

State of Missouri
Office of Secretary of State

Case No. AP-07-62

IN THE MATTER OF:

COBBLE CREEK HOMES, LLC;
MARK COPE; and
DAVID COPE,

Respondents.

Serve: Cobble Creek Homes, LLC
c/o Mark Cope at:
793 Woodwind Drive
Nixa, Missouri 65714

Mark Cope at:
793 Woodwind Drive
Nixa, Missouri 65714

David Cope at:
64 Pebble Beach Road
Clever, Missouri 65810

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

On December 6, 2007, the Enforcement Section of the Securities Division of the Office of Secretary of State, through its Assistant Commissioner of Securities Mary S. Hosmer, 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. Cobble Creek Homes, LLC ("Cobble Creek Homes"), is a Missouri limited liability company organized on February 14, 2005, by Mark Cope and David Cope. Cobble Creek Homes has an address of 793 Woodwind Drive, Nixa, Missouri 65714.
2. Mark A. Cope is a co-owner and co-manager of Cobble Creek Homes and has an address of 793 Woodwind Drive, Nixa, Missouri 65714.
3. David A. Cope is a co-owner and co-manager of Cobble Creek Homes and has an address of 64 Pebble Beach Road, Clever, Missouri 65810.
4. For purposes of this order, the term "Respondents" refers to Cobble Creek Homes, Mark Cope and David Cope.
5. On or about March 11, 2005, Mark Cope and David Cope met with a Missouri resident ("MR") about investing in Cobble Creek Homes. Respondents told MR, among other things, that:
 - a. MR's money would be invested in the development of Cobble Creek Subdivision;
 - b. for an investment of seventy-two thousand dollars (\$72,000.00), MR would receive ninety thousand dollars (\$90,000.00), or a minimum return of twelve percent (12%) annual interest; and
 - c. there were no risks because properties in the Cobble Creek Subdivision would act as collateral for the investment.
6. MR was given a document titled, "**Investment Opportunity and 12% APR Secured by Real Property**" (hereinafter the "Investment Document"). The Investment Document stated, in part, the following: "Investors interested in participating in and profiting from the great success of the Cobble Creek Subdivision are welcome to participate."
7. The Investment Document stated that Cobble Creek Homes was seeking investors for seventy-two (72) lots and described the investment, among other things, as follows:
 - a. the investor would have a lien against the lots invested in;
 - b. all seventy-two (72) lots were currently under contract to Cobble Creek Homes;[\[1\]](#)

