of these e-mails contained information pertaining to Massaro.
56. MR5 and MR6 invested a total of \$60,000. MR5 and MR6 have not received any returns on the investment or a return of any principal.

Missouri Resident 7

57. Sometime prior to January 9, 2007, Nye told a Missouri resident ("MR7") about an investment opportunity with Martinoli. Nye told MR7, among other things, that Nye was making returns from Nye's investment with Martinoli.
58. On or about January 9, 2007, MR7 met with Nye and invested \$50,000 via check payable to Nye personally. Nye told MR7 that Nye would invest MR7's funds with Martinoli and DM. MR7 also signed a "Private Party Placement Agreement" ("MR7 Agreement") with Sarma pertaining to this investment. The MR7 Agreement included, among other things, the following:
 - a. MR7 would invest \$50,000 with Sarma;
 - b. Sarma would put MR7's investment funds "into high yield investments by [Sarma]";
 - c. the investment period was for approximately six months;
 - d. MR7 would receive a return of approximately 10%, or \$5,000, per month;

- e. a “guarantee” that MR7’s principal would be returned; and
 - f. if Sarma was in default of more than 30 days with any payment, the principal would be payable upon demand of MR7.
59. On the MR7 Agreement, Nye wrote a schedule of returns MR7 was to receive, which listed a payment of \$5,000 on the first of each month from March 1, 2007, until August 1, 2007. Nye signed the MR7 Agreement as “[Sarma] CFO” and “Guarantor CFO.”
60. MR7 never received a prospectus related to MR7’s investment.
61. MR7 had no management responsibilities and performed no duties with respect to MR7’s investment with Martinoli and Nye.
62. MR7 invested a total of \$50,000. MR7 has only received \$5,000 from Nye as a return of MR7’s principal.

Missouri Resident 8

63. Sometime prior to 2010, Davidson and Nye told a Missouri resident (“MR8”) about an investment opportunity with Davidson and Martinoli in DM. With regard to the investment opportunity, Davidson, Martinoli, and/or Nye told MR8, among other things, the following:
- a. the investment would pay a 10% percent return;
 - b. MR8’s principal would be guaranteed;
 - c. MR8’s investment funds would be used to invest in the stock market and to invest in Dolce Vita; and
 - d. Martinoli had traveled to South Africa to research the investment in Dolce Vita.
64. MR8 made at least three investments with Davidson, Martinoli, and Nye via checks for a total of \$50,000. MR8’s checks were payable to at least Cynergy and DM. Davidson told MR8, among other things, that Martinoli was “in charge” of the investment.
65. MR8 signed a contract for each of the three investments.
66. MR8 never received a prospectus related to MR8’s investment.
67. MR8 had no management responsibilities and performed no duties with respect to MR8’s investment with Martinoli, Davidson, and Nye.
68. MR8 told four of MR8’s friends (“MR8’s Friends”) about the investment opportunity with Davidson, Martinoli, and Nye. MR8’s Friends invested a total of \$50,000 with

Davidson, Martinoli, and Nye. After MR8's Friends received no return, MR8 repaid each of MR8's Friends and assumed the investments of MR8's Friends.

69. MR8 invested a total of \$100,000 with Davidson, Martinoli, and Nye. MR8 has only received \$15,500 in return.

Missouri Resident 9

70. Sometime in or prior to December 2006, Davidson and Nye told a Missouri resident ("MR9") about an investment opportunity with Davidson and Martinoli in DM.
71. Davidson and Martinoli met with MR9 multiple times prior to MR9 investing any funds. Additionally, Nye told MR9 that Nye was making "great returns" on and had made over \$700,000 from Nye's investment with DM.
72. On or about December 18, 2006, MR9 invested \$10,000 with Martinoli and Davidson in DM via check payable to DM. In or around February 2007, MR9 invested an additional \$40,000 with Martinoli and Davidson.
73. MR9 never received a prospectus related to MR9's investments.
74. MR9 had no management responsibilities and performed no duties with respect to MR9's investments with Martinoli, Davidson, and Nye.
75. MR9 invested a total of \$50,000 with Martinoli and Davidson. MR9 and has only received \$8,000 dollars in return.

Oklahoma Resident

76. Sometime in or prior to October 2006, Nye told an Oklahoma resident ("OKR") about an investment with Martinoli. Nye told OKR, among other things, that Nye had received returns on Nye's investment with Martinoli for approximately one year prior to OKR investing. Nye also told OKR that the investment involved an investment company in Australia.
77. On or about October 23, 2006, OKR invested \$50,000 with Martinoli in DM. On or around December 5, 2006, OKR invested a second time with Martinoli in DM for \$30,000. Both OKR's checks were payable to DM.
78. OKR received returns on OKR's investment for the two subsequent months after OKR's October 23, 2006 investment.
79. OKR received no further returns after OKR's second investment in DM with Martinoli.
80. OKR never received a prospectus related to OKR's investment.

81. OKR had no management responsibilities and performed no duties with respect to OKR's investments with Martinoli in DM.
82. OKR invested a total of \$80,000 with Martinoli and DM. OKR has only received \$8,000 as a return of principal.

