



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
BREMEN INVESTMENT COMPANY, LLC;)
HARVEST MARKETPLACE, LLC; and) Case No. AP-16-36
STERLING MOODY,)
)
Respondents.)

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 Chief Counsel Tyler B. McCormick, has alleged that Bremen Investment Company, LLC; Harvest Marketplace, LLC; and Sterling Moody (“Respondents”), offered and sold unregistered, non-exempt securities, transacted business as an unregistered agent, employed an unregistered agent, 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, 409.4-402, and 409.5-501, RSMo (Cum. Supp. 2013),¹ and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Section 409.3-301, 409.4-402, and 409.5-501.

CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

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

“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. Respondents waive Respondents’ right to a hearing with respect to this matter.
6. Respondents waive any right that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete 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. Respondents and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions in 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. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent 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. Bremen Investment Company, LLC (“Bremen Investment Co.”) is a limited liability company organized in Missouri on June 11, 2009, with an address located at 5704 Natural Bridge, St. Louis, Missouri 63120. Bremen Investment Co.’s registered agent is Julius Moody.
13. Harvest Marketplace, LLC (“Harvest Marketplace”) is a limited liability company organized in Illinois on January 29, 2015, with a principal office address located at 4200 N. Union, Suite 158, St. Louis, Missouri, 63115. Harvest Marketplace’s registered agent is National Registered Agents, Inc., 208 South Lasalle Street, Suite 814, Chicago, Illinois 60604.
14. Sterling Moody (“Moody”) is a Missouri resident currently residing at 10301 Trask, Dellwood, Missouri 66502.
15. At all times relevant to this matter, Respondents have never been registered with the State of Missouri as investment advisers, investment adviser representatives, broker-dealers, broker-dealer agents, and/or issuer agents.
16. 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/or sold by Respondents.

B. Enforcement Section Investigation

17. In or around August 2013, a 35 year-old Missouri resident (“MR”) met Moody at a car wash operated by Moody located at 5704 Natural Bridge, St. Louis, Missouri 63120. Moody told MR that Moody knew a “lot of people” in the area that could help MR start up a home healthcare business.
18. On or about September 12, 2013, Moody and an associate solicited MR for a loan to support Bremen Investment Co. MR loaned \$3,336 to Moody and Bremen Investment Co. In return, Moody promised MR the funds would be repaid to MR within four months with 10% interest.
19. In or around January or February 2014, Moody solicited MR for a \$7,000 loan to open a grocery store in East St. Louis, Illinois named Harvest Food Company, LLC. The name of the business would later be changed to Harvest Marketplace, LLC, after the Illinois Secretary of State informed Moody that the name Harvest Food Company, LLC was not available.

20. Moody told MR, among other things, the loan was guaranteed to be paid back because Moody was expecting to receive a federal grant specifically allocated for opening grocery stores in poor neighborhoods. MR allowed Moody to use MR's credit card for the \$7,000 investment. However, when MR received MR's credit card back from Moody, MR found that Moody had charged \$18,000 on the card for such things as personal utility payments and operating expenses for Bremen Investment Co.
21. On or about February 14, 2014, Moody solicited MR for a \$10,000 loan to pay the Associated Wholesale Grocers to conduct a market survey to support Harvest Marketplace's operations. MR withdrew \$10,000 from her Edward Jones account and loaned Moody the funds.
22. On or about February 24, 2014, Moody and Bremen Investment Co. issued MR a \$32,000 promissory note that promised payment on or before February 24, 2015.
23. On or about May 28, 2014, Moody solicited MR for a \$50,000 loan for predevelopment expenses related to Harvest Marketplace. MR agreed to extend the loan by withdrawing the funds from MR's 401(k) retirement plan.
24. On or around June 1, 2014, Moody gave MR a \$50,000 promissory note that promised repayment by May 31, 2015.
25. MR was not paid in accordance with the terms of the promissory notes. MR has requested a return of MR's funds, but has only been paid a portion of the money back.
26. In an letter to the Enforcement Section dated October 13, 2015, Respondents, through counsel stated, among other things, that:
 - a. Moody was and is the manager for Bremen Investment Co.;
 - b. all checks received from MR were not deposited into a financial institution, rather, the checks "were converted to cash at a check cashing institution";
 - c. MR willingly supported Moody's efforts to open a grocery store and subsidized Moody's personal living expenses;
 - d. MR's funds were used for Moody's personal living expenses, expenses related to operating Bremen Investment Co.'s business, and expenses related to Harvest Marketplace;
 - e. approximately \$3,700 of MR's funds were used to pay Associated Wholesale Grocers for a market survey;
 - f. approximately \$5,000 of MR's funds were used to pay Inkosi Design "for creation of a design concept for the venture";