- c. the estimated buyout time frame was eighteen (18) months;
 - d. each time a lot was purchased, the investor would receive a two thousand five hundred dollar (\$2,500.00)[2] check from the title company, thus releasing his or her claim against that specific lot; and
 - e. if an investor was not paid principal and interest within twenty-four (24) months, the investor would be guaranteed a return of twelve percent (12%) simple interest annually.
8. While the documents utilized by Respondents were contradictory and confusing, MR understood that MR would receive two thousand dollars (\$2,000.00) each time one of the seventy-two (72) lots was purchased until the ninety thousand dollars (\$90,000.00) had been paid. MR also believed that MR would have a verifiable lien on the lots in which MR invested.
9. Based upon this belief, in March 2005, MR invested seventy-two thousand dollars (\$72,000.00) with Cobble Creek Homes. MR received a promissory note dated March 11, 2005, executed by David Cope and Mark Cope as co-owners of Cobble Creek Homes. The promissory note provided, in part, that:
- a. Respondents promised to pay MR the sum of seventy-two thousand dollars (72,000.00) with at least twelve percent (12%) annual interest;
 - b. The principal and interest could be paid sooner under the accompanying contractual agreement; and
 - c. the promissory note was secured by a Deed of Trust for lots 2, 29,[3] 34, 38, 50, and 51 in the First Phase of the Cobble Creek Subdivision (hereinafter collectively referred to as the "Pledged Property").
10. Respondents executed a Deed of Trust in favor of MR conveying to MR the power to sell all the Pledged Property. This Deed of Trust was dated March 11, 2005. The Deed of Trust provided, in part, that Respondents would:
- a. keep the Pledged Property free and clear from construction liens;
 - b. pay all taxes, assessments and other charges that may be levied or assessed upon or against the Pledged Property before any part of such taxes, assessments and other charges become past due or delinquent;
 - c. promptly deliver receipts for these payments to MR; and
 - d. appear in and defend any action or proceeding purporting to affect the security rights or powers of MR in any suit, action or proceeding in which MR may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including MR's attorney's fees.
11. MR has never received any receipts for taxes, assessments or other charges levied or assessed upon or against the Pledged Property as required by the Deed of Trust.
12. Respondents and MR also entered into a Contractual Agreement dated March 11, 2005, which provided, in part, as follows:
- "Grantor[4] hereby accepts from Grantee [MR], in accordance with accompanying Promissory Note and Deed of Trust, the sum of \$72,000.00. Grantor agrees to repay to Grantee [MR] a sum of at least \$90,000.00 . . . according to the following terms:
1. Every time Grantor purchases any lot in Phase Two, Three or Four of the Cobble Creek Subdivision, Grantee [MR] shall receive a check for \$2,000
 2. This shall occur only until Grantor has purchased 45 lots, wherein Grantee [MR] shall have received \$90,000
 3. In the event that such payments do not occur quickly enough to produce a simple annual rate of return of at least 12% . . . then Grantor shall make such interest payment on the annual date specified in the accompanying Promissory Note as to pay the 12% due.
 4. No matter how quickly Grantor purchases lots or pays the obligation described herein to Grantee [MR], the sum total of all payments made to Grantee [MR] shall be no less than \$90,000.00, principal and interest.
...
 5. Any breach in the terms of this Contractual Agreement shall be considered a breach of the terms of the accompanying Promissory Note secured by Deed of Trust, and Grantee [MR] may invoke all remedies as described in said Promissory Note and Deed of Trust."
13. To date, MR has received fifty thousand, one hundred dollars (\$50,100.00) from his investment of seventy-two thousand dollars (\$72,000.00). MR has received no payment since June 29, 2007.

14. A check of the records maintained by the Missouri Commissioner of Securities revealed:
- a. no registration or granted exemption for any of the securities offered or sold by Respondents in or from Missouri;
 - b. Respondents Mark Cope and David Cope were not registered to offer or sell securities in or from the State of Missouri; and
 - c. the investments offered and sold by the Respondents were not federal covered securities.
15. On or about May 16, 2007, the Enforcement Section of the Securities Division sent inquiries to Cobble Creek Homes and Mark Cope regarding these sales and requested, among other things, any claim of exemption relied upon in making this offering.
16. On or about June 1, 2007, the Division received a response dated May 31, 2007, from counsel for Mark Cope indicating that there were only two (2) investors in Cobble Creek Subdivision totaling one hundred thirty-two thousand dollars (\$132,000.00), and that neither of the promissory notes or the deeds of trust were recorded.
17. The May 31, 2007, response identified the Pledged Property to be lots 2, 27, 34, 38, 50 and 51.^[5] The status of the Pledged Property was described as follows:
- a. lot 2 was owned by Mark Cope and his spouse. The property was foreclosed on March 29, 2007. The current owner is Wells Fargo Bank;
 - b. lot 27 was owned by Mark Cope and his spouse. The property was foreclosed on February 26, 2007. The current owner is AMC Mortgage;
 - c. lot 34 was owned by Mark Cope and his spouse. The property was foreclosed on February 26, 2007. The current owner is LaSalle Bank National Association;
 - d. lot 38 was owned by Mark Cope and his spouse. The property was scheduled for foreclosure. The current owner is Wilshire Credit;
 - e. lot 50 is owned by David Cope, who has a tenant in the property. The payments are up to date; and
 - f. lot 51 was owned by Mark Cope and his spouse. The property was foreclosed on February 6, 2007. The current owner is LaSalle Bank National Association.
18. The May 31, 2007 response included a schedule of payments made to MR including the numbers of the lots which precipitated payments to MR, as follows:

| <u>Lot No.</u> | <u>Date</u> | <u>Payment Amount</u> |
|----------------|-------------|-----------------------|
| 145 | 7/12/05 | \$2,000.00 |
| 93 | 7/12/05 | \$2,000.00 |
| 87 | 7/25/05 | \$2,000.00 |
| 141 | 7/27/05 | \$2,000.00 |
| 95 | 8/11/05 | \$2,000.00 |
| 92 | 8/11/05 | \$2,000.00 |
| 144 | 8/31/05 | \$2,000.00 |
| 78 | 9/13/05 | \$2,000.00 |
| 79 | 9/13/05 | \$2,000.00 |
| 107 | 9/13/05 | \$2,000.00 |

| | | |
|-----|----------|------------|
| 105 | 9/22/05 | \$2,000.00 |
| 127 | 9/22/05 | \$2,000.00 |
| 142 | 9/22/05 | \$2,000.00 |
| 143 | 10/24/05 | \$2,000.00 |
| 94 | 10/24/05 | \$2,000.00 |
| 82 | 11/14/05 | \$2,000.00 |
| 125 | 1/6/06 | \$2,000.00 |
| 75 | 1/23/06 | \$2,000.00 |
| 139 | 4/26/06 | \$2,000.00 |
| 133 | 5/16/06 | \$2,000.00 |
| 118 | 5/17/06 | \$2,000.00 |

19. The Division's investigation revealed among other things, that:

- a. the lots listed in the paragraph 18 above were sold by Cobble Creek, LLC ("CC LLC").^[6] Eight of the lots listed above were purchased by third parties and were never owned by Cobble Creek Homes; and
- b. Cobble Creek Homes did not own the Pledged Properties (listed in paragraph 17 above) at the time of MR's investment nor did Cobble Creek Homes ever own these properties.

20. From September 29, 2006, through June 29, 2007, Respondents tendered to MR six (6) additional checks totaling seven thousand one hundred dollars (\$7,100.00). These funds were not tied to the purchase or sale of properties in the Cobble Creek Subdivision.

21. In addition, the May 31, 2007, response claimed that the offering was exempt from registration based on Section 409.2-202(11) and (14), RSMo., and that Mark Cope was exempt from the definition of an agent under Section 409.4-402(3), RSMo.

22. The May 31, 2007, response failed to provide sufficient information to prove the applicability of the claimed exemptions, including but not limited to, the legitimacy of the security agreement conveyed to MR by Cobble Creek Homes on properties Cobble Creek Homes did not own.

23. On October 12, 2007, counsel for Mark Cope filed additional information with the Division. This information, among other things, included the following statement: "neither Mark Cope nor Cobble Creek Homes, LLC has any ownership interest in [CC LLC];"

24. In connection with the offer, sale or purchase of this real estate investment, Respondents omitted to disclose to MR the following material information:

- a. the financial condition, background and/or operational history of Cobble Creek Homes;
- b. background information for Mark Cope, David Cope, and other directors, officers or other persons having similar status or performing similar functions for Cobble Creek Homes, including, but not limited to, their:
 - i. principal occupations for the previous five (5) years;
 - ii. ownership interest in Cobble Creek Homes and any other associated entity; or
 - iii. remuneration received during the previous twelve (12) months and estimated to be received during the next twelve (12) months;