Missouri Resident 10

83. Sometime prior to November 29, 2006, Nye told a Missouri Resident ("MR10") about an investment opportunity with DM and Martinoli. Nye told MR10, among other things, the following:
 - a. Nye invested over \$400,000 with DM;
 - b. Nye was making great returns on the investment with DM; and
 - c. MR10's investment funds would be pooled with other investors' funds and used for an investment involving foreign banks.
84. On or about November 29, 2006, MR10 met with Nye and Davidson at DM's office. During the meeting, MR10 invested \$10,000 with Davidson doing business as DM. MR10's check was payable to DM. MR10 signed a Private Party Placement Agreement ("MR10 Agreement") pertaining to this investment that included, among other things, the following:
 - a. MR10's investment funds would be placed "into high-yield investments" by DM;
 - b. the investment period was for approximately six months;
 - c. MR10 was "guaranteed" 100% of MR10's initial investment after the six month investment plus 45 days;
 - d. a "guarantee" that MR10's principal would be returned; and
 - e. if DM was in default of more than 30 days with any payment, the agreement would be payable upon demand of MR10.
85. The MR10 Agreement was signed on behalf of DM by Davidson as "CFO".
86. MR10 never received a prospectus related to MR10's agreement.
87. MR10 had no management responsibilities and performed no duties with respect to MR10's investments with Davidson, Martinoli, and Nye in DM.
88. MR10 invested a total of \$10,000 with Davidson, Nye, Martinoli, and DM. MR10 has only received \$3,000 in return.

Missouri Resident 11

89. Sometime prior to February 16, 2007, Martinoli, Davidson, and/or Nye told Missouri resident (“MR11”) about an investment opportunity with Martinoli. MR11 was told among other things, the following:
- a. Nye was making great returns on the investment with DM; and
 - b. MR11’s investment funds would be pooled with other investors and used for some type of investment involving foreign banks.
90. On or about November 29, 2006, MR11 met with at least Martinoli. During the meeting, MR11 invested \$25,000 with DM doing business as Cynergy. MR11 signed a Private Party Placement Agreement (“MR11 Agreement”) which stated, among other things, the following:
- a. MR11’s investment funds would be placed into high-yield investments by DM;
 - b. the investment would last for six months;
 - c. MR11 was “guaranteed” 100% of MR11’s initial investment after the six month investment, plus 45 days;
 - d. MR11 would receive a return of approximately 10% per month; and
 - e. if DM was in default of more than 30 days with any payment, the agreement is payable upon demand of MR11.
91. MR11 did not receive a prospectus related to the investment.
92. MR11 had no management responsibilities and performed no duties with respect the MR11’s investments.
93. MR11 was not told MR11’s investment money would be commingled with Martinoli’s personal funds and used for personal expenses.
94. Respondents did not disclose that the securities they were offering were not registered in Missouri.
95. Respondents did not disclose that they were not registered to sell securities in Missouri
96. MR11 invested a total of \$25,000 with Martinoli and DM. MR11 has only received \$5,000 in return.

Bank Records

97. Funds from MR1, MR2, MR3, MR4, MR5, MR6, MR7, MR8, MR9, MR10, MR11, and OKR (“Investor Group”) were invested via checks payable to DM, Cynergy, Nye personally, and/or Sarma. At least some investment funds were deposited into accounts for Cynergy, DM, and Elite Ventures.
98. Martinoli was the sole signatory on multiple bank accounts for Cynergy, DM, and Elite Ventures (the “Business Accounts”), as well as Martinoli’s personal checking account (“Martinoli Personal Account”).
99. Records from the Business Accounts and the Martinoli Personal Account from August 2006 until December 2007 revealed, among other things, the following:
 - a. deposits in excess of \$1,725,000 into the Business Accounts from at least some members of the Investor Group;
 - b. Martinoli commingled and transferred funds from some members of the Investor Group between all of the Business Accounts and the Martinoli Personal Account;
 - c. Martinoli withdrew cash, transferred funds, and made purchases of a personal nature in excess of \$450,000 from the Business Accounts. These disbursements included, but are not limited to, the following: check and ATM withdrawals at casinos in Las Vegas, Nevada; wire transfers to Martinoli personally; cash withdrawals; wire transfers to “Martinoli Farms”; purchases at a home improvement store; and purchases at Kay Jewelers; and
 - d. Martinoli transferred at least \$250,000 from the Business Accounts to the Martinoli Personal Account. Martinoli paid bills, withdrew cash, transferred funds, and made purchases of a personal nature in excess of \$212,000 from the Martinoli Personal Account. These disbursements included, but are not limited to, the following: debit and ATM withdrawals at Ameristar Casino and Royal Caribbean Cruise Line; purchases at St. Maarten & St. Thomas Island; mortgage payments; payments of credit card bills; purchases of construction equipment; and purchases at clothing and jewelry stores.

Additional Findings

100. In connection with the offers and sales of securities to the Investor Group, Martinoli made untrue statements of material fact. 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.

101. In connection with the offers and sales of securities to the Investor Group, Martinoli omitted to state material facts. Martinoli guaranteed the investment returns and returns of principal; however, Martinoli 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

102. 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).
103. 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:

104. 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 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.
105. Respondent is hereby BARRED.
106. Respondent is ordered to pay \$401,500 in restitution, of which \$341,500 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 10 years from the date of execution of this Consent Order. The remaining \$60,000 of this amount shall be paid as follows: (a) \$30,000 shall be paid within 30 days of the execution of this Consent Order; and (b) the remaining \$30,000 shall be paid in 12 equal, monthly installments of \$2,500 each on the first day of each month beginning December 1, 2015, with the final payment due on November 1, 2016.

107. Respondent is also ordered to pay one-half (1/2) of any funds received from James Massaro as a result of *United States of America v. James W. Massaro*, Case number 1:12-CR-148 (“Massaro Payments”), up to \$341,500. Such Massaro Payments shall be paid on the first of the month immediately following receipt. 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.
108. 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 10 years from the date of execution of this Consent Order.
109. 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 10 years from the date of execution of this Consent Order.
110. 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

Consented to by:

THE MISSOURI SECURITIES DIVISION

Jennifer J. Martin

Jennifer J. Martin
Assistant Chief Counsel

RESPONDENT



William "Bill" Martinoli

Approved as to Form:



Jeremy Weis
Attorney for Respondent