ORDER TO CEASE AND DESIST

On the 24th day of June 2005, Patrick T. Morgan, Deputy Chief Counsel for the Securities Division, submitted a petition for a Cease and Desist Order. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

A. The Respondents

1. Bryan Marsden, Private Investment Profit System, Inc. ("PIPS Inc."), and PIC Trust Limited have a registered last known address of PT7323 Jalan BBN ½ E, Bandar Baru Nilai, Negeri Sembilan 71800 Malaysia.
   a. PIPS Inc. purports to be a "Private Investment fund" registered in the Republic of Panama.

2. PureInvestor.com, Inc. has a registered last known address of PT 8407 Taman Desa Jasmin, Bandar Baru Nilai, Negeri Sembilan 71800 Malaysia

3. As used in this petition for a cease and desist order, the term "Respondents" refers to Marsden, PureInvestor.com, PIPS Inc., and PIC Trust Limited.

B. PIPS Inc.'s Internet "Loan Agreement"

4. On or about June 6, 2005, PureInvestor.com and Marsden maintained a website accessible in Missouri that read in part as follows:

   Private Investment Profit System (PIPS)  
   Growing Investments for a Secure Financial Future  
   ...  

   PIPS is designed to ensure members achieve the financial independence they desire. Members of PIPS take control of their own financial growth without relying on the growth of matrices or selling products. Members can also take comfort in the fact that they will be providing urgently needed aid to underdeveloped countries and will also be assisting in the building of a sustainable world environment.

   PIPS Members through their monthly subscriptions build and grow their funds at a rate they can afford, the returns are only limited by a members [sic] own goals. This balance of improving your financial position along with improving the life of those less fortunate than us creates an elegant Win/Win situation.
How it Works

To become a PIPS member you click on the Join Now button and make a payment of US$450, from this payment US$25 is the account setup fee and the remaining US$425 is a private agreement between you and PIPS to LOAN those funds to the company for a period of 180 calendar days.

PIPS agree [sic] to repay such loan to you with interest as determined by the program. Repayments and interest are paid only on Business Days, the Business Days are determined in line with the NYSE calendar.

Fee Structure

Over the period of each month a deduction totaling US$170 is made out of which US$150 is added back as a further loan to your account the remaining US$20 is the monthly administration fee. A management fee of 5% is also applied to all repayments.

5. On the website there is a link that allows an individual to purchase a PIPS Inc. "membership" using a credit card. Clicking on this link connects an individual to a webpage where, to continue to purchase, PIPS Inc. requires the individual to enter, among other things, his or her first and last name, address, e-mail address, and a password.

6. After entering this information an internal window under the words "Loan Agreement" appears within the webpage. That internal window can be scrolled through and reads, in pertinent part, as follows:

PRIVATE LOAN AGREEMENT BETWEEN PIPS INCORPORATED AND SECOND PARTY

BETWEEN

Company Name: PIPS Incorporated . . .

AND Name entered above.

. . .

B. WHEREAS the First Party is a Private Investment fund that provides financial services for individual and corporate members. The First Party is conducting a short term financial relationship program between Second Party, the program known as Private Investment Profit System (PIPS). . . .

D. The Participant hereby voluntarily agrees to loan funds to the First Party for a fixed period of 180 calendar days and the First Party agrees to repay the loan plus interests may [sic] be determined from time to time on a trading day basis under PIPS program to repay the capital of USD 450.00 or equivalent 17 units or any other amount from time to time to be fully self funded [sic] in consideration of 2% profit per day per unit for the period of 180 calendar days.

7. Under the window titled "Loan Agreement" and at the bottom of the webpage is a box that an individual can check. The words next to this box read, "I AGREE with the agreement above and all entered data are correct and accurate." Beneath this text are two "buttons" that read "Confirm" and "Back."

8. Clicking on the "Confirm" button links the individual to another webpage titled "Purchase of Membership." Under this is the following sentence: "To make payment for your selected signup please complete the form and click the 'Submit Payment Button Below [sic]. Note there is a 5% processing fee added to the total amount."

