

State of Missouri
Office of Secretary of State

Case No. AP-07-40

IN THE MATTER OF:

CAPITAL FUNDING MANAGEMENT, INC.;
DELBERT R. HUELLE; and
STEVEN EDWARD GWIN;

Respondents.

Serve Capital Funding Management, Inc., and
Delbert Huelle at:

955 South Virginia Street
Reno, Nevada 89502

Serve Steven Edward Gwin at:

406 Castlegate Drive
Ozark, Missouri 65721

**ORDER TO CEASE AND DESIST AND ORDER IMPOSING
CIVIL PENALTIES AND AWARDED COSTS**

On November 15, 2007, the Enforcement Section of the Securities Division, by and through Mary S. Hosmer, Assistant Commissioner of Securities, submitted a Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of fact, conclusion of law, and order:

1. On July 18, 2007, the Missouri Commissioner of Securities issued an Order to Cease and Desist and to Show Cause Why Civil Penalties and Costs Should Not Be Imposed (the "Order"). On that same date, notice and a copy of such Order were sent to all Respondents, by certified U.S. Mail, pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2006).
2. On July 20, 2007, the Securities Division received a return receipt indicating that Respondents Capital Funding Management, Inc., and Delbert Huelle received the Order and notice thereof.
3. On July 30, 2007, the Commissioner received Respondent Eric Krause's Request for Hearing filed by J. Justin Johnston, counsel for Respondent Krause.
4. On July 31, 2007, the Order and notice thereof sent to Respondent Gwin were returned "unclaimed" to the Commissioner.
5. On August 6, 2007, the Commissioner issued a Hearing Order / Notice of Filing / Notice of Hearing. The Order set the pre-hearing conference to be held on September 5, 2007, and the hearing to be held October 12, 2007.
6. On August 7, 2007, Respondent Gwin was served with the Order pursuant to Section 409.6-611(b), RSMo. (Cum. Supp. 2006), through service upon the Commissioner, and notice of such service and a copy of the Order were sent to Respondent at his last known address.
7. On August 29, 2007, notice of the service described in paragraph 6, above, along with an additional notice and copy of the order, sent to Respondent Gwin were returned "unclaimed" to the Commissioner.
8. On October 17, 2007, the Commissioner issued an Order of Dismissal as to Respondent Eric Krause.
9. No one has entered an appearance on behalf of any of Respondents Capital Funding Management, Inc., Gwin or Huelle, and the Commissioner has received no contact or communication from any of the same.
10. In its Petition the Enforcement Section of the Securities Division requested a Final Order to Cease and Desist as to Respondents Capital Funding Management, Inc., Gwin and Huelle.
11. In its Petition the Enforcement Section of the Securities Division requested that Respondents Capital Funding Management, Inc., Gwin and Huelle pay, jointly and severally, the costs of investigation in this matter in the amount of four thousand one hundred sixty five dollars (\$4,165).
12. In its Petition the Enforcement Section of the Securities Division requested the Commissioner issue an Order imposing a civil penalty of \$10,000 against each of Respondent Capital Funding Management, Inc., Respondent Gwin and Respondent Huelle for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2006).

13. In its Petition the Enforcement Section of the Securities Division requested the Commissioner issue an Order imposing a civil penalty of \$10,000 against Respondent Gwin for multiple violations of Section 409.4-402, RSMo. (Cum. Supp. 2006).
14. In its Petition the Enforcement Section of the Securities Division requested the Commissioner issue an Order imposing a civil penalty of \$10,000 against each of Respondent Capital Funding Management, Inc., Respondent Gwin and Respondent Huelle for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2006).

ORDER

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

- A. The Cease and Desist Order entered in Case Number AP-07-40 on July 18, 2007, is **FINAL** as to Respondents Capital Funding Management, Inc., Delbert R. Huelle and Steven E. Gwin.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Capital Funding Management, Inc., shall pay a civil penalty in the amount of three thousand dollars (\$3,000) to the State of Missouri for multiple violations of Sections 409.3-301, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Delbert R. Huelle shall pay a civil penalty in the amount of four thousand dollars (\$4,000) to the State of Missouri for multiple violations of Sections 409.3-301, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Steven E. Gwin shall pay a civil penalty in the amount of five thousand five hundred dollars (\$5,500) to the State of Missouri for multiple violations of Sections 409.3-301, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Steven E. Gwin shall pay a civil penalty in the amount of five thousand dollars (\$5,000) to the State of Missouri for multiple violations of Sections 409.4-402, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Capital Funding Management, Inc., shall pay a civil penalty in the amount of three thousand dollars (\$3,000) to the State of Missouri for multiple violations of Sections 409.5-501, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- G. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Delbert R. Huelle shall pay a civil penalty in the amount of four thousand five hundred dollars (\$4,500) to the State of Missouri for multiple violations of Sections 409.5-501, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- H. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), Respondent Steven E. Gwin shall pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) to the State of Missouri for multiple violations of Sections 409.5-501, RSMo. (Cum. Supp. 2006). This amount shall be sent to the Secretary of State and made payable to the State of Missouri, within thirty (30) days of the date of this Order, and the Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.

- I. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2006), Respondents Capital Funding Management, Inc., Delbert R. Huelle and Steven E. Gwin shall pay, within thirty (30) days from the date of service of this Order, the additional sum of four thousand one hundred sixty five dollars (\$4,165) as reimbursement for the costs of the investigation and administration of this matter. Respondents shall be jointly and severally liable for this amount. This amount shall be sent to the Secretary of State and made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondents shall deliver this payment to the Securities Division, 600 W. Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- J. Pursuant to Section 409.6-604(f), RSMo., this matter shall be referred to the Missouri Attorney General's Office to collect the fines and costs described in this Final Order, as necessary.
- K. This Order is in the public interest and is consistent with the purposes intended by the Missouri Securities Act of 2003.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 6TH DAY OF DECEMBER, 2007.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of December, 2007, copies of the foregoing Final Order in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Capital Funding Management, Inc
955 South Virginia Street
Reno, Nevada 89502

Delbert Huelle
955 South Virginia Street
Reno, Nevada 89502

Steven Edward Gwin
406 Castlegate Drive
Ozark, Missouri 65721

And by U.S. Mail to:

J. Justin Johnston
1101 Walnut
Suite 1300
Kansas City, Missouri 64106
ATTORNEY FOR RESPONDENT
ERIC KRAUSE

And hand-delivered to:

Mary Hosmer
Assistant Commissioner
Securities Division

John Hale, Specialist