

State of Missouri  
Office of Secretary of State

Case No. AP-07-54

IN THE MATTER OF:

DALE A. ENGEL;  
MARKET BIAS INVESTORS, LLC; and  
MID-STATE PROPERTIES, LLC d/b/a  
MID-STATE ADVISORS,

*Respondents.*

Serve all Respondents at:

29598 Cove View Lane  
Gravois Mills, Missouri 65037

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY CIVIL  
PENALTIES AND COSTS SHOULD NOT BE IMPOSED**

On October 1, 2007, the Enforcement Section of the Securities Division of the Office of Secretary of State, through Lori J. Neidel, Chief Enforcement Counsel, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

**I. FINDINGS OF FACT**

1. Market Bias Investors, LLC (“Market Bias”) is a Missouri limited liability company whose registered agent is Dale A. Engel (“Engel”). Market Bias has an address of 29598 Cove View Lane, Gravois Mills, Missouri 65037.
2. Mid-State Properties, LLC, d/b/a Mid-State Advisors (“Mid-State”), is a Missouri limited liability company whose registered agent is Engel. Mid-State has an address of 29598 Cove View Lane, Gravois Mills, Missouri 65037.
3. Engel is the registered agent and purported owner of Market Bias and Mid-State, and has an address of 29598 Cove View Lane, Gravois Mills, Missouri 65037.
4. As used herein, the term “Respondents” refers to Engel, Market Bias and Mid-State.
5. In August, 2007, a Missouri resident (“MR1”) received a letter through the mail from Engel. The letter was soliciting MR1’s participation in Engel’s “very successful way to make money in stocks” through MR1’s investment in Engel’s “Market Bias,” a “proprietary indicator” created by Engel. The letter solicitation contained, in part, the following statements:
  - a. “Over my many years of research in the stock market, I have created and use [*sic*] my proprietary indicator to produce extremely high returns while keeping risks very low and it is successful in all types of markets.”
  - b. “My proprietary indicator is called ‘Market Bias’ and has been averaging over a 92% correct track record and the few times that it is incorrect, the loss is cut quickly.”
  - c. “I have discovered and researched a very successful way to make money in stocks and desire other individuals that would also like high returns with minimal risk. . . . There are exceptional returns, with minimal risks . . . .”
  - d. “You must be a ‘Qualified Investor’ to participate and there is no cost, as a small percentage of net profits is the only way I receive anything!”
  - e. “You can learn more by going to my website at [www.dukestrading.com](http://www.dukestrading.com) . . . .”
  - f. “High returns, with very low risk is finally here! Why not see if this can benefit you?”

. . . .
6. A review of the website [www.dukestrading.com](http://www.dukestrading.com) disclosed, in part, the following statements:
  - a. “The Market will provide clear signals to their future direction and I understand this and make money from it!!!”
  - b. “. . . I DID THIS AND CREATED AN EASY TRADING METHOD SO YOU CAN MAKE SOME MAJOR MONEY AND I CAN MAKE SOME MONEY AS WELL!” [Emphasis in the original.]

- c. There are many ways to make money! My vast market experience and over 35 years of trading and research have proved that I've found the very best way!"
7. The website [www.dukestrading.com](http://www.dukestrading.com) also provided investment details outlining the terms and conditions for investing in Market Bias. Those details are, in part, as follows:

"THIS INVESTMENT IS LIMITED TO INDIVIDUALS THAT ARE QUALIFIED INVESTORS! For an individual to be considered a qualified investor (also termed an accredited investor), that person must either have a net worth of about a million dollars or have an annual income in excess of \$200,000. [Emphasis in the original.]

The details of the investment are included in this document and supersede any statements that are contained in the Operating Agreement. . . .

Operations and Investments shall be executed through 'Market Bias Investors, LLC' (#LC0836431), a State of Missouri Limited Liability Company. The company shall have one manager (Dale A. Engel) and be limited to 100 members. Each member shall provide capital in the amount of \$50,000, payable to Market Bias Investors, LLC. All of the members are nonvoting members. A nonvoting member may cancel at anytime, in writing (email of [sic] FAX is OK). Once cancelled, the current brokerage account will [sic] divided by the number of members and manager and this money will be forwarded. There are no withdrawal fees. The only fees will be those listed below. . . .

