

State of Missouri
Office of Secretary of State

Case No. AP-09-06

IN THE MATTER OF:

GREEN FOREST INVESTMENT AND
DEVELOPMENT COMPANY, LLC;
CENTRAL CONSULTING SERVICES; and
GLENN BOXWELL,

Respondents.

Serve: Green Forest Investment and
Development Company, LLC, and
Glenn Boxwell at:
6509 NE 43rd Terrace, Suite 207
Kansas City, Missouri 64117

and

Central Consulting Services, and
Glenn Boxwell at:
6500 Sterling
Raytown, Missouri 64133

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

On January 30, 2009, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through its Deputy Chief Counsel Roumen Manolov, 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. Green Forest Investment and Development Company, LLC ("Green Forest"), is a Missouri limited liability company organized in the State of Missouri with a last known business address of 6509 NE 43rd Terrace, Suite 207, Kansas City, Missouri 64117. Green Forest's Articles of Organization filed with the Missouri Secretary of State on June 25, 2003, states that the company was organized for "making investments for a profit."
2. Central Consulting Services ("CCS") is a company operating in the State of Missouri with a last known business address of 6500 Sterling, Raytown, Missouri 64133. CCS purportedly engages in the business of financial consultation and tax preparation. A check of the records maintained by the Missouri Secretary of State revealed no registration for CCS.
3. Glenn Boxwell ("Boxwell") is the registered agent of Green Forest and is the operator of Green Forest and CCS. Information received by the Division indicates that Boxwell also engages in the business of tax preparation.[\[1\]](#)
4. As used in this Petition, the term "Respondents" refers to Green Forest, CCS and Boxwell.
5. A Missouri resident ("MR") has known Boxwell for over thirty years and has transacted business with Boxwell. MR was aware that Boxwell possessed knowledge in the financial industry, including preparing taxes for MR.
6. On or about April 2006, MR obtained funds as a result of a lottery winning. MR netted approximately one hundred and sixty four thousand dollars (\$164,000) as a result.
7. Shortly after MR obtained the funds from the lottery winning, MR consulted Boxwell on how MR should invest MR's lottery winnings.
8. On or about April 26, 2006, Boxwell provided MR with a document on CCS's letterhead dated April 26, 2006, that outlined Boxwell's recommendation on how MR should invest MR's lottery winnings. The document stated, among other things, the following:

"As discussed earlier with you, I recommend that you have withheld from the winning for the Federal of \$54,000 and for the state \$10,000 [sic]. This will leave a net of \$136,000.

I would suggest you put \$11,000 in your checking account and put \$25,000 in a CD at the Great West Bank.

They are paying 5% on a 12 month CD.

The balance of the funds would be \$100,000.

I suggest you put \$25,000 with Grace Technologies. They are paying 2% per month or \$500 with this transaction.

I further suggest you put \$50,000 with Green Forest Investments. They are currently paying 3% per month or \$1500 with this transaction.

I further suggest you put \$25,000 with Broker's Capital and they are paying 2% per month or \$500 with this transaction.

I would suggest your wife work the balance of the year until she has reached 59 ½ which means her 401 k will not be affected [sic]. Also, when she does retire you will be receiving \$1500 per month or \$18,000 per year. You will still be in the same cash positions [sic] as you are in now.

You [sic] house payment is \$987 per month. I would suggest you pay additional \$500 per month with the money you would be receiving from the above investments. This would mean you would have your house paid off in about 10 years.

All the above investments would be for 12 months.

Thanks,

Glenn Boxwell"

9. On May 22, 2006, MR entered into an agreement with Boxwell and Green Forest. The agreement stated, among other things, that:
 - a. MR will invest twenty one thousand dollars (\$21,000) into the business of Green Forest;
 - b. Green Forest will manage the investment for a minimum of four (4) months;
 - c. Green Forest will pay a maximum return of 3% per month on the amount of total dollars invested;
 - d. It will take a minimum of 5 days to process MR's investment funds;
 - e. The first dividend payment will be paid on July 5, 2006; and
 - f. Green Forest will provide quarterly reports and that the agreement will terminate on May 31, 2007.
10. Boxwell informed MR that Green Forest would invest MR's twenty one thousand dollars (\$21,000) for purposes of "buying and selling houses." MR understood that Boxwell was not the owner of Green Forest, but that he was just an employee of Green Forest. Furthermore, Boxwell told MR that he and his mother had investments in Green Forest.
11. On May 22, 2006, MR gave Boxwell a bank check in the amount of twenty one thousand dollars (\$21,000) for an investment in Green Forest.[\[2\]](#)
12. MR wrote Boxwell a personal check in the amount of two hundred dollars (\$200), dated May 22, 2006, for consultation of the investment in Green Forest.
13. On October 2, 2006, Boxwell arranged to meet at the home of MR to discuss the activities of MR's investment in Green Forest, and among other things, provided MR with a document that stated:

"Dear [MR],

We are pleased to inform of your investments results [sic]. They are the following:

1. Initial investments	\$21,000.00
2. July return	\$ 630.00
3. August return	\$ 630.00
4. September return	<u>\$ 630.00</u>

Grand total \$22,890.00

The numbers stated in Grand Total does not take in consideration of compound interest. This amount will be determined at the end of the contract date. For further information, you can reach me at my cell number 817-365-8888.