9. When the "Submit" button is pressed, another screen appears. This screen is entitled "Your Agreement with EC Trust." On this screen, PIPS Inc. represents that "ECT [sic] Trust . . . is a licensed trust company incorporated in Labuan Malaysia. . . . EC Trust through its appointed credit card clearing provider receives your payment as your trustee. By completing the transaction below you are instructing EC Trust to forward your payment to your contracted merchant."

a. Also on the screen are numerous blanks requiring information about the individual's credit card, such as the number, expiration date, and billing address.

b. The only information pertinent to the individual are blanks where one can enter his or her birthdate.

c. At the bottom right of the screen is a button labeled "Submit Payment."

C. PureInvestor.Com

10. On or about March 2, 2005, PureInvestor.com maintained a website accessible in Missouri that made the following
PIPS is a Licensed Private Investment Fund that provides services for individual and corporate members. The unique factor of PIPS is the ability of its members to earn additional income from Investment Centre Subscription sales plus the provision of Environmental and Humanitarian Aid around the world.

Disclaimer: PIPS does not sell or offer to sell Equities, Securities or Financial Instruments, it is a Private Membership Investment Fund where members deposit funds into Trust Account Debentures, which are managed by Independent Licensed Trustees insuring the security of member deposits. Further detailed information on investments is provided in the Private Members Area. Members are in no way permitted to promote, advertise or make public any of the investment information contained within the PIPS website.

Emphasis added.

C. PIPS Inc.'s "5 Year Trust Plan"

11. On or about June 6, 2005, PureInvestor.com and Marsden maintained a website bearing the words "PIC Trust Limited" and "5 Year Trust Plan." This website read in part as follows:

The PIPS 5 Year Plan has been designed to provide PIPS Members, Custodians as individuals, Corporates and Employees with a short term plan for financial independence and corporate growth.

Benefits
PIPS Members
PIPS Members can be assured of a fully managed plan without worrying about other investments, the plan is set at a low cost of US$175 for entry plus US$25 per month for 5 years. On maturity the member will receive a Lump Sum of US$87,017.47 and a monthly income of US$9,323.30 for the duration of their life.

Emphasis added.

12. At the bottom of the website is the text "CAN YOU AFFORD NOT TO BE IN THIS PLAN" and beneath that a button with the word "Join" on it.

13. Clicking on the "Join" button opens another website that, among other things, contains the following statement: "This website is wholly owned by PIPS Inc."

14. At the bottom of the webpage is a button that an individual can click to signify that one "agrees with and understands the agreement . . . ." Clicking on this button opens another website titled "Sign Up New Member." This site has several blanks requiring information that an individual is to provide, including e-mail, first and last name, address, bank account number, bank name, bank address, and either a passport, driver's license or social security number. At the bottom of this page, an individual must select his payment method and payment type.

15. Another PIC Trust Limited website accessible in Missouri is titled "Plan Benefits." This website includes a statement that reads: "The tables below show your contributions and your fund growth to financial independence." Underneath the statement are schedules purporting to show the monthly "benefits" to be gained from contributing $25.00 a month to the PIPS 5 Year Plan. Thus, after contributing $25.00 for twelve months, PIC Trust Limited's website claims that one's "Fund Growth" would purportedly be $1,033.90. Similarly, after contributing $25.00 for five years (i.e., 60 months), one's "Fund Growth" would allegedly be $124,310.67.

16. Another PIC Trust Limited website accessible in Missouri makes the following statements:

   a. "The Pips [sic] plan provides you with the opportunity of achieving your financial independence goal within 5 years, all you need to do as a PIPS member is to set it and forget it, then sit back, plan and look forward to your financial activities."

   b. "When your PIPS plan matures in 5 years time you will receive a one time Lump Sum payment of US$87,017.47, (there goes the mortgage), [sic] you will then continue to receive payments directly into your bank account of US$9,323.30 EVERY MONTH."