A trading account will be established with a major insured brokerage firm in the name of the company. This account will be a margin account and by the rules of the Securities and Exchange Commission, four times the account equity can be traded on a day trade basis. This is much higher than normal margin trading, because it is much safer and the trade is always closed by the end of the trading day to greatly reduce risk!

This is a for-profit business and profits will be paid at the close of business every two months and the members [sic] investment starts the beginning of each of the two month payment cycle (just easier to keep things [sic] straight).

A management fee shall be paid to Mid-State Advisors, which is a dba of Mid-State Properties, LLC by the following schedule:

- If the two month net profit when computed on an annual basis is less than 75% there is a 10% fee on the earnings.
- If the two month net profit when computed on an annual basis is more than 75% and less than 120% there is a 15% fee on the earnings.
- If the two month net profit when computed on an annual basis is more than 120% there is a 20% fee on the earnings.

This return is calculated prior to the management fee deduction and the returns have been averaging over 160% for this year. Past results are here, but future returns can not be guaranteed. It is believed, however, that future returns of this magnitude are realistic and achievable. . . .

There is a 1% annual fee on the \$50,000 that is used to cover the Accounting and Legal Fees. This will be deducted at .0017% per every two months and will be deducted [sic] from the profits so the investment stays at \$50,000."

. . . .

8. In early September, 2007, a Missouri resident (MR2) contacted Engel via e-mail requesting information regarding Market Bias investment opportunities available to MR2. Engel responded to MR2's e-mail, in part, with the following statements:
- a. "The profits from using my Market Bias Indicators, on a daily basis, far exceed those for long term investing. . . ."
  - b. ". . . I go where the profits are the best and the risk is the lowest!"
  - c. "I know that the way I do things, [sic] will always produce exceptional profits long term! I trade short term, with a long term attitude! This is probably why what I do is so successful!"
  - d. ". . . I don't want to 'brag', but my Market Bias Indicators do a pretty good job of predicting where the market is headed, before it does!"
9. Engel's e-mail to MR2 also highlighted an investment program opportunity for MR2 that would not be detailed on Engel's website:

"I have sent about 500 letters and have gotten a pretty good response! A large amount [sic] of those that I have talked to, want a good guaranteed return, but still want some upside potential. To address this, I'm going to

offer a 15/15 program. In summary, this is a 15% guaranteed annual return on your investment, paid monthly and 15% of the annual profits, based upon the amount invested. This provides a very good monthly return and provides considerable upside profit potential. This will not be on the website! If this is of interest to you, let's talk!"

10. For the period May 10, 2001 until May 10, 2005, Engel was a Missouri-licensed insurance agent licensed to sell life and health insurance.
11. Respondent Engel purports to hold a doctorate degree from Chelsea University. He holds himself out as a Ph.D. by including this designation in connection with his signature on his correspondence and solicitation, and Engel stated to MR2 in his email that "[m]any years ago I developed an indicator that was designed to determine when the market was ready and about to turn. This used one time frame and [sic] the research from this was the cornerstone for my PhD degree." The following accreditation databases do not show a Chelsea University as an accredited institution and/or program: (a) U.S. Department of Education Database of Accredited Postsecondary Institutions and Programs; (b) Council for Higher Education Accreditation Database of Institutions and Programs; (c) Association to Advance Collegiate Schools of Business Database of Accredited Schools; and (d) Association of Collegiate Business Schools and Programs Database of Accredited Member Institutions. [\[1\]](#)
12. A check of the records maintained by the Missouri Commissioner of Securities confirmed that Respondent Engel is not registered and never has been registered as an investment adviser representative, nor as a registered agent of a broker-dealer, in the State of Missouri, and is not listed on the Central Registration Depository ("CRD") maintained by the Financial Industry Regulatory Authority ("FINRA").
13. A check of the records maintained by the Missouri Commissioner of Securities confirmed that Respondents Market Bias and Mid-State are not registered as investment advisers nor registered as broker-dealers in the State of Missouri.
14. A check of the records maintained by the Missouri Commissioner of Securities confirmed no granted exemption for the Respondents in the State of Missouri.
15. A check of the records with the Missouri Department of Insurance Financial Institutions and Professional Registration ("MDI") confirmed that Respondent Engel's Missouri life and health insurance license expired May 10, 2005.
16. In connection with the offering of investment advice Respondents, among other things:
  - a. omitted to state that Respondent Engel was not registered to offer investment advice in the State of Missouri;
  - b. omitted to state in the letter solicitation to MR1 and e-mail solicitation to MR2 that Respondent Market Bias was not registered as an investment adviser in the State of Missouri;
  - c. omitted to state in their letter solicitation to MR1 and e-mail solicitation to MR2 that Respondent Mid-State was not registered as an investment adviser in the State of Missouri; and
  - d. omitted to state in their letter solicitation to MR1 and e-mail solicitation to MR2 that Respondents Market Bias and Mid-State were employing or associating with an unregistered investment adviser.
17. This order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2006).