- c. the risks involved with the investment;
 - d. material contracts or relationships with third parties;
 - e. information regarding how the investor could perfect the investor's security interest in the properties;
 - f. Respondents told MR that all seventy-two (72) lots in the Cobble Creek Subdivision were currently under contract to Cobble Creek Homes, but omitted to disclose information about the identity of the seventy-two (72) lots, or provide copies of these contracts;
 - g. Respondents told MR the estimated time frame for buying the lots was eighteen (18) months, but omitted to disclose the basis for that estimation;
 - h. Respondents told MR that MR would receive two thousand dollars (\$2,000.00)[7] each time Cobble Creek Homes purchased a lot in the Cobble Creek Subdivision, but omitted to disclose the source of those funds;
 - i. Respondents told MR that MR's note was secured by a Deed of Trust, but omitted to disclose that MR's Deed of Trust would not be recorded;
 - j. Respondents told MR that MR's note was secured by a Deed of Trust on properties that were under contract but omitted to disclose to MR the value of Cobble Creek Homes' Deed of Trust on properties that Cobble Creek Homes did not own; or
 - k. Respondents would appear in and defend any action or proceeding purporting to affect the security rights or powers of MR in any suit, action or proceeding in which MR could appear, but omitted to disclose to MR that MR would not be notified when these properties were subject to foreclosure.
25. An order is in the public interest, is necessary and appropriate for the protection of investors, and is 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

26. Section 409.6-601(a), RSMo. (Cum. Supp. 2006), provides, in part, that the act shall be administered by the commissioner of securities who shall be appointed by and under the direction of the secretary of state.
27. Section 409.1-102 (17), RSMo. (Cum. Supp. 2006), defines "Issuer" as a person that issues or proposes to issue a security.
28. Section 409.1-102(26), RSMo. (Cum. Supp. 2006), 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."
29. Section 409.1-102(28), RSMo. (Cum. Supp. 2006), defines a "security" to include a "note . . . evidence of indebtedness [or] an investment contract . . ." An investment contract is defined 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 and a 'common enterprise' means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors."
30. Section 409.2-202(11), RSMo. (Cum. Supp. 2006), provides that the following transactions are exempt from the requirements of sections 409.3-301 to 409.3-306 and 409.5-504, RSMo. (Cum. Supp. 2006):
- A transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:
 - (A) The note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;
 - (B) A general solicitation or general advertisement of the transaction is not made; and
 - (C) A commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this act as a broker-dealer or as an agent.
31. Section 409.2-202(14), RSMo. (Cum. Supp. 2006), provides that the following transactions are exempt from the requirements of sections 409.3-301 to 409.3-306 and 409.5-504, RSMo. (Cum. Supp. 2006):
- A sale or an offer to sell securities of an issuer, if part of a single issue in which:
 - (A) Not more than twenty-five purchasers are present in this state during any twelve consecutive months, other than those designated in paragraph (13);
 - (B) A general solicitation or general advertising is not made in connection with the offer to sell or sale of the

securities;

(C) A commission or other remuneration is not paid or given, directly or indirectly, to a person other than a broker-dealer registered under this act or an agent registered under this act for soliciting a prospective purchaser in this state; and

(D) The issuer reasonably believes that all the purchasers in this state, other than those designated in paragraph (13), are purchasing for investment.

32. Section 409.4-402(b)(3), RSMo. (Cum. Supp. 2006), provides that the following individuals are exempt from the registration requirement of subsection (a):

An individual who represents an issuer with respect to an offer or sale of the issuer's own securities or those of the issuer's parent or any of the issuer's subsidiaries, and who is not compensated in connection with the individual's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities.

33. Section 409.3-301, RSMo. (Cum. Supp. 2006), states:

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.

34. Section 409.4-402(d), RSMo. (Cum. Supp. 2006), states:

It is unlawful for any . . . issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf . . . issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

35. Section 409.5-501, RSMo. (Cum. Supp. 2006), states:

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 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; 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.

36. Section 409.5-503(a), RSMo. (Cum. Supp. 2006), states that "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."

37. 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 . . . 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 . . .
- (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
- (3) Issue an order under section 409.2-204.

38. Section 409.6-604(b), RSMo. (Cum. Supp. 2006), states:

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.

39. Section 409.6-604(c), RSMo. (Cum. Supp. 2006), states, in part, as follows: “The final order may make final, vacate, or modify the order issued unless under subsection (a).”
40. Section 409.6-604(d), RSMo. (Cum. Supp. 2006), states: “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.”
41. 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 These funds may be paid into the investor education and protection fund.”