- g. Moody and Bremen Investment Co. have paid MR back approximately \$18,800; and
 - h. the Harvest Marketplace project will be difficult to achieve without new investors, but plans are to start building the grocery store sometime in the spring of 2016. MR will be paid back after Harvest Marketplace becomes operational.
27. In an on-the-record interview on November 24, 2015, Moody told the Enforcement Section, among other things:
- a. Bremen Investment Co. was formed by Moody's brother and other individuals for the purpose of buying and selling real estate, but mostly did property management;
 - b. Moody acted as the "Managing Partner" and was responsible for the "day-to-day" operations of Bremen Investment Co., including overseeing the property, finding tenants, helping pay the bills, and making a few decisions;
 - c. Harvest Marketplace was "established to build a grocery store in East St. Louis, Illinois." The members of Harvest Marketplace include Moody and Charles Bussey;
 - d. Moody discussed investing in Harvest Marketplace with MR and the conversation "was mostly mine and hers";
 - e. MR is the only investor in Harvest Marketplace;
 - f. Charles Bussey prepared the promissory notes;
 - g. on or around February 2014, MR loaned \$10,000 to Bremen Investment Co. Of which, \$3,700-\$4,700 was used for a market survey for Harvest Marketplace. The rest of the funds were used for Moody's personal expenses;
 - h. Moody later gave MR a \$32,000 promissory note that included: the \$10,000 loan to Bremen Investment Co., expenses charged on MR's credit card for Bremen Investment Co. and Moody, and interest;
 - i. Moody used Bremen Investment Co. on the promissory note because a personal note "wasn't strong enough";
 - j. with regard to paying back the funds, Moody acknowledged "I owe it";
 - k. in May of 2014, MR loaned \$50,000 to Bremen Investment Co. and/or Moody for predevelopment costs associated with Harvest Marketplace. Of the \$50,000,

\$10,000 was given back to MR. Moody gave MR a promissory note for \$50,000 and promised interest of 4.25%;

- l. Moody told MR that Moody was expecting to receive a federal grant for Harvest Marketplace;
 - m. Moody may have told MR that MR was guaranteed to receive MR's investment funds back due to the federal grant;
 - n. Moody and/or Bremen Investment Co. has made several payments to MR and it is Moody's belief that MR is still owed between \$50,000-\$60,000;
 - o. a check written to For Your Convenience, an expense associated with Harvest Marketplace, from the Bremen Investment Co. account in the amount of \$7,500 was never given to For Your Convenience, but Moody told MR the funds were given to For Your Convenience;
 - p. MR was not provided any financial information about Bremen Investment Co. or Harvest Marketplace;
 - q. MR was not told that Bremen Investment Co. had defaulted on its lease prior to MR's investments; and
 - r. Moody does not believe Moody disclosed Moody's tax liens, judgments, bankruptcies, and criminal conviction for passing a bad check to MR prior to MR's investments.
28. Prior to MR's investments, Respondents failed to disclose to MR, among other things, the following material information:
- a. Moody's bankruptcy filing on October 15, 2005;
 - b. Moody's arrest and subsequent conviction for passing a bad check on January 8, 2009;
 - c. a \$1,395.92 judgment against Moody in favor of American General Financial Services on April 8, 2009;
 - d. a \$1,205.24 judgment against Moody in favor of Capital One Bank on October 22, 2009;
 - e. a \$9,281.48 judgment against Moody in favor of Superior Bank on February 22, 2010;
 - f. a \$22,658 judgment against Moody in favor of LJH Enterprises, LLC on March