17. None of the webpages referred to above included any information concerning the following:

   a. PIPS Inc.'s or PIC Trust Limited's financial condition;
   b. how the money received from those lending to PIPS Inc. would be used;
   c. a list of risk factors involved in the transactions;
   d. PIPS Inc.'s or PIC Trust Limited's business or credit history; or
   e. identity, background or material facts regarding the principals of PureInvestor.com, PIPS Inc., or PIC Trust Limited.

18. At all times relevant to this petition the records maintained by the Missouri Commissioner of Securities contained no
registration, granted exemption or notice filing indicating status as a "federal covered security" for any securities offered by Respondents in Missouri.

19. This order is in the public interest.

II. STATUTORY PROVISIONS

20. Section 409.1-102(26), RSMo Supp. 2004, defines "offer to sell" as "every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."

21. Section 409.1-102(28), RSMo Supp. 2004, defines a "security" to include a "debenture." That same section includes "investment contract" as a security, and defines "investment contract as" an "investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor . . . ." Section 409.1-102(28) (D), RSMo Supp. 2004.

22. Section 409.3-301, RSMo Supp. 2004, reads as follows:
   It is unlawful for a person to offer or sell a security in this state unless:
   (1) The security is a federal covered security;
   (2) The security, transaction, or offer is exempted from registration under sections 409.2-201 to 409.2-203; or
   (3) The security is registered under this act.

23. Section 409.5-501, RSMo Supp. 2004, reads as follows:
   It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
   (1) To employ a device, scheme, or artifice to defraud;
   (2) To make an untrue statement of a material fact or to omit state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
   (3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

24. Section 409.5-503(a), RSMo Supp. 2004, reads as follows: "In an . . . administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim."

25. Section 409.6-604(a), RSMo Supp. 2004, reads as follows:
   If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:
   (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act . . . .

26. Section 409.6-604(b), RSMo Supp. 2004, reads as follows:
   An order under subsection (a) is effective on the date of issuance . . . If a person subject to the order does not request a hearing and none is ordered by the commissioner within thirty days after the date of service of the order, the order becomes final as to that person by operation of law.

27. Section 409.6-604(c), RSMo Supp. 2004, reads in part as follows: "The final order may make final, vacate, or modify the order issued unless subsection (a)."

28. Section 409.6-604(d), RSMo Supp. 2004, reads as follows: "In a final order under subsection (c), the commissioner may impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation."

29. Section 409.6-604(e), RSMo Supp. 2004, reads as follows: "In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act . . . . These funds may be paid into the investor education and protection fund."

30. Section 409.6-610, RSMo Supp. 2004, reads in pertinent part as follows:
   (a) Sections 409.3-301 [and] 409.5-501 . . . do not apply to a person that . . . offers to sell a security unless the offer to sell . . . is made in this state . . .
   (c) For the purpose of this section, an offer to sell . . . is made in this state, whether or not either party is then present in this state, if the offer . . .
III. CONCLUSIONS OF LAW

Count I: Offering Unregistered, Nonexempt Securities

31. Marsden, PureInvestor.com, and PIPS Inc. violated §§ 409.3-301, RSMo Supp. 2004, when they offered a security in Missouri without the security being (1) a federal-covered security, (2) exempt from registration under §§ 409.2-201 or 409.2-202, or (3) registered under the Missouri Securities Act of 2003 when they offered unregistered, nonexempt debentures in Missouri.

   a. The "Private Loan Agreement" advertised on PIPS Inc.'s website (described at Paragraphs 4-9 above) is a "security" for purposes of §§ 409.1-102(28) in that it advertises that an individual can "loan" money to PIPS Inc. and PIPS Inc. will then "agree to repay such loan . . . with interest . . . " thus qualifying the agreement as a "debenture."

   b. The webpages advertising the "Private Loan Agreement" and presenting individuals the option to purchase a "PIPS membership" online constitutes an "offer to sell" for purposes of §§ 409.1-102(26).

