

State of Missouri
Office of Secretary of State

Case No. AP-11-01

IN THE MATTER OF:

DANIEL MEREDITH d/b/a MEREDITH
CONSTRUCTION and MEREDITH HOLDING,

Respondent.

Serve Daniel Meredith at:

2003 Joy Street
Excelsior Springs, Missouri 64024

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

On February 22, 2011, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Securities Division's Assistant Commissioner, Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties, Costs, and Restitution 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. Daniel Meredith ("Meredith") does business as Meredith Construction, a fictitious name registered by Meredith in the State of Missouri on May 1, 2007. In addition, Meredith does business as Meredith Holding. Meredith Holding is not registered as a fictitious name in the State of Missouri. Meredith has a last known address of 2003 Joy Street, Excelsior Springs, Missouri 64024.
2. Norma Jean Meredith ("N. Meredith") is the spouse of Meredith and has a last known address of 2003 Joy Street, Excelsior Springs, Missouri 64024.
3. As used herein, the term "Respondent" refers to Meredith.
4. In May 2007, a 50-year old, Osage Beach, Missouri resident ("MR1") met Respondent through a co-worker
5. Respondent told MR1 that Respondent was related to the heirs of the Meredith Corporation that owned television stations, magazine publication companies, and several other large business holdings.
6. Respondent expressed an interest in lakefront property owned by Barrington Falls, LLC ("Barrington Falls"), a limited liability company that owned property located in Osage Beach, Missouri. MR1 owned an interest in Barrington Falls.
7. On or about May 20, 2007, Respondent d/b/a Meredith Construction entered into an agreement with Barrington Falls to purchase a tract of land in the amount of seven million two hundred thousand dollars (\$7,200,000).
8. Respondent wrote a check in the amount of one hundred thousand dollars (\$100,000) to Barrington Falls as earnest money for the purchase of the Barrington Falls land.¹
9. Before this check was presented to the bank for payment, Respondent arranged to meet MR1 at MR1's home to discuss an investment opportunity in a Scooter's Coffeehouse franchise.
10. During this May 2007 meeting, Respondent told MR1, among other things, the following:
 - a. Respondent's associate ("MR2") had rights to build five (5) Scooter's Coffeehouse franchises;
 - b. MR2 was the previous owner of Guys Potato Chips;
 - c. MR2 needed additional funds to complete the construction on the first coffeehouse because one of the investors had withdrawn from the project;
 - d. if MR1 invested seventy-five thousand dollars (\$75,000) in the franchises, MR1 would receive two hundred fifty thousand dollars (\$250,000) by June 23, 2007;
 - e. MR1 would be given fifty percent (50%) ownership in five (5) Scooter's Coffeehouse franchises;
 - f. there was no risk with the investment because Respondent would pay MR1 two hundred fifty thousand dollars

(\$250,000) by no later than June 23, 2007; and

11 This one hundred thousand dollar (\$100,000) check subsequently was returned for insufficient funds and Barrington Falls sued Meredith, N. Meredith and Meredith Construction (the "Meredith Parties") and obtained a default judgment against the Meredith Parties in Camden County Circuit Court in November 2007.

g. Respondent would send MR1's investment funds to MR2.

11. On May 21, 2007, MR1 gave Respondent twenty-five thousand dollars (\$25,000) in cash for an investment in this Scooter's Coffeehouse project.

12. On May 21, 2007, Respondent provided a note to MR1 that stated, among other things, the following:

I, [MR1], did give Dan Meredith \$25,000.00 in cash on 5/21/2007 and will give Dan Meredith an additional \$50,000.00 on 5/23/2007 in return for \$250,000.00 to be paid to [MR1] due and payable on or before 6/23/2007.

[MR1] /s/

Printed Name: [MR1]

Dated: May 21, 2007

Daniel Meredith /s/

Printed Name: Dan Meredith

Dated: May 21, 2007

13. On May 23, 2007, MR1 wired an additional fifty thousand dollars (\$50,000) to Respondent for an investment in the Scooter's Coffeehouse franchise project.

14. On or about June 4, 2007, Respondent wrote a check to MR1 in the amount of ten thousand dollars (\$10,000) as partial payment on MR1's investment.

15. Respondent's check in the amount of ten thousand dollars (\$10,000) was returned for insufficient funds.

16. On several occasions, MR1 attempted, unsuccessfully, to obtain these funds from Respondent.

17. On or about December 26, 2007, MR1 contacted the Camden County Prosecuting Attorney's office in Missouri ("Prosecutor's Office") to report that Respondent had paid MR1 with a check that was returned for insufficient funds.