- 15, 2010;
- g. a \$140,540 judgment in favor of Regions Bank and against Moody on June 16, 2010;
 - h. a \$152,557 Missouri tax lien filed against Moody on June 28, 2010;
 - i. a \$60,456 Missouri tax lien filed against Moody on June 28, 2010;
 - j. Moody's bankruptcy filing on September 28, 2011;
 - k. a \$1,806 judgment against Moody in favor of the Metropolitan St. Louis Sewer District on January 19, 2012;
 - l. a \$10,691 Missouri tax lien filed against Moody on October 23, 2013;
 - m. a \$5,000 judgment against Moody in favor of James Childress on July 30, 2014; and
 - n. a \$4,924.84 judgment against Moody in favor of the city of St. Louis on May 28, 2015.

II. CONCLUSIONS OF LAW

- 29. The Commissioner finds that Respondents offered and sold unregistered, non-exempt securities, transacted business as an unregistered agent, employed an unregistered agent, 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 and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
- 30. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

- 1. Respondents, their 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 violating Sections 409.3-301, 409.4-402, and 409.5-501.

2. Respondents are hereby each BARRED from registering as a broker-dealer, investment adviser, agent, or investment adviser representative in the State of Missouri.
3. Respondents shall pay, jointly and severally, restitution to MR in the amount of \$62,500 ("Restitution Amount"). Respondents shall pay, jointly and severally, \$1,140 of the Restitution Amount on or before November 1, 2016. The remaining portion of the Restitution Amount shall be paid in monthly installments in the minimum amount of \$1,040. The first monthly installment will be due on December 1, 2016, and all remaining installments shall be due on the 1st of each month thereafter. These payments shall be sent to the Missouri 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, and the Commissioner will take reasonable and necessary actions to distribute such funds to MR.
4. Respondents shall pay, jointly and severally, \$25,000 to the Investor Education and Protection Fund. This payment shall be suspended, but shall become due immediately upon the sooner of (1) Respondents' 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 Respondents have violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law. Upon Respondents' satisfaction of the Restitution Amount in paragraph 3, above, the suspended payment described in this paragraph shall be fully and finally waived.
5. Upon Respondent's failure to comply with the terms of this Consent Order, all remaining payments shall become immediately due and payable upon operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law.
6. 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 27th DAY OF September, 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



Tyler B. McCormick
Chief Counsel

RESPONDENTS

BREMEN INVESTMENT COMPANY, LLC

BY: 

NAME: STERLING MOODY

TITLE: MANAGER

HARVEST MARKETPLACE, LLC

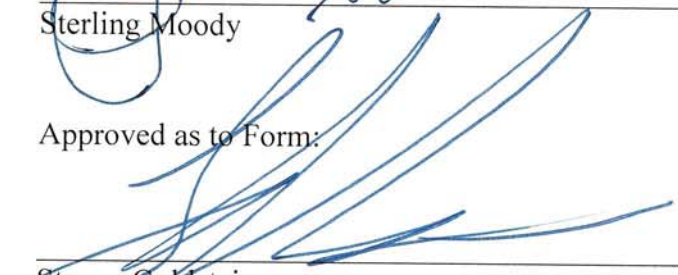
BY: 

NAME: STERLING MOODY

TITLE: MANAGER


Sterling Moody

Approved as to Form:


Steven Goldstein
Attorney for Respondents