



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
SHAWN GREEVES,) Case No. AP-16-23
)
 Respondent.)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Scott Snipkie, has alleged that Shawn Greeves (“Greeves” or “Respondent”), offered and sold unregistered, non-exempt securities in violation of Section 409.3-301, RSMo (Cum. Supp. 2013)¹, and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent’s alleged violations of Section 409.3-301.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section 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 Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

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

WAIVER AND EXCEPTION

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

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 Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in 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

1. Shawn Greeves ("Greeves") is a Missouri resident with an address of 422 Pine Bend, Chesterfield, Missouri 63005.

2. At all times relevant to this matter, Respondent was not registered as a broker-dealer, broker-dealer agent, issuer agent, investment adviser or investment adviser representative in the State of Missouri.
3. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by Respondent.

B. Enforcement Section Investigation

4. The Enforcement Section initiated an investigation into the business practices of Greeves following an anonymous inquiry.
5. On or around August 2015, the Enforcement Section reviewed a website, www.fast45.com, and captured screenshots of the same.
6. The above-mentioned website advertised, among other things, the following:
 - a. Reverse Risk Investing;
 - b. Finance 90% of the Wholesale purchase;
 - c. “I am the Bank”;
 - d. “I am looking for investors like you who would like to receive 12% interest on their money by partnering up with me to finance wholesale houses for rehabber’s. You can invest Cash, or I can show you how to use your IRA”;
 - e. “This is a TOTALLY HANDS OFF investment”;
 - f. “Your investment is secured by Real Estate”;
 - g. “You will get your principal back, plus any pro rated interest due for the month”;
 - h. “Minimum investment is \$10,000.00”; and,
 - i. “I give a private investor a GREAT RETURN on their investment. 12% interest!”
7. During the course of the investigation, Greeves met with and corresponded with personnel from the Enforcement Section and gave a description of his business plan as follows:
 - a. Greeves and a co-lender loan money to borrowers for a term of six (6) months renewable up to two (2) years as outlined in a promissory note;

- b. The borrowers are companies and individuals who borrow money from Greeves and a co-lender to purchase a residential home to renovate or to fund renovations for a home already owned by borrower;
 - c. Co-lenders participate in loans to borrowers by contributing some or all of the money for the loan;
 - d. At the closing of the loan, the borrower mortgages the home executing a deed of trust naming both Greeves and the co-lender as grantees;
 - e. Borrowers pay a six percent (6%) fee calculated based upon the principal of the loan;
 - f. Borrowers pay the loan fee half at the beginning and half at the end of each loan period including renewals of preexisting loans;
 - g. Greeves retains this fee;
 - h. Borrowers make monthly interest-only payments to Greeves equal to one-and-a-half percent (1.5%) of the principal borrowed;
 - i. from the borrower's payment, Greeves pays the investor an amount equivalent to one percent (1%) of the principal contributed by the investor;
 - j. Greeves retains the remainder of the monthly payment; and,
 - k. Co-lenders do not interact with borrowers and the business relationships are managed entirely by Greeves.
8. Among other things, over the course of the investigation, Greeves provided the Enforcement Section with documentation of a business transaction as described above that he executed on October 5, 2015.
 9. The documentation contained, among other things, a copy of a note as between Greeves, a co-lender and a borrower; and, a copy of writing declaring obligations as between Greeves and the co-lender.
 10. The note as between the borrower and Greeves and the co-lender stated, among other things:
 - a. monthly, interest-only payments were due and equivalent to one-and-one-half percent (1.5%) of the borrowed principal;
 - b. the term was 6 months, at which time it renewed if the borrower pays a renewal fee;

- c. the principal became due at the end of the term unless renewed;
 - d. the maximum life of the loan was two (2) years; and,
 - e. the interest payments and principal were payable to Shawn Greeves.
11. The writing as between Greeves and the co-lender stated, among other things:
- a. the identity of the co-lender;
 - b. the amount of the co-lender's contribution to the loan;
 - c. that the co-lender is entitled to a monthly payment equivalent to 1% of the contributed principal;
 - d. that Greeves has the authority to manage, collect and disburse payments and sign any documents necessary to manage the loan;
 - e. that Greeves has the authority to foreclose on the property on behalf of the co-lender;
 - f. that Greeves alone makes payments to the co-lender;
 - g. the process for foreclosure of the property should it become necessary; and,
 - h. that Greeves is solely responsible for any legal fees associated with any foreclosure; and,
 - i. that Greeves guarantees he will pay co-lender any interest and principal that the borrower fails to repay.

II. CONCLUSIONS OF LAW

12. The Commissioner finds that Respondent's course of business is an investment contract and that Respondent offered and sold an unregistered, non-exempt security and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
13. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent, his 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 selling unregistered, non-exempt securities in violation of Sections 409.3-301;
2. Respondent is ordered, within 60 days of the date of this order, to notice file an exemption under Regulation D pursuant to 15 CSR 30-54.210 describing the applicable exemption for his business activities as described above;
3. Respondent is ordered to pay ten thousand dollars (\$10,000) to the Investor Education and Protection Fund. Due within 60 days of the date of this order, shall be one thousand dollars (\$1,000) and the remaining balance shall be paid in nine (9) installments of one thousand dollars (\$1,000) each, and each installment is due on the 1st day of each subsequent month until the balance is fully paid. Such payments shall be sent to the Securities Division at 600 W. Main St., Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
4. Respondent is ordered to pay an additional five thousand dollars (\$5,000) to the Investor Education and Protection Fund. This payment shall be suspended for two (2) years, but, along with any unpaid portions of payments in Paragraph 3 above, shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law. If, after two (2) years from the date of this Consent Order, neither of those conditions has occurred, the Commissioner waives Respondent's payment of the remaining amount; and,
5. Respondents shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,

MISSOURI THIS 1st DAY OF NOVEMBER, 2016



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

Scott Snipkie

Scott Snipkie
Enforcement Counsel

RESPONDENT

Shawn Greeves

Shawn Greeves

Approved as to Form:

James P. Bick, Jr.

James P. Bick, Jr.
Attorney for Respondent