

State of Missouri
Office of Secretary of State

Case No. AP-08-08

IN THE MATTER OF:

SUPERIOR MANUFACTURING, INC.;
KEVIN WESLEY GROSS; and
WENDY GROSS;

Respondents.

Serve all at:

103 North Tuscany Drive
Hollister, Missouri 65672

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

On January 23, 2008, the Enforcement Section of the Securities Division of the Office of Secretary of State, through its Chief Enforcement Counsel, Lori Neidel, 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. Superior Manufacturing, Inc. ("SMI"), is a Missouri corporation incorporated in the State of Missouri on September 1, 2006. According to SMI's filings with the Missouri Secretary of State's Corporations Division, the company was formed for the purpose of manufacturing, distribution, wholesale, retail and service. SMI was in the business of manufacturing custom living quarters for horse trailers.
2. Kevin Wesley Gross ("K. Gross") is an individual with an address at 103 North Tuscany Drive, Hollister, Missouri 65672. At all times pertinent hereto, K. Gross acted as a representative for SMI, Gross Properties, L.L.C. ("Gross Properties") and GP Land & Cattle, L.L.C. ("GP Land and Cattle").
3. Gross Properties is a limited liability company organized in the State of Missouri on January 12, 2000. According to Gross Properties' filings with the Missouri Secretary of State's Corporations Division, the company was formed for the purpose of owning, operating, developing, leasing and selling of real property.
4. GP Land & Cattle is a limited liability company organized in the State of Missouri on December 3, 2006. According to GP Land & Cattle's filings with the Missouri Secretary of State's Corporations Division, the company was formed for the purpose of buying and selling real estate and cattle.
5. Wendy Delynn Gross ("W. Gross") is an individual with an address at 103 North Tuscany Drive, Hollister, Missouri 65672, and the wife of K. Gross. W. Gross was the bookkeeper for SMI.
6. KR1 is a resident of Kansas who invested \$15,000 in SMI.
7. KR2 is a resident of Kansas who invested \$150,000 in SMI.
8. KR1 and KR2 have a business relationship.
9. Neither KR1 nor KR2 are accredited investors and neither were accredited during times pertinent to this order.
10. In March 2006, KR1 met K. Gross at a horse event in Springfield, Missouri. At this meeting, K. Gross told KR1 that K. Gross had sold his horse trailer conversion business, Cowboy Classics, and was going to begin manufacturing horse trailers with another individual.
11. In August 2006, K. Gross contacted KR1 via telephone to discuss an investment in the new horse trailer conversion business. During this telephone call, K. Gross told KR1, among other things:
 - a. That K. Gross had "locked in" another investor, a horse trailer dealer whose name was well known by KR1 and others in the horse trailer business, for \$200,000;
 - b. That this dealer was going to commit to ordering a set amount of trailers per month from the new company; and

- c. That K. Gross was also going to invest \$200,000 of his own money into the new business.
12. On September 10, 2006, K. Gross sent KR1 an email that read “[KR1], here is projection average . . . the other brother for the dealer is back in for 10% . . . i’m only looking for 150,000.00 again now for 25% share . . . you can run the #'s based on the average. thanks Kevin.”
13. KR1 asked K. Gross for a list of assets and equipment for SMI. K. Gross provided a list of equipment to KR1. This list purported to show equipment belonging to SMI, however, upon information and belief, some of the equipment on this list was being rented by SMI or was not in SMI’s possession at all.
14. In mid to late-September 2006, KR1 and K. Gross met in Springfield, Missouri, to discuss the investment opportunity. At this meeting, K. Gross told KR1, among other things, that:
- If KR1 or KR2 did not like the way things were going with the investment they could get their money back at anytime;
 - There would always be at least \$300,000 in a bank account in case KR1 and KR2 wanted their money returned; and
 - KR1 and KR2’s money was completely safe and that they would not lose it.
15. Following this meeting, K. Gross contacted KR1 via telephone and asked again if KR1 and KR2 had decided to invest. During this telephone call, KR1 asked K. Gross if the trailer dealer had invested yet and K. Gross stated that he had picked up the dealer’s investment check.
16. Relying on the statements made by K. Gross that the trailer dealer had invested in SMI and that there were a guaranteed number of trailers on order, KR1 told K. Gross that KR1 and KR2 would invest in SMI.
17. In late September or early October 2006, KR1 received in the mail a document titled “Stock/Loan Purchase Agreement” (the “Agreement”). KR1 received instructions to sign the Agreement and make the check payable to SMI; the Agreement and investment check were to be sent overnight mail to SMI care of W. Gross at the Gross’ residence.
18. KR1’s Agreement stated the following:

“BE IT KNOWN that on this 4 day of Oct 2006, that (KR1), an individual, herein after known as “Purchaser” agrees to loan funds and acquire stock in Superior Manufacturing, Inc., a Missouri Corporation hereinafter known as “Company”.