Thank you,

Yours truly,

By: Glenn Boxwell /s/

Printed Name: Glenn Boxwell"

14. As a result of this discussion, Boxwell charged MR a fee of seventy five dollars (\$75) for consultation.
15. MR wrote Boxwell a personal check in the amount of seventy five dollars (\$75), dated October 4, 2006, for consultation of the investment in Green Forest that occurred at the home of MR on October 2, 2006.
16. MR waited past October 2006, and became concerned that MR had not received a return on MR's investment nor any account statements or reports. Between October 4, 2006, and May 31, 2007, [3] MR telephoned Boxwell on numerous occasions concerning MR's investment and return. MR received no satisfactory responses from Boxwell as a result of these conversations.
17. MR made further attempts to contact Boxwell. Boxwell would no longer answer or return MR's telephone calls and Boxwell's telephone is now disconnected. [4]
18. To date, MR has not had MR's money returned and is unable to locate Boxwell.
19. On or about October 22, 2007, the Missouri Securities Division received information that indicated that Respondents offered and sold nonexempt and unregistered securities in Missouri.
20. On November 1, 2007, November 19, 2007, and December 6, 2007, the Division sent certified letters to Respondents. The letters asked Respondents to provide the definitional or registration exemption upon which Respondents had relied in offering unregistered securities. The letters also requested additional information about the offers and advised Respondents that failure to respond within a reasonable time as set by the Commissioner constituted further proceedings to prohibit Respondents from offering or selling securities in this State.
21. To date, the Division has not received any response from the Respondents with regard to the Division's November 1, 2007, November 19, 2007, and December 6, 2007 letters.
22. According to bank records obtained from Farmers & Commercial Bank, [5] Boxwell, on behalf of Green Forest, opened account number 019186, on May 24, 2006, with MR's initial investment of \$21,000.
23. Bank records contained the following amounts taken by Respondents from the Green Forest 019186 account from May 26, 2006, through August 30, 2006:
 - a. Sixteen (16) checks made payable to "Cash" that totaled \$13,845;
 - b. Eight (8) checks made payable to "Glenn Boxwell" that totaled \$5,650;
 - c. One (1) check in the amount of \$500, made payable to a third party unrelated to the present case. The memo line of this check indicated "Legal Fees;"
 - d. Two (2) checks for \$150 each, made payable to a third party unrelated to the present case. The memo line of one check indicated "ROI;" and
 - e. One (1) "Over the Counter Debit" in the amount of \$200.
24. A check of the records maintained by the Missouri Commissioner of Securities revealed no registration, granted exemption or notice filing indicating status as a "federal covered security" for any of the securities offered by Respondents in or from Missouri.
25. Respondents were not registered to offer and sell securities in or from the State of Missouri.
26. The securities offered by the Respondents were not federal covered securities.
27. In connection with the offer, sale or purchase of this investment, Respondents omitted to state to MR:
 - a. that the Respondents were not registered to sell securities in or from the State of Missouri;
 - b. that the securities were not registered in the State of Missouri;
 - c. facts or information regarding the risks of the investment;
 - d. that large sums of investor funds would be taken from company bank account in the form of cash; or
 - e. that Boxwell was the owner of Green Forest.

28. In connection with the offer, sale or purchase of this investment, Respondents misrepresented to MR:
- a. that MR's investment of twenty one thousand dollars (\$21,000) will be used for the purposes of buying and selling houses, when , in fact, this was not true; and
 - b. that the investment was guaranteed, when, in fact, this was not true

II. STATUTORY PROVISIONS

29. Section 409.1-102(26), RSMo. (Cum. Supp. 2008), defines "sale" to include "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value." That same section 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."
30. Section 409.1-102(28), RSMo. (Cum. Supp. 2008), includes, in part, any "certificate of interest or participation in a profit-sharing agreement," and "investment contract" within the definition of a security.

31. Section 409.3-301, RSMo. (Cum. Supp. 2008), 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.

32. Section 409.5-501, RSMo. (Cum. Supp. 2008), 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.

33. Section 409.6-604(a), RSMo. (Cum. Supp. 2008), 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 . . . 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

34. Section 409.6-604(d), RSMo. (Cum. Supp. 2008), 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.

35. Section 409.6-604(e), RSMo. (Cum. Supp. 2008), 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

36. Paragraphs 1 through 33 are incorporated by reference as though fully set forth herein.
37. The investments sold by the Respondents come under the definition of "securities" contained in Section 409.1-102(28), RSMo. (Cum. Supp. 2008).
38. Respondents' actions in offering securities to a Missouri resident 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. 2008).

39. At all times relevant, records maintained by the Commissioner of Securities contained no registration, granted exemption or notice filing indicating status as a "federal covered security" for any security offered or sold by Respondents.
40. Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2008), 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. 2008), or (3) registered under the Missouri Securities Act of 2003.
41. Respondents' actions in offering or selling unregistered securities constitute an illegal act, practice, or course of business and such action is therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Omitting to State Material Facts in Connection with the Sale of a Security

42. Paragraphs 1 through 33 are incorporated by reference as though fully set forth herein.
43. In connection with the offer and sale of securities, Respondents 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 the Respondents were not registered to sell securities in or from the State of Missouri;
 - b. that the securities were not registered in the State of Missouri;
 - c. facts or information regarding the risks of the investment;
 - d. that large sums of investor funds would be taken from company bank account in the form of cash; or
 - e. that Boxwell was the owner of Green Forest.
44. Respondents' actions in omitting to state a material fact necessary to make statements made not misleading, in connection with the offer, sale or purchase of a security, constitute a violation of Section 409.5-501, and an illegal act, practice, or course of business and such actions are therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

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

45. Paragraphs 1 through 33 are incorporated by reference as though fully set forth herein.
46. In connection with the offer and sale of securities, Respondents made untrue statements of material fact, including, but not limited to, the following:
 - a. MR's investment of twenty one thousand dollars (\$21,000) would be used for the purposes of buying and selling houses, when, in fact, this was not true; and
 - b. The investment was guaranteed, when, in fact, this was not true.
47. Respondents' actions in making an untrue statement of material fact, in connection with the offer, sale or purchase of a security, constitute a violation of Section 409.5-501, and is an illegal act, practice, or course of business and such actions are therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).
48. 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. 2008).

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 are prohibited from:

- A. offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2008), 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; and
- B. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2008), 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 statements made, in the light of the circumstances under which they were made, not misleading.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), 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) against each Respondent individually for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008), 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. 2008), 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) against each Respondent individually for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2008), 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. 2008), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why such an award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 23rd DAY OF FEBRUARY, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

State of Missouri
Office of Secretary of State

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

Case No. AP-09-06

IN THE MATTER OF:

GREEN FOREST INVESTMENT AND
DEVELOPMENT COMPANY, LLC;
CENTRAL CONSULTING SERVICES; and
GLENN BOXWELL,

Respondents.

Serve: Green Forest Investment and
Development Company, LLC, and
Glenn Boxwell at:
6509 NE 43rd Terrace, Suite 207
Kansas City, Missouri 64117

and

Central Consulting Services, and
Glenn Boxwell at:
6500 Sterling
Raytown, Missouri 64133

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. 2008), 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. 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 23rd day of February, 2009, copies of the foregoing Order and Notice in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Green Forest Investment and
Development Company, LLC,
6509 NE 43rd Terrace, Suite 207
Kansas City, Missouri 64117

Central Consulting Services
6500 Sterling
Raytown, Missouri 64133

Glen Boxwell
6509 NE 43rd Terrace, Suite 207
Kansas City, Missouri 64117

and

6500 Sterling
Raytown, Missouri 64133

And hand delivered to:

Roumen Manolov
Deputy Chief Counsel
Securities Division

Â Â

John Hale
Specialist

[1] A check of the records of the Missouri Division of Professional Registration revealed no registration or designation for Boxwell as an accountant, or of Boxwell maintaining any licenses related to tax preparation.

[2] Additionally, on May 22, 2006, MR gave Boxwell another bank issued check in the amount of twenty one thousand dollars (\$21,000) for the purpose of purchasing an annuity with ING. Boxwell informed and presented to MR documents for the purchase of an annuity with ING. MR understood that Boxwell was a representative of ING. It was revealed in the Division's investigation that Boxwell was never employed with ING nor was Boxwell licensed to sell products for ING.

[3] MR expected that MR was to receive monthly returns on MR's investment according to the consultation and document that MR received from Boxwell on October 2, 2006.

[4] MR learned that on or about June 2007, Boxwell's cellular phone was disconnected and was no longer operable.

[5] Farmers & Commercial Bank is located at P.O. Box 157, Holden, Missouri 64040.