III. CONCLUSIONS OF LAW

Multiple Violations of Offering or Selling Nonexempt, Unregistered Securities

42. Paragraphs 1 through 41 are incorporated by reference as though fully set forth herein.
43. The investments offered and sold by the Respondents to MR and at least one other investor (as indicated in paragraph 16, above) are notes, evidences of indebtedness, or investment contracts and come under the definition of a “security” contained in Section 409.1-102(28), RSMo. (Cum. Supp. 2006).
44. The Respondents’ actions in offering securities to Missouri residents is an “attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value,” which satisfies the definition of “offer to sell” under Section 409.1-102(26), RSMo. (Cum. Supp. 2006).
45. At all times relevant, 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 security offered by Respondents.
46. Respondents have failed to prove the applicability of the claimed exemption.
47. The Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2006), when they offered or sold securities in Missouri without the securities being (1) a federal-covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-202, RSMo. (Cum. Supp. 2006), or (3) registered under the Missouri Securities Act of 2003.
48. Respondents’ actions in offering or selling unregistered securities, constitute an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2006).

Multiple Violations by Mark and David Cope of Transacting Business as Unregistered Agents

49. Paragraphs 1 through 41 are incorporated by reference as though fully set forth herein.
50. Respondents Mark Cope and David Cope were not registered under the act nor have they proved the applicability of an exemption from registration as agents under the act.
51. As agents of Respondent Cobble Creek Homes, Mark Cope and David Cope offered and sold these securities to MR and at least one other investor (as indicated in paragraph 16, above). These offers and sales constitute transacting business in the State of Missouri.
52. Respondents Mark Cope and David Cope violated Section 409.4-402(a), RSMo. (Cum. Supp. 2006), when they transacted business as unregistered agents in the State of Missouri.
53. Respondents’ actions in transacting business as unregistered agents constitute an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2006).

Multiple Violations by Cobble Creek Homes of Employing an Unregistered Agent

54. Paragraphs 1 through 41 are incorporated by reference as though fully set forth herein.
55. Respondent Cobble Creek Homes issued the promissory notes and is thus the issuer of these securities as that term is defined under Section 409.1-102(17), RSMo. (Cum. Supp. 2006).
56. As the issuer, Respondent Cobble Creek Homes employed Mark Cope and David Cope as agents who offered and sold these promissory notes. These offers and sales constitute transacting business in the State of Missouri.
57. Respondent Cobble Creek Homes has not registered any issuer agents in the State of Missouri nor have they proved the applicability of an exemption.

58. Respondent Cobble Creek Homes violated Section 409.4-402(d), RSMo. (Cum. Supp. 2006), when it employed unregistered agents who transacted business in the State of Missouri.
59. Respondents' actions in employing unregistered agents constitute an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2006).

Multiple Violations of Making Untrue Statements of Material Fact or Omitting to State Material Facts in Connection with the Sale of a Security