18. The Prosecutor's Office contacted Respondent regarding the issuance of the bad check.

19. On or about February 2008, Respondent provided the funds to the Prosecutor's Office and MR1 received ten thousand dollars (\$10,000) from the Prosecutor's Office.

20. MR1 contacted Respondent on numerous occasions concerning this investment and Respondent's failure to pay pursuant to the terms of the agreement.

21. Respondent explained these numerous delays by telling MR1, among other things, the following:

- a. in July 2007, Respondent told MR1 that Respondent had the money but his "car broke down" and Respondent could not bring these funds to MR1;
- b. in October 2007, Respondent told MR1 that Respondent received money in a safe and Respondent spent four days trying to "crack the safe;"
- c. on March 8, 2008, Respondent told MR1 that Respondent's attorney received one hundred thousand dollars (\$100,000) from MR2 and Respondent was to get a check for fifty thousand dollars (\$50,000) for MR1;
- d. on March 13, 2008, Respondent told MR1 that an FBI agent named "Rick" left for Ohio and would return to Missouri with five hundred thousand dollars (\$500,000) from MR2;
- e. on March 24, 2008, Respondent told MR1 that Rick was in Chicago taking care of paperwork for Respondent;
- f. on March 27, 2008, Respondent told MR1 that Rick was in Jefferson City and would be at the Lake by four o'clock (4:00) p.m. with the money for MR1;
- g. on May 5, 2008, Respondent told MR1 that a body guard for Respondent was to bring the money to MR1;
- h. on May 28, 2008, Respondent told MR1 that a friend of Respondent's father would pay MR1;
- i. on May 31, 2008, a man purporting to be Respondent's father called MR1 and stated that he would be in town to pay

MR1;

- j. on June 2, 2008, Respondent told MR1 that Respondent's father was to go to Oklahoma to get money to pay MR1;
 - k. on June 9, 2008, Respondent told MR1 that Respondent's father was taking out a loan for thirty-five million dollars (\$35,000,000) to take care of Respondent's money problems;
 - l. on or about July 2008, Respondent told MR1 that the attorney had the money but converted it into short term investments and could not release money; and
 - m. on or about July 2008, Respondent told MR1 that Respondent got into an altercation with the attorney regarding the release of these funds and Respondent was jailed.
22. To date, MR1 has received no funds from Respondent, other than the ten thousand dollars (\$10,000) that MR1 obtained from Respondent through the bad check division of the Prosecutor's Office.
23. On or about June 2, 2007, MR1 introduced Respondent to a fifty-one (51) year-old Lenexa, Kansas resident ("KR").
24. Respondent represented to KR that Respondent was the president of Meredith Holding.
25. Respondent told KR that Respondent had signed and entered into a real estate agreement to purchase lakefront property owned by Barrington Falls.
26. KR's firm had worked on the proposed development of the Barrington Falls lakefront property.
27. In June 2007, after several meetings, KR and his firm entered in an agreement with Respondent to provide services for the development of the lakefront property.
28. On or about June 15, 2007, Respondent contacted KR to discuss an investment opportunity.
29. Among other things, Respondent informed KR of the following:
- a. KR could make an investment in the Scooter's Coffeehouse franchises;
 - b. Respondent had a close friend and business associate, MR2, that had five (5) Scooter's Coffeehouse franchises;
 - c. KR's investment would be used for the extension and securing of these franchises, because the existing franchises were "set to expire" if not renewed by July 1, 2007;
 - d. if KR invested one hundred thousand dollars (\$100,000) in the franchises, Respondent and MR2 could then maintain the franchises, which were ready for development;
 - e. the risk would be very low because MR2 was worth millions of dollars; however, due to a protracted divorce, the money was tied up in the short-term, and MR2 was unable to move forward with the franchises;
 - f. MR2 had previously owned a potato chip manufacturing company in Liberty, Missouri;
 - g. the investment in these franchises would be extremely lucrative;
 - h. KR's principal would be repaid in twenty (20) days and KR would receive an additional payment of twenty thousand dollars (\$20,000); and
 - i. if KR invested, KR could receive future consideration from Respondent and MR2 that would allow KR to participate in the ownership, development, and profits of other Scooter's Coffeehouse franchises.
30. KR informed Respondent that KR did not have one hundred thousand dollars (\$100,000) at the time, but agreed to invest fifty thousand dollars (\$50,000) with Respondent.
31. In June 2007, KR, on behalf of his firm, invested fifty thousand dollars (\$50,000) in the Scooter's Coffeehouse franchise project.
32. On or about June 22, 2007, KR received a promissory note from Respondent and Meredith Holding.²
33. This note stated, among other things, that Meredith had received fifty thousand dollars from KR's firm and promised to pay KR's firm seventy thousand dollars (\$70,000) on July 10, 2007.
34. KR did not receive a return of KR's investment as promised by Respondent.
35. KR contacted Respondent on numerous occasions concerning this investment.

