

State of Missouri
Office of Secretary of State

Case No. AP-08-10

IN THE MATTER OF:

RATE SEARCH, INC.;
CLAYTON ANALYTICAL SERVICES, INC.;
SCOTT LUSTER; *and*
CLARK R. SCHULTZ,

Respondents.

FINAL ORDER TO CEASE AND DESIST AND AS TO RESPONDENTS
RATE SEARCH, INC., AND SCOTT LUSTER

PROCEDURAL BACKGROUND

On May 19, 2009, the Enforcement Section of the Securities Division (the "Enforcement Section"), by and through Mary S. Hosmer, Assistant Commissioner, submitted an Amended Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs as to Respondents Rate Search, Inc., and Scott Luster (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law, and order:

1. On February 8, 2008, Mary S. Hosmer, Assistant Commissioner for the Securities Division and on behalf of the Enforcement Section, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed in the above-styled matter.
2. On February 19, 2008, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed against Respondents.
3. On February 22, 2008, Albert S. Watkins filed with the Commissioner an Answer of Respondents Rate Search, Inc., and Scott Luster, to Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed.
4. On March 3, 2008, Gary Sarachan filed a pleading on behalf of Respondents Clayton Analytical Services, Inc., and Clark R. Schultz, in which such respondents requested a hearing in this matter.
5. On March 5, 2008, a hearing was set for May 7, 2008.
6. The May 7, 2008, hearing was ultimately continued to January 29, 2009, at the requests of all the parties.
7. On December 3, 2008, Ms. Hosmer received an email from Respondents Scott Luster and Rate Search, Inc., withdrawing their request for a hearing. This email was provided to the Commissioner.
8. On February 20, 2009, Ms. Hosmer and Mr. Sarachan filed a Joint Petition for Consent Order as to Clayton Analytical Services, Inc., and Clark R. Schultz.
9. On February 23, 2009, the Commissioner issued a Consent Order as to Clayton Analytical Services, Inc. and Clark R. Schultz.
10. On April 21, 2009, Respondent Scott Luster was sentenced to seventy (70) months in prison and ordered to pay five million dollars (\$5,000,000) in restitution for his conviction of mail fraud and tax fraud in the U.S. District Court for the Eastern District of Missouri (*U.S. v. Luster*, Case No. 4:09CR00103).
11. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist as to Respondents Rate Search Inc., and Scott Luster in this matter.
12. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondents Rate Search Inc., and Scott Luster to pay, jointly and severally, costs of the investigation in this matter in the amount of five thousand four hundred fifty dollars (\$5,450).
13. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each of Respondent Rate Search, Inc., and Scott Luster for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008).

14. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each of Respondent Rate Search, Inc., and Scott Luster for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2008).
15. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against each of Respondent Rate Search, Inc., and Scott Luster for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2008).

ORDER

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

- A. The Cease and Desist Order entered in Case Number AP-08-10 on February 19, 2009, is **FINAL** as to Respondents Rate Search, Inc., and Scott Luster.
- B. The Enforcement Section's request for civil penalties and costs in this matter is denied.
- C. This Order is in the public interest and is consistent with the purposes intended by the Missouri Securities Act of 2003.
- D. Respondents shall pay their own costs and attorneys' fees, if any, with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 12th DAY OF JUNE, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

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