WHEREAS Purchaser desires to loan certain sums of money and acquire a certain percentage of all common stock in the Company, and

WHEREAS Company is in need of capital in order to start up operations as a custom living quarters manufacturer for horse trailers and other related activities,

THEREFORE Purchaser agrees to the following agreement.

- 1. Purchaser shall loan Company the sum fifteen thousand (\$15,000) dollars.*
- 2. Purchaser agrees to receive 10% of the common stock of the Company in return for interest on the loan.*
- 3. Purchaser agrees to serve (have representation) on the Board of Directors.*
- 4. Purchaser agrees that the pay back of the principal amount shall be paid only when retained earnings have reached \$150,000 and the company is not in the need of capital expansion funds.*
- 5. Dividends will be paid out on a quarterly basis to stock holders. Effective Jan. 2007. 30% of gross profits will remain in companies account for growth At the end of 2006 dividends will be paid out for this final year end.*
- 6. Any capital expenditure above \$10,000 shall require approval by the Board of Directors. Company will not incur any capital debt without approval by the Board of Directors. Purchaser agrees to allow all day to day operations decisions to be made by the agreed upon Chief Executive Officer of the Company and not to interfere in such decisions.*
- 7. Purchaser agrees that if they wish to be paid earlier than 12 months from the date of this agreement on any portion of this loan they shall not be entitled to any profits of the Company. If a purchaser elects to [sic] be paid out [sic] in second year it would have to have Board of Directors approval and purchaser would be entitled [sic] to profits.*
- 8. Purchaser agrees and consents to the remainder of the stock to be purchased or issued to the following entities: (1) Busenbark 30% (2) Gross Properties, L.L.C. 40% (3) and KR2 20%.*
- 9. Purchaser agrees to the utilization of loan proceeds which are attached as Exhibit A.*

THEREFORE Company agrees to the following terms and conditions:

- 1. Company agrees to not issue any additional stock to any party without the consent of each stockholder.*
- 2. Company agrees to provide regular financial reports prepared by a certified accounting firm as approved by the Board of Directors.*

19. The Agreement was signed by KR1, K. Gross, and John Hines, the company's registered agent.

20. On KR1's Agreement, below the signatures, was bold type that read:

Exhibit A

LOAN PROCEEDS FROM SALE OF CAPITAL STOCK:

Sale of 100% of Stock: \$600,000

USE OF PROCEEDS:

Equipment:	\$100,000
Working Capital	\$300,000
Materials/Inventory:	\$200,000

TOTAL	\$600,000
-------	-----------

21. On October 4, 2006, KR1 signed the Agreement and invested \$15,000.
22. On October 4, 2006, KR1's \$15,000 investment check was deposited into a bank account in the name of SMI at Liberty Bank (the "SMI Liberty Account").
23. In late September or early October 2006, K. Gross delivered an agreement to KR2 at her home. [\[1\]](#) KR2 signed the agreement and sent it back to K. Gross along with a check for \$150,000 to invest in SMI.
24. On October 6, 2006, KR2's \$150,000 investment check was deposited into the SMI Liberty Account.
25. On February 16, 2007, a Missouri Resident ("MR1") invested \$100,000 in SMI.
26. MR1 works for a horse trailer retailer in Missouri, and had known K. Gross for approximately five years through this business relationship.
27. K. Gross contacted MR1 at MR1's workplace in November 2006, about investing in SMI.
28. K. Gross told MR1 that only K. Gross and MR1 would have an ownership interest in SMI.
29. On February 16, 2007, MR1 signed a Stock/Partnership Purchase Agreement (the "MR1 Agreement") which stated, among other things, the following:

BE IT KNOWN that on this 16th day of February 2007, [MR1], an individual, hereinafter known as "Partner" agrees to invest funds and acquire stock ownership in Superior Manufacturing, Inc., a Missouri Corporation hereinafter known as "Company"

WHEREAS Partner desires to invest certain sums of money and acquire a certain percentage of ownership and common stock in company, and

THEREFORE partner agrees to the following agreement:

- 1. "Partner" shall invest in company the sum of one hundred fifty thousand (\$150,000) dollars.*
- 2. "Partner" agrees to receive 50% ownership and common stock of the Company.*
- 3. 20% of "Partner" common stock will be held by company until remaining funds are paid to Company (\$50,000).*
- 4. Profits will be paid out on a monthly basis effective March 16th 2007. 30% of gross profits will remain in company account.*
- 5. Minimum payout per month to "partner" will be \$3553.00. Payout is based on current production profits.*
- 6. Any capital expenditure shall require approval by both partners. Company will not incur any capital debt without approval of both partners. "Partner" agrees to allow all day to day operations decisions to be made by the agreed upon partner of the Company.*
- 7. Partner agrees and consents to the remainder of the stock to be purchased or issued to the*

- following entities:: (1) K. Gross (50% or 500 shares), (2), MRI (30% or 360 shares, (3) Superior Manufacturing to hold (20% or 140 shares of MRI stock).*
8. *This partnership agreement will be for the period of 5 years with No Noncompete clause. Agreement can be extended.*
 9. *If "partner" elects to sell his stock/partnership during the period of 5 years, other partner shall have the first right of refusal.*

THEREFORE Company agrees to the following terms and conditions:

1. *Company agrees to not issue any additional stock to any party without the consent of each stockholder and partner.*
 2. *Company agrees to provide regular financial reports prepared by a certified accounting firm as approved by the partner.*
30. 30. The MR1 Agreement was signed by MR1 as 50% partner and by K. Gross as 50% partner.
 31. K. Gross did not tell MR1 that K. Gross had already sold ownership interests in SMI to KR1 and KR2.
 32. On February 20, 2007, MR1's investment check for \$100,000 was deposited into a SMI bank account at Regions Bank (the "SMI Regions Account").
 33. From March 2007 through September 2007, K. Gross paid MR1 \$20,896.15 from the SMI Regions Account.
 34. From October 13, 2006, until December 18, 2006, a total of \$114,300 was transferred out of the SMI Liberty Account and deposited into an account in the name of Gross Properties also at Liberty Bank (the "Gross Properties Liberty Account"). During the time of these transfers, Gross Properties was in bankruptcy proceedings in the US Bankruptcy Court of the Western District of Missouri.
 35. On December 19, 2006, K. Gross closed the Gross Properties Liberty Account and withdrew the remaining balance of \$4,016.47. This \$4,016.47 was deposited into a bank account in the name of GP Land & Cattle with Regions Bank, an account on which K. Gross was the only signatory (the "GP Land & Cattle Regions Account").
 36. On December 18, 2006, K. Gross closed the SMI Liberty Bank Account and withdrew the remaining balance of \$14,919.20. Bank records reflect that this \$14,919.20 was deposited into the SMI Regions Account.
 37. From December 13, 2006, through June 2007, a total of \$30,900 was transferred from the SMI Regions Account to the GP Land & Cattle Regions Account.
 38. KR1 and KR2 received payments from the GP Land & Cattle Regions Account. On June 13, 2007, KR2 received \$5,500, on September 10, 2007, KR1 received \$2,500, and on September 12, 2007, KR2 received \$5,000, all from the GP Land & Cattle Regions Account.
 39. Additional payments from the GP Land & Cattle Regions Account went to, among other things:
 - i. American Bucking Bull, Inc.;
 - ii. Indian Summer Pool & Spa; and
 - iii. Numerous withdrawals for personal expenses and obligations, including but not limited to:
 - a. child support payments;
 - b. credit card payments; and
 - c. attorney fees for the Gross Properties bankruptcy proceeding.
 40. On April 6, 2006, Gross Properties filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court of the Western District of Missouri.
 41. On December 1, 2006, the Chapter 11 bankruptcy for Gross Properties was converted to a Chapter 7.
 42. Pursuant to the bankruptcy proceedings, a bank account was established at Great Southern Bank (the "Great Southern Bankruptcy Account"). Proceeds from the sale of Gross Properties' assets were to be deposited into this account.
 43. Despite an bankruptcy court order requiring that any draft or other instrument withdrawing funds from The Great Southern Bankruptcy Account must have both the signatures of K. Gross and the attorney at the time representing Gross Properties in the bankruptcy proceeding, K. Gross withdrew funds from this account in the amount of \$147,000 without obtaining the attorney's signature.