36. Respondent explained the delays in returning these funds pursuant to the agreement by, among other things, stating to KR that:
- a. Respondent was expecting money from the sale of a property in Bolivia;
 - b. a courier from Bolivia was to bring Respondent funds;
 - c. these funds “would take care of everything;”
 - d. this courier suffered heat stroke in the Washington, D.C., airport and was hospitalized;
 - e. the funds were in a safe that was confiscated by the federal government because it had information about a past president; and
- [\[2\]](#) This note was signed by “Daniel Meredith of Meredith Holdings” instead of Meredith Holding.
- f. the funds were in a bank account but were not held under Respondent’s name because of all the judgments against Respondent.

37. To date, Respondent has not paid KR or KR’s firm pursuant to this note.

38. On September 4, 2008, the Enforcement Section sent a letter of inquiry to Respondent. The letter asked Respondent to provide the exemption upon which Respondent had relied in offering unregistered securities. The letter also requested additional information about the alleged offers and advised that failure to respond within a reasonable time as set by the Commissioner could result in proceedings to prohibit Respondent from offering or selling securities in this state.

39. On or about September 18, 2008, Respondent responded to the Enforcement Section’s September 4, 2008, letter of inquiry. Among other things, Respondent stated, “I have not offered or sold securities in or from the state of Missouri.”

40. On September 25, 2008, the Division sent a subsequent correspondence to Respondent requesting additional information.

41. On or about October 22, 2008, Respondent responded to the Division’s September 25, 2008, letter stating:

- a. “I have not entered into an investment contract with a Missouri resident or anyone else, for that matter.”
- b. “I met [MR1] in May of 2007. . . . There was NO investment to be made in Scooter’s Coffeehouse.”
- c. “I met [KR] in June of 2007. We were introduced by [MR1]. There was NO investment to be made in Scooter’s Coffeehouse.”
- d. “[MR1’s] money was a personal loan and documented as such. It was immaterial how the funds were to be used.”
- e. “[KR’s] money was a personal loan and documented as such. It was immaterial how the funds were to be used.”
- f. “There was NO investment program.”
- g. “Once again, there was NO investment program. There was however, an interest calculation specified in the Promissory Notes executed for the personal loans.”
- h. “There were NO investment transactions entered into with [MR1] and [KR]. However, I have provided copies of the Promissory Notes for each of them with regards to the personal loans that each provided.”
- i. “There is NO business affiliation with [MR2] and/or Scooter’s Coffeehouse. We are friends and had initially met in early 2000.”
- j. “. . . I hope that the above answers all of your questions and will finally put this matter to rest. I must reiterate that I did not enter into any investment contracts with [MR1] or [KR], therefore; with regards to your allegations, I have not offered or sold any unregistered securities in or from the State of Missouri.”

42. Respondent provided a note that he executed with MR1 dated May 21, 2007.

43. Respondent provided a note that he executed with KR. The note states:

For good and valuable consideration in the amount of Fifty-thousand dollars (\$50,000.00), Daniel Meredith promises to pay to the order of [Name of KR’s business] the sum of Seventy-thousand dollars (\$70,000.00). All principal and earned interest shall be due and payable on July 10th, 2007, time is of the essence. After July 10th, 2007 interest shall be at the annual rate of 12% on the unpaid balance. The failure to make full payment with all accrued interest on the above-stated due date shall constitute a default on the note and the defaulted note will be turned over for collection.

1. In the event of default, the Buyer shall be responsible to pay attorney fees, collection costs and other fees

associated with collection of the note.

2. This agreement is binding upon and insures to the benefit of the parties, their successors, assign and personal representatives.

3. This agreement shall also be in default upon the death, insolvency, or bankruptcy of any party who is obligated under this agreement or on the material decrease in the value of the collateral.

All parties to the note waive presentment, demand, notice of nonpayment, protest, and notice of protest. Parties also agree to remain fully bound on the note notwithstanding the release of any party or an extension or modification in the terms of the note. The undersigned parties shall be jointly and severally liable under this note.

Daniel Meredith /s/
Borrower
Daniel Meredith of Meredith Holdings

[KR] /s/
Lender
[KR], President, [Name of KR's business]

44. At the bottom of this note was a hand-written memorandum that stated, "ADDENDA: - MAY 16TH 2008 DUE TO NON PERFORMANCE DAN MEREDITH ROUNDED UP AGREEMENT TO COVER LEGAL & PAST DUE COST IE: INTEREST TO \$150,000."
45. The initials of KR were written next to the hand-written memorandum.
46. On September 25, 2008, the Enforcement Section sent a letter to MR2 requesting information concerning Respondent and Scooter's Coffeehouse.
47. On October 8, 2008, MR2 responded to the Enforcement Section's September 25, 2008 letter stating, among other things:
 - a. "I DID NOT ASK DANIEL MEREDITH (nor anyone else for that matter) FOR INVESTMENT FUNDS; NOR AM I AWARE THAT DANIEL MEREDITH SOLICITED FUNDS FOR INVESTMENT ON MY BEHALF FROM ANYONE ELSE. ADDITIONALLY... I HAVE NOT RECEIVED ANY FUNDS FROM DANIEL MEREDITH TO INVEST IN SCOOTER'S COFFEEHOUSE OR ANY OTHER BUSINESS. FURTHERMORE, I DO NOT KNOW, HAVE NEVER MET, NOR HAVE I EVER TALKED WITH OR PROVIDED ANY INFORMATION TO [MR1 or KR];"
 - b. "I met Daniel Meredith, about 8 years ago, in March 2000 when we were introduced at dinner by a mutual business acquaintance. There was NEVER any discussion with Meredith about raising any investment funds on my behalf or that of Scooter's Coffeehouse;"
 - c. "I have NO knowledge of, nor understanding of Meredith's knowledge, or lack thereof, regarding the alleged solicitation of [MR1], [KR] or others;" and
 - d. "I HAVE RECEIVED NO INVESTMENT FUNDS FROM MEREDITH. Furthermore, I have NO knowledge of what, if any, funds Meredith allegedly obtained from [MR1] or [KR]."
48. On or about February 12, 2008, an investigator in the Securities Division received a letter from the General Counsel with the Meredith Corporation in regard to Respondent. Among other things, the General Counsel stated:

". . . a man named Dan Meredith . . . has on occasion been making representations that he has access to, and perhaps will inherit, the fortune of the Meredith family. He uses this supposed connection to lure others into questionable business deals.

The Meredith family obviously is greatly troubled by these false representations and wants them to cease immediately. Dan Meredith's actions are particularly troublesome to the Meredith family because our research indicates that he has a prior criminal record, including incarceration. Dan Meredith learned about [our] investigation and, as a result, called Meredith Corporation several times in an attempt to explain away the situation"
49. Information received during the Enforcement Section's investigation revealed that in the summer of 2003, Respondent was sentenced to two (2) years imprisonment through the Missouri Department of Corrections on one felony count of attempted forgery and one felony count of passing a bad check. This sentence on these counts were suspended and Respondent was placed on probation for a period of four years.
50. In 2005, Respondent violated the terms of his probation and the Court revoked this probation and Respondent was remanded to serve his two (2) year sentence at the Missouri Department of Corrections.

51. On or before May 2007, Respondent was released from the Missouri Department of Corrections.
52. A check of the records maintained by the Missouri Commissioner of Securities confirmed that:
 - a. the investments offered and sold by Respondent were not registered under the Missouri Securities Act of 2003 (the "Act");
 - b. there has been no notice filed indicating the investments offered and sold by Respondent are federal covered securities; and
 - c. Respondent was not registered to offer or sell securities in the State of Missouri.

II. STATUTORY PROVISIONS

53. Section 409.6-601(a), RSMo. (Cum. Supp. 2009), provides that the Missouri Securities Act of 2003 "shall be administered by the commissioner of securities"
54. Section 409.1-102(1), RSMo. (Cum. Supp. 2009), defines "Agent" as "an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. But a partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act."
55. Section 409.1-102(26), RSMo. (Cum. Supp. 2009), 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."
56. Section 409.1-102(28), RSMo. (Cum. Supp. 2009), defines "Security" as "a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest of participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing"
57. Section 409.3-301, RSMo. (Cum. Supp. 2009), 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.
58. Section 409.5-501, RSMo. (Cum. Supp. 2009), 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.
59. Section 409.6-604, RSMo. (Cum. Supp. 2009), states:

(a)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 . . . 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

(b) An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the commissioner will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. 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. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested or ordered pursuant to subsection (b), a hearing before the commissioner must be provided. A final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record in accordance with the provisions of chapter 536, RSMo, and procedural rules promulgated by the commissioner. The final order may make final, vacate, or modify the order issued under subsection (a).

(d) In a final order under subsection (c), the commissioner may:

(1) Impose a civil penalty up to one thousand dollars for a single violation or up to ten thousand dollars for more than one violation;

(2) Order a person subject to the order to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct and interest at the rate of eight percent per year from the date of the violation causing the loss or disgorge any profits arising from the violation;

(3) In addition to any civil penalty otherwise provided by law, impose an additional civil penalty not to exceed five thousand dollars for each such violation if the commissioner finds that a person subject to the order has violated any provision of this act and that such violation was committed against an elderly or disabled person. For purposes of this section, the following terms mean:

(A) "Disabled person", a person with a physical or mental impairment that substantially limits one or more of the major life activities of such individual, a record of such impairment, or being regarded as having such an impairment;

(B) "Elderly person", a person sixty years of age or older."

(e) In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

III. CONCLUSIONS OF LAW

Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities

60. Paragraphs 1 through 59 are incorporated by reference as though fully set forth herein.

61. Respondent Meredith offered and sold securities as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2009).

62. 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 the investments offered and sold by Respondent Meredith.

63. Respondent Meredith violated Section 409.3-301, RSMo. (Cum. Supp. 2009), when he offered and sold securities in Missouri without these securities being (1) federal covered securities (2) exempt from registration under Sections 409.2-201 or 409.2-202, RSMo. (Cum. Supp. 2009), or (3) registered under the Missouri Securities Act of 2003.

64. Respondent Meredith's actions in offering and selling securities that were not registered, exempt or a federal covered security constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).

Multiple Violations of Making an Untrue Statement or Omitting to State Material Facts in Connection with the Offer or Sale of a Security

65. Paragraphs 1 through 59 are incorporated by reference as though fully set forth herein.

66. In connection with the offer, sale or purchase of a security, Respondent Meredith 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. that the securities offered or sold were not registered;

b. risks of the investments;

- c. background information for plan managers, directors, officers or other persons having similar status or performing similar functions, including but not limited to, their:
 - i. Principal occupations for the previous five years; or
 - ii. Remuneration received during the previous twelve months and estimated to be received during the next twelve months;
 - d. Respondent Meredith's criminal convictions;
 - e. material contracts or relationships with third parties; or
 - f. performance on prior investments.
67. In connection with the offer, sale or purchase of a security, Respondent Meredith made the following untrue statements of material fact:
- a. that invested funds would be used to develop a Scooter's Coffee House franchise; or
 - b. that invested funds would be repaid in a short period of time.
68. Respondent Meredith violated Section 409.5-501, RSMo. (Cum. Supp. 2009), when, in connection with the offer, sale or purchase of a security, he made untrue statements 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.
69. Respondent Meredith's actions in making untrue statements or omitting to state material facts in connection with the sale of a security constitute an illegal act, practice, or course of business and thus such actions are subject to the commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2009).
70. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2009).

IV. ORDER

NOW, THEREFORE, it is hereby ordered that Respondent Meredith, his 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 409.3-301, RSMo. (Cum. Supp. 2009), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2009), in the State of Missouri unless those securities are registered in accordance with the provisions of Section 409.3-301;
- B. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2009), 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 the statement made, in 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. 2009), 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 Respondent Meredith, for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Meredith 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. 2009), 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 Respondent Meredith for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2009), in a final order, unless Respondent Meredith requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an order of restitution, the Commissioner will determine whether to order Respondent Meredith to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct of Respondent Meredith, and interest at the rate of eight percent per year from the date of the violation causing the loss, or disgorge any profits arising from violations of Sections 409.3-301 and 409.5-501, RSMo. (Cum. Supp. 2009), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), unless Respondent Meredith requests a hearing and shows cause why this restitution or disgorgement 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 the Respondent Meredith in this proceeding, the Commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2009), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondent Meredith requests a hearing and shows cause why such award should not be made.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 28TH DAY OF FEBRUARY, 2011.

ROBIN CARNAHAN
SECRETARY OF STATE

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



State of Missouri
Office of Secretary of State

Case No. AP-11-01

IN THE MATTER OF:

DANIEL MEREDITH d/b/a MEREDITH
CONSTRUCTION and MEREDITH HOLDING,

Respondent.

Serve Daniel Meredith at:
2003 Joy Street
Excelsior Springs, Missouri 64024

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. 2009), 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
600 West Main Street, Room 229
Jefferson City, Missouri, 65102.

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of February, 2011, a copy of the foregoing Order to Cease and Desist in the above styled case was **mailed by Certified U.S. mail to:**

Daniel Meredith
2003 Joy Street
Excelsior Springs, Missouri 