Count II: Offering Unregistered, Nonexempt Securities

32. Respondents violated §§ 409.3-301, RSMo Supp. 2004, when they offered a security in Missouri without the security being (1) a federal-covered security, (2) exempt from registration under §§ 409.2-201 or 409.2-202, or (3) registered under the Missouri Securities Act of 2003 when they offered unregistered, nonexempt investment contracts in Missouri.

   a. The "5 Year Trust Plan" advertised on Respondents' webpages (described at Paragraphs 11-15 above) is an "investment contract" for purposes of §§ 409.1-102(28). Respondents advertise that an individual can invest by "mak[ing] a one time payment of US$1350" or monthly payments to PIC Trust Limited. Respondents represent that an individual can expect "profits to be derived primarily from the efforts of a person other than the investor" in that, on the basis of the investment, the individual can expect in five years to receive a "one time Lump Sum payment of US$8717.47" as well as monthly payments of "US$9323.30."

   b. Respondents' webpages advertising this "5 Year Trust Plan" and presenting individuals the option to purchase online constitutes an "offer to sell" for purposes of §§ 409.1-102(26).

Count III: Omitting to State Material Facts in Connection with the Offer of a Security

33. Marsden, PureInvestor.com, and PIPS Inc. violated §§ 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer of debentures issued by PIPS Inc., they omitted to state the following material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading:

   a. PIPS Inc.'s financial condition;

   b. how the money received from those lending to PIPS would be used;

   c. a list of risk factors involved in the transactions;

   d. PIPS Inc.'s business or credit history; or

   e. the identity, background or material facts regarding the principals of PureInvestor.com, or PIPS Inc.

Count IV: Omitting to State Material Facts in Connection with the Offer of a Security

34. Respondents violated §§ 409.5-501(2), RSMo Supp. 2004, when, in connection with the offer of an investment contract issued by PIPS Inc., they omitted to state the following material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading:

   a. PIPS Inc.'s financial condition;

   b. PIC Trust Limited's financial condition;

   c. how the money received from those investing in the "PIPS 5 Year Plan" would be used;

   d. a list of risk factors involved in the transactions;

   e. PIPS Inc.'s or PIC Trust Limited's business or credit history; or

   f. the identity, background or material facts regarding the principals of PureInvestor.com, PIPS Inc., and PIC Trust Unlimited.

ORDER

NOW, THEREFORE, it is hereby ordered that Respondents, 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. offering or selling the above-described securities in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of § 409.3-304, RSMo Supp.
2004; and

B. violating or materially aiding in any violation of § 409.5-501, RSMo Supp. 2004, by, in connection with the offer or sale of
the above-described securities, making an untrue statement of a material fact or omitting to state a material fact necessary in
order to make the statement made, in the light of the circumstances under which it is made, not misleading.

IT IS FURTHER ORDERED that, pursuant to § 409.6-604(d), the Commissioner will grant the Enforcement Division's petition
for an imposition of a civil penalty of ten thousand dollars ($10,000) against Respondents, jointly and severally, in a final order unless
Respondent requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to § 409.6-604(e), the Commissioner will grant the Enforcement Section's petition
and charge Respondents, jointly and severally, the costs of the investigation in this matter. The Commissioner will charge
Respondents an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents
request a hearing and shows cause why he should not be charged such costs.

IT IS FURTHER ORDERED that, pursuant to § 409.6-608(a), this matter shall be referred to the United States Attorney for the
Western District of Missouri.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 24TH DAY OF
JUNE, 2005.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
DAVID B. COSGROVE
COMMISSIONER OF SECURITIES

3 Available at https://pips.pipsinc.com/guest/signup_junction/Nsignup payment5.php (last visited June 6, 2005).
5 Available at http://www.pureinvestor.com (last visited March 2, 2005).
8 Available at http://www.pipstrust.com/guest/SignUpMember.php (last visited June 6, 2005).