

State of Missouri  
Office of Secretary of State

Case No. AP-09-37

IN THE MATTER OF:

LEGACY FINANCIAL ASSURANCE GROUP, INC.;;  
AND J. SCOTT SCHLUETER,

Respondents.

Serve Legacy Financial Assurance Group, Inc. at:  
231 S. Bemiston, Suite 800  
St. Louis, Missouri 63105

Serve J. Scott Schlueter at:  
12 W Windrush Creek  
St. Louis, Missouri 63141-7611

**FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL  
PENALTIES AND AWARDED COSTS**

On May 28, 2010, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), by and through Assistant Commissioner, Mary S. Hosmer, submitted a Petition for Final Order to Cease and Desist and Payment of Civil Penalties and Costs as to all Respondents (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law, and order:

**PROCEDURAL BACKGROUND**

1. On September 30, 2009, 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 (the "C&D Petition") in the above-styled matter.
2. On October 13, 2009, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should not be Imposed (the "C&D Order") against Respondents.
3. The St. Louis City Sheriff's Department completed personal service of process upon Respondents J. Scott Schlueter and Legacy Financial Assurance Group, Inc., on March 30, 2010.
4. The Respondents did not request a hearing in this matter or otherwise contact or communicate with the Commissioner.
5. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist in this matter.
6. 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 Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009).
7. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Schlueter for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2009).
8. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Legacy Financial Assurance Group, Inc., for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2009).
9. 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 Respondent for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2009).
10. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring the Respondents to pay, jointly and severally, costs of the investigation in this matter in the amount of one thousand five hundred dollars (\$1,500).

**FINDINGS OF FACT**

11. The Commissioner adopts and incorporates the Findings of Facts, paragraphs 1-33, in the C&D Order.

**CONCLUSION OF LAW**

12. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 45-62, in the C&D Order.
13. This Order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003.

### **ORDER**

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

- A. The Cease and Desist Order entered in Case Number AP-09-37 on October 13, 2009, is **FINAL**.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), each of Respondent J. Scott Schlueter and Respondent Legacy Financial Assurance Group, Inc., shall pay a civil penalty in the amount of three thousand dollars (\$3,000) to the state of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent J. Scott Schlueter and Respondent Legacy Financial Assurance Group, Inc., shall deliver this payment to the Securities Division, 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent J. Scott Schlueter shall pay a civil penalty in the amount of one thousand dollars (\$1,000) to the state of Missouri for violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent J. Scott Schlueter shall deliver this payment to the Securities Division, 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Legacy Financial Assurance Group, Inc., shall pay a civil penalty in the amount of one thousand dollars (\$1,000) to the state of Missouri for violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Legacy Financial Assurance Group, Inc., shall deliver this payment to the Securities Division, 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent J. Scott Schlueter shall pay a civil penalty in the amount of seven thousand dollars (\$7,000) to the state of Missouri for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent J. Scott Schlueter shall deliver this payment to the Securities Division, 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2009), Respondent J. Scott Schlueter and Respondent Legacy Financial Assurance Group, Inc., shall pay, within thirty (30) days from the date of this Order, the additional sum of one thousand five hundred dollars (\$1,500) as reimbursement for costs of the investigation and administration of this matter. Respondent J. Scott Schlueter and Respondent Legacy Financial Assurance Group, Inc., shall be jointly and severally liable for this amount. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent J. Scott Schlueter and Respondent Legacy Financial Assurance Group, Inc., shall deliver this payment to the Securities Division, 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- G. Pursuant to Section 409.6-604(f), RSMo. (Cum. Supp. 2009), this matter shall be referred to the Missouri Attorney General's Office to collect the penalties and costs described in this Order, as necessary.
- H. Respondents shall pay their own costs and attorney's fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 8<sup>TH</sup> DAY OF JUNE, 2010.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

CERTIFICATE OF SERVICE

I hereby certify that on this 8<sup>th</sup> day of June, 2010, copies of the foregoing Final Order in the above styled case was **mailed by U.S. certified mail to:**

Legacy Financial Assurance Group, Inc. at:  
231 S. Bemiston, Suite 800  
St. Louis, Missouri 63105

J. Scott Schlueter at:  
12 W Windrush Creek  
St. Louis, Missouri 63141-7611

**And hand delivered to:**

Mary S. Hosmer  
Assistant Commissioner  
Securities Division

---

John Hale, Specialist