## II. STATUTORY PROVISIONS

18. Section 409.6-601(a), RSMo. (Cum. Supp. 2006), provides that the Missouri Securities Act of 2003 "shall be administered by the commissioner of securities . . . ."
19. Section 409.1-102(15), RSMo. (Cum. Supp. 2006), defines "investment adviser" as "a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation."
20. Section 409.1-102(16), RSMo. (Cum. Supp. 2006), defines "Investment adviser representative" as "an individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investments advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing."
21. Section 409.1-102(28), RSMo. (Cum. Supp. 2006), defines "Security" to include, in part, "a note; stock; treasury stock;

security future; . . . certificate of interest or participation in a profit-sharing agreement; . . . investment contract; . . . put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof. . . .”

22. Section 409.4-403(a), RSMo. (Cum. Supp. 2006), provides that it is unlawful for a person to transact business in this state as an investment adviser unless the person is registered under this act as an investment adviser or is exempt from registration as an investment adviser under subsection (b).
23. Section 409.4-403(d), RSMo. (Cum. Supp. 2006), provides that it is unlawful for an investment adviser to employ or associate with an individual required to be registered under this act as an investment adviser representative who transacts business in this state on behalf of the investment adviser unless the individual is registered under section 409.4-404(a) or is exempt from registration under section 409.404(b).
24. Section 409.4-404(a), RSMo. (Cum. Supp. 2006), provides that it is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this act as an investment adviser representative or is exempt from registration as an investment adviser under subsection (b).
25. Section 409.5-502(a), RSMo. (Cum. Supp. 2006), provides, in part, that it is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities:
  - (1) To employ a device, scheme, or artifice to defraud another person; or
  - (2) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.
26. Section 409.5-508, RSMo. (Cum. Supp. 2006), states:
  - (a) A person that willfully violated this act, or rule adopted or order issued under this act . . . shall be fined not more than one million dollars or imprisoned not more than ten years, or both . . . .
  - (b) The attorney general or the proper prosecuting attorney with or without a reference from the commissioner may institute criminal proceedings under this act.
27. Section 409.6-604(a), RSMo. (Cum. Supp. 2006), states:

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 or that a person has materially aided, is materially aiding, or is about to materially aid 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 and appropriate to comply with this act; or
  - (2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under section 409.4-401(b)(1)(D) or (F) or an investment adviser under section 409.4-403(b)(1)(C); or
  - (3) Issue an order under section 409.2-204.
28. Section 409.6-604(b), RSMo. (Cum. Supp. 2006), states:

An order under subsection (a) is effective on the date of issuance . . . [i]f 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.
29. Section 409.6-604(d), RSMo. (Cum. Supp. 2006), states:

In a final order . . . 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.
30. Section 409.6-604(e), RSMo. (Cum. Supp. 2006), states:

In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.
31. The Missouri Commissioner of Securities is empowered to issue such orders as he may deem just. Section 409.6-604(a),

#### IV. CONCLUSIONS OF LAW

##### ***Multiple Violations of Transacting Business as an Unregistered Investment Adviser Representative***

32. Paragraphs 1 through 31 are incorporated by reference as though fully set forth herein.
33. At all relevant times, records maintained by the Missouri Commissioner of Securities contained no registration nor granted exemption as an investment adviser representative for Respondent Engel in the State of Missouri.
34. Respondent Engel held himself out numerous times as providing investment advice to others for compensation through his solicitation to MR1, the website described in paragraphs 6 and 7, above, and in his email to MR2 when he stated, among other things:
  - a. “Over my many years of research in the stock market, I have created and use my propriety indicator to produce extremely high returns while keeping risks very low and it is successful in all types of markets . . . . My proprietary indicator is called Market Bias”;
  - b. “High returns with very low risk is finally here! Why not see if this can benefit you?”
  - c. “I’m going to offer a 15/15 program . . . this is a 15% guaranteed annual return on your investment, paid monthly and 15% of the annual profits . . . .”
  - d. “You can make some major money and I can make some money as well.”
35. Respondent Engel’s multiple transactions of business as an investment adviser representative without registration or exemption, and his actions of holding himself out as providing investment advice for compensation, or in providing investment advice regarding securities and receiving compensation for the same, are violations of Section 409.4-404(a), RSMo. (Cum Supp. 2006).
36. Respondent Engel’s actions of transacting business as an investment adviser representative when he was not registered as an investment adviser representative constitute an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum Supp. 2006).

##### ***Multiple Violations of Transacting Business as an Unregistered Investment Adviser***

37. Paragraphs 1 through 31 are incorporated by reference as though fully set forth herein.
38. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration nor granted exemption as an investment adviser for Respondents Market Bias or Mid-State in the State of Missouri.
39. Respondents Market Bias and Mid-State held themselves out as providing investment advice to others for compensation by, among other things, stating on the [www.dukestrading.com](http://www.dukestrading.com) website that:
  - a. Operations and investments shall be executed through “Market Bias Investors, LLC.”
  - b. A management fee shall be paid to Mid-State Advisors, which is the dba of Mid-State Properties.
40. Respondents Market Bias and Mid-State held themselves out as providing investment advice to others for compensation when MR1’s letter containing the solicitation to MR1 to invest using Engel’s “proprietary indicator” was received on the letterhead of Market Bias Investors, LLC.
41. Respondents Market Bias and Mid-State’s multiple transactions of business as an investment adviser without registration or exemption, and their actions of holding themselves out as providing investment advice for compensation, or in providing investment advice regarding securities and receiving compensation for the same, are a violation of Section 409.4-403(a), RSMo. (Cum Supp. 2006).
42. Respondents Market Bias and Mid-State’s actions of transacting business as an investment adviser when they were not registered as an investment adviser constitute an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum Supp. 2006).

##### ***Violation by Respondents Market Bias and Mid-State of Employing an Unregistered Investment Adviser Representative***

43. Paragraphs 1 through 31 are incorporated by reference as though fully set forth herein.

44. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration nor granted exemption for Respondent Engel as an investment adviser representative in the State of Missouri.
45. Respondent Engel held himself out as providing investment advice or provided investment advice regarding securities, and such actions constitute transacting business as an investment adviser representative in the State of Missouri.
46. Respondent Engel was required to be registered as an investment adviser representative in the State of Missouri pursuant to Section 409.4-404, RSMo. (Cum. Supp. 2006).
47. Respondents Market Bias and Mid-State actions of employing Respondent Engel as an investment adviser representative who transacted business in Missouri on behalf of Market Bias and Mid-State while being unregistered under Section 409.4-404(a), RSMo. (Cum. Supp. 2006), violated Section 409.4-403(d), RSMo. (Cum. Supp. 2006), constituting an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2006).

***Multiple Violations Of Prohibited Conduct in Providing Investment Advice By Engaging in an Act, Practice, or Course of Business that Operates or Would Operate as a Fraud or Deceit Upon Another Person***

48. Paragraphs 1 through 31 are incorporated by reference as though fully set forth herein.
49. In connection with providing investment advice to others for compensation, Respondents engaged in multiple violations of engaging in an act, practice or course of business that operates or would operate as a fraud or deceit when:
  - a. Respondent Engel held himself out as having a Ph.D. and that Market Bias strategy was the basis of his degree when, in fact, he has no Ph.D. from an accredited university; and
  - b. Respondents' website, [www.dukestrading.com](http://www.dukestrading.com), stated that the trading account established will be a margin account because "it [a margin account] is much safer and the trade is always closed by the end of the trading day to greatly reduce risk . . ." when, in fact, a margin account allows the investor to borrow money to buy securities and therefore, by its nature, exposes the investor to increased risks because of the potential obligation of owing more than the equity contained in the account.
50. Respondents violated Section 409.5-502(a), RSMo. (Cum. Supp. 2006), when, in connection with advising others for compensation, they engaged in the above acts, practices or courses of business that operated or would operate as a fraud or deceit upon MR1 and MR2.
51. Respondents' actions in engaging in an act, practice or course of business that would operate as a fraud or deceit upon MR1 and MR2, in connection with the offering of investment advice, constitutes a violation of Section 409.5-502(a), and is an illegal act, practice, or course of business constituting under Section 409.6-604(a), RSMo. (Cum. Supp. 2006).

**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. engaging in the business of advising others as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities;
- B. employing or associating with an individual required to be registered under this act as an investment adviser representative who transacts business in this state on behalf of the investment adviser;
- C. making any recommendations or otherwise offering investment advice regarding the purchase or sale of securities in or from the State of Missouri, managing accounts or portfolios of clients, determining which recommendations or advice regarding securities should be given, providing investment advice or holding himself out as providing investment advice, receiving compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervising any employee who performs any of the foregoing;
- D. in connection with the offering of investment advice, engaging in an act, practice or course of business which would operate or operates as a fraud or deceit upon any person; and
- E. willfully violating an order issued under the Missouri Securities Act of 2003.

**IT IS FURTHER REQUESTED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) each against Respondents Market Bias and Mid-State for multiple violations of Section 409.4-403(a), RSMo. (Cum. Supp. 2006), in a final order, unless Respondents Market Bias and Mid-State request a hearing and show cause why the penalty

should not be imposed.

**IT IS FURTHER REQUESTED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to one thousand dollars (\$1,000.00) each against Respondents Market Bias and Mid-State for violation of Section 409.4-403(d), RSMo. (Cum. Supp. 2006), in a final order, unless Respondents Market Bias and Mid-State request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER REQUESTED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against Respondent Engel for multiple violations of Section 409.4-404, RSMo. (Cum. Supp. 2006), in a final order, unless Respondent Engel requests a hearing and shows cause why the penalty should not be imposed.

**IT IS FURTHER REQUESTED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against each Respondent for multiple violations of Section 409.5-502(a), RSMo. (Cum. Supp. 2006), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

**IT IS FURTHER ORDERED** that, as the Enforcement Section has petitioned for an award of costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2006), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 10<sup>TH</sup> DAY OF OCTOBER, 2007.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

State of Missouri  
Office of Secretary of State

Case No. AP-07-54

IN THE MATTER OF:

DALE A. ENGEL,  
MARKET BIAS INVESTORS, LLC,  
MID-STATE PROPERTIES, LLC d/b/a  
MID-STATE ADVISORS,

*Respondents.*

Serve all Respondents at:

29598 Cove View Lane  
Gravois Mills, Missouri 65037

**NOTICE**

**TO: Respondents and any unnamed representatives aggrieved by this Order:**

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2006), and 15 CSR 30-55.020.

A request for a hearing must be mailed or delivering, in writing, to:

**Matthew D. Kitzi, Commissioner of Securities**  
**Office of the Secretary of State, Missouri**  
**Kirkpatrick State Information Center**  
**600 West Main Street, Room 229**  
**Jefferson City, Missouri, 65102.**

## CERTIFICATE OF SERVICE

I hereby certify that on this 10<sup>th</sup> day of October, 2007, copies of the foregoing Order to Cease and Desist in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Dale A. Engel  
29598 Cove View Lane  
Gravois Mills, Missouri 65037

Market Bias Investors, LLC  
29598 Cove View Lane  
Gravois Mills, Missouri 65037

MID-STATE PROPERTIES, LLC  
29598 Cove View Lane  
Gravois Mills, Missouri 65037

**And hand delivered to:**

Lori J. Neidel  
Chief Enforcement Counsel  
Missouri Securities Division

John Hale  
Specialist

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[1] While it is unknown if Chelsea University of the United Kingdom is the university in question, the Higher Education Governance and Health Professions Team Department for Education and Skills, London, England stated that "It [Chelsea University, UK] has never been recognized as a university with UK degree awarding powers. They have been reported to Companies House for use of the word university without permission and Trading Standards for possible breach of the Education Reform Act 1988." - Higher Education Governance and Health Professions Team Department for Education and Skills 1D, Sanctuary Buildings, Great Smith Street, London SW1P 3BT Tel: 020 7925 6932 Fax: 020 7925 6664 D. Chelsea University, UK, is also not listed as an accredited university in any of the aforementioned accreditation databases.