44. The trustee for the Gross Properties bankruptcy proceeding filed a motion requesting that the bankruptcy court order K. Gross to repay the funds drawn from the Great Southern Bankruptcy Account.
45. The court granted the trustee's motion and ordered K. Gross to repay the funds he had withdrawn from the Great Southern Bankruptcy Account.
46. On November 7, 2006, a check for \$25,000 was written on the SMI Liberty Account and made payable to the bankruptcy attorney's law office. On November 8, 2006, the bankruptcy attorney remitted \$25,000 to the Great Southern Bankruptcy Account. "Gross Properties LLC-transfer SMI funds" appeared in the memo line of the check.
47. On November 27, 2006, a check was written from the SMI Liberty Account in the amount of \$122,998.17 and made payable to the bankruptcy attorney's trust account. "Gross Properties escrow reimbursement" was written on the memo line of the check.
48. On December 15, 2005, a civil judgment was entered against both K. Gross and W. Gross for \$536,544.14, in the matter of *NC-WC v. KWG Enterprises & Kevin & Wendy Gross*. On May 3, 2006, execution/garnishments were issued to twenty one financial institutions for execution upon the judgment.
49. In February 2007, KR1 and KR2 requested that K. Gross refund the money that they invested in SMI. K. Gross told KR1 that the company was short on cash and that he would refund their money at the end of the month.
50. K. Gross signed a check dated March 17, 2007, from the SMI Regions Account made payable to KR1 for \$15,000, which represented the total amount that KR1 invested in SMI. However, when KR1 took this check to the bank to cash it, he learned that K. Gross had the bank issue a "stop-pay" for this check on March 7, 2007.
51. K. Gross also signed a check dated March 17, 2007, from the SMI Regions Account made payable to KR2 for \$150,000 which represented the total amount that KR2 invested in SMI. However, K. Gross had the bank issue a "stop-pay" on March 7, 2007, for this check, as well.
52. KR1 has received \$12,669.56 back from KR1's investment.
53. KR2 has received \$17,010.82 back from KR2's investment.
54. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for the securities in the State of Missouri.
55. Among other things, Respondents stated to KR1, KR2, and MR1 that SMI would manufacture living quarters for horse trailers, but Respondents omitted the following material information:
 - a. Gross Properties had filed for bankruptcy and was currently in bankruptcy proceedings;
 - b. K. Gross was ordered to repay \$122,988 to the Great Southern Bankruptcy Account;
 - c. Investment funds paid to SMI would be used to satisfy Gross Properties bankruptcy obligations;
 - d. Investment funds paid to SMI would be transferred to GP Land & Cattle;
 - e. Investment funds paid to SMI would be used to pay K. Gross' and W. Gross' personal expenses and obligations; or
 - f. A civil judgment in the amount of \$536,544.14 had been entered against K. Gross and W. Gross in the matter of *NC-WC v. KWG Enterprises and Kevin and Wendy Gross*, and that garnishments/executions had been issued in that matter and currently remained unsatisfied.
56. Respondents made untrue statements of a material fact, including but not limited to the following:
 - a. In their signed agreements with investors Respondents stated that no additional stock would be issued to any party without the consent of each stockholder when, in fact, Respondents sold additional stock to MR1 without KR1 and/or KR2's consent;
 - b. Respondents told KR1 that another investor's funds were received when in fact no investment had been made;
 - c. Respondents sent a list to KR1 of SMI's purported equipment when, in fact, some, if not all, of the equipment on this list was either rented by SMI or not in SMI's possession at all; or
 - d. K. Gross invested \$200,000 of his own money in SMI, when, in fact, he did not.
57. An 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. 2007).

II APPLICABLE STATUTES

58. Section 409.6-601(a), RSMo. (Cum. Supp. 2007), reads in part as follows: “This [Missouri Securities Act of 2003] shall be administered by the commissioner of securities who shall be appointed by and under the direction of the secretary of state”
59. Section 409.1-102(26), RSMo. (Cum. Supp. 2007), 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.”
60. Section 409.1-102(28), RSMo. (Cum. Supp. 2007), defines a “security” to include a “note; stock; . . . evidence of indebtedness [and] 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.”
61. Section 409.5-501, RSMo. (Cum. Supp. 2007), 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 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.
62. Section 409.6-604(a), RSMo. (Cum. Supp. 2007), 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.
63. Section 409.6-604(b), RSMo. (Cum. Supp. 2007), 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.
64. Section 409.6-604(c), RSMo. (Cum. Supp. 2007), states: “The final order may make final, vacate, or modify the order issued unless under subsection (a).”
65. Section 409.6-604(d), RSMo. (Cum. Supp. 2007), 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.”
66. Section 409.6-604(e), RSMo. (Cum. Supp. 2007), 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 LAWS

Multiple Violations of Engaging in an Act, Practice or Course of Business that Operates or Would Operate as a Fraud or Deceit Upon Another Person

67. Paragraphs 1 through 66 are incorporated by reference as though fully set forth herein.
68. Respondents, in connection with the offer or sale of a security, engaged in an act, practice, or course of business that operated or would have operated as a fraud or deceit upon KR1, KR2 and MR1 when Respondents, among other things:

- a. Used SMI funds to pay expenses of Gross Properties or GP Land and Cattle;
 - b. Sold ownership interest in SMI to MR1 that had been previously sold to KR1 and KR2; and
 - c. Used SMI funds to pay the Gross' personal debt owed in the Gross Properties bankruptcy.
69. Respondents violated Section 409.5-501(3), RSMo. (Cum. Supp. 2007), when they engaged an act, practice or course of business that operated or would operate as a fraud or deceit upon KR1, KR2 and MR1, as described in the paragraph immediately above.
70. Respondents engaging in an act, practice or course of business that would operate as a fraud or deceit upon KR1, KR2 and MR1 in connection with the offer, sale or purchase of a security, constitutes an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2007).

Multiple Violations of Omitting to State a Material Fact in Connection with the Offer to Purchase or in the Sale of a Security

71. Paragraphs 1 through 66 are incorporated by reference as though fully set forth herein.
72. Respondents, in connection with the offer to purchase or sell securities, 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:
- a. That K. Gross's other business, Gross Properties, had declared bankruptcy and was currently in bankruptcy proceedings;
 - b. That K. Gross owed \$122,988 to the Gross Properties bankruptcy estate;
 - c. That investment funds paid to SMI would be used to pay a personal obligation of K. Gross in the Gross Properties bankruptcy proceeding;
 - d. That investment funds paid to SMI would be used to pay expenses for GP Land & Cattle; or
 - e. That K. Gross and W. Gross were subject to a \$536,544.14 civil judgment upon which garnishments/executions were issued and which remained unsatisfied.
73. Respondents violated Section 409.5-501(2), RSMo. (Cum. Supp. 2007), when they omitted to state a material fact necessary to make statements made not misleading, as described in the paragraph immediately above.
74. Respondents' omitting to state material facts is an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2007).

Multiple Violations of Making an Untrue Statement of a Material Fact in Connection with the Sale of a Security

75. Paragraphs 1 through 66 are incorporated by reference as though fully set forth herein.
76. Respondents, in connection with the offer to purchase or to sell securities, made untrue statements of a material fact when, among other things, Respondents stated:
- a. To KR1 in the Agreement that no additional stock would be issued to any party without the consent of each stockholder when, in fact, Respondents sold additional stock to MR1 without KR1's consent;
 - b. To KR1 that K. Gross had received investment funds from another investor when, in fact, this investment had not been made;
 - c. To KR1 that SMI owned certain equipment when, in fact, SMI either rented the equipment or it was not in SMI's possession at all; or
 - d. To KR1 that K. Gross had invested \$200,000 of his own money in SMI, when, in fact, this was not true.
77. Respondents violated Section 409.5-501(2), RSMo. (Cum. Supp. 2007), when they made untrue statements of material facts, as described in the paragraph immediately above
78. Respondents' making of untrue statements of material fact is an illegal act, practice, or course of business under Section 409.6-604(a), RSMo. (Cum. Supp. 2007).

IV. 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 be prohibited from:

- A. violating or materially aiding in any violation of Section 409.5-501(2), RSMo. (Cum. Supp. 2007), 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; and
- B. violating or materially aiding in any violation of Section 409.5-501(3), RSMo. (Cum. Supp. 2007), by, in connection with the offer or sale of securities, 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. 2007), 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) against each Respondent for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2007), 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. 2007), 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) against each Respondent for multiple violations of Section 409.5-501(3), RSMo. (Cum. Supp. 2007), 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 for the 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. 2007), 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 to the agency.

SO ORDERED.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 1ST DAY OF FEBRUARY, 2008.

ROBIN CARNAHAN
SECRETARY OF STATE

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

State of Missouri
Office of Secretary of State

Case No. AP-08-08

IN THE MATTER OF:

SUPERIOR MANUFACTURING, INC.;
KEVIN WESLEY GROSS; and
WENDY GROSS;

Respondents.

Serve all at:

103 North Tuscany Drive
Hollister, Missouri 65672

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. 2007), and 15 CSR 30-55.020.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, 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 1st day of February, 2008, copies of the foregoing Order and Notice in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Superior Manufacturing, Inc.
103 North Tuscany Drive
Hollister, Missouri 65672

Kevin Wesley Gross
103 North Tuscany Drive
Hollister, Missouri 65672

Wendy Gross
103 North Tuscany Drive
Hollister, Missouri 65672

And hand delivered to:

Lori Neidel
Chief Enforcement Counsel
Securities Division

John Hale, Specialist

[1] KR2 did not retain a copy and K. Gross did not return a copy to her.