60. Paragraphs 1 through 41 are incorporated by reference as though fully set forth herein.
61. The Respondents, in connection with the offer and sale of securities, made untrue statements of material facts, or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
 - a. the financial condition, background and/or operational history of Cobble Creek Homes;
 - b. background information for Mark Cope, David Cope, and other directors, officers or other persons having similar status or performing similar functions for Cobble Creek Homes, including, but not limited to, their:
 - i. principal occupations for the previous five (5) years;
 - ii. ownership interest in Cobble Creek Homes and any other associated entity; or
 - iii. remuneration received during the previous twelve (12) months and estimated to be received during the next twelve (12) months;
 - c. the risks involved with the investment;
 - d. material contracts or relationships with third parties;
 - e. information regarding how the investor could perfect the investors' security interest in the properties;
 - f. Respondents told MR that all seventy-two (72) lots in the Cobble Creek Subdivision were currently under contract to Cobble Creek Homes but omitted to disclose information about the identity the seventy-two (72) lots or provide copies of these contracts;
 - g. Respondents told MR the estimated time frame for buying the lots was eighteen (18) months, but omitted to disclose the basis for that estimation;
 - h. Respondents told MR that MR would receive two thousand dollars (\$2,000.00) each time Cobble Creek Homes purchased a lot in the Cobble Creek Subdivision but omitted to disclose the source of those funds;
 - i. Respondents told MR that MR's note was secured by a Deed of Trust, but omitted to disclose that MR's Deed of Trust would not be recorded;
 - j. Respondents told MR that MR's note was secured by a Deed of Trust on properties that were under contract but omitted to disclose to MR the value of Cobble Creek Homes' Deed of Trust on properties that Cobble Creek Homes did not own; or
 - k. Respondents would appear in and defend any action or proceeding purporting to affect the security rights or powers of MR in any suit, action or proceeding in which MR could appear, but omitted to disclose to MR that MR would not be notified when these properties were subject to foreclosure.
62. Respondents violated Section 409.5-501(2), RSMo. (Cum. Supp. 2006), when they made untrue statements of material fact or omitted to state a material fact necessary to make statements made not misleading, as described immediately above, and such actions constitute an illegal act, practice, or course of business 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. offering or selling securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2006), 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 Section 409.3-304, RSMo. (Cum. Supp. 2006);
- B. transacting business in this state as an agent without being so registered under the Missouri Securities Act of 2003 or being exempt from registration as an agent;

- C. employing an unregistered agent; and
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2006), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make a statement made, in the light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against each Respondent individually for multiple violations of Section 409.3-301, 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, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against each of Mark Cope and David Cope, individually, for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2006), in a final order, unless Respondents Mark Cope and David Cope request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against Respondent Cobble Creek Homes individually for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2006), in a final order, unless Respondent Cobble Creek Homes requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2006), the Commissioner will determine whether to grant the Enforcement Division's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000.00) against each Respondent individually for multiple violations of Section 409.5-501, 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.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 17TH DAY OF DECEMBER, 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-07-62

IN THE MATTER OF:

COBBLE CREEK HOMES, LLC;
MARK COPE; and
DAVID COPE,

Respondents.

Serve: Cobble Creek Homes, LLC
c/o Mark Cope at:
793 Woodwind Drive
Nixa, Missouri 65714

Mark Cope at:
793 Woodwind Drive
Nixa, Missouri 65714

David Cope at:
64 Pebble Beach Road
Clever, Missouri 65810

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 delivered, in writing, to:

**Matthew Kitz, 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 17 day of December, 2007, a copy of the foregoing Order and Notice filed in the above styled case was mailed by certified U.S. Mail, postage prepaid to Respondents at the below listed addresses.

Cobble Creek Homes, LLC
c/o Mark Cope
793 Woodwind Drive
Nixa, Missouri 65714

Mark Cope
793 Woodwind Drive
Nixa, Missouri 65714

David Cope
64 Pebble Beach Road
Clever, Missouri 65810

and by hand delivery to:

Mary S. Hosmer
Assistant Commissioner of Securities
Missouri Securities Division

John Hale, Specialist

[1] There were more than seventy-two (72) lots in the Cobble Creek Subdivision but this document did not indicate which seventy-two (72) lots were "under contract" to Cobble Creek Homes.

[2] In other documents Respondents list the amount the investor was to receive as two thousand dollars (\$2,000.00).

[3] Respondents' counsel stated that MR's note erroneously indicated lot 27 to be lot 29.

[4] "Grantor" is defined as "David A. Cope and Mark A. Cope, Owners, Cobble Creek Homes, LLC."

[5] Respondents' counsel stated that MR's note erroneously indicated lot 27 to be lot 29.

[6] CC LLC is a Missouri limited liability company organized by Richard C. Cope, Stephen C. Cope and Preston L. Peterson on January 13, 2004. The registered agent is Stephen C. Cope, 1520 E. Primrose, Suite 100, Springfield, Missouri 65804. CC LLC was organized for the purpose of commercial land development and selling single family homes in Cobble Creek Subdivision.

[7] Some of the documents provided to MR indicate the amount MR was to receive was two thousand five hundred dollars (\$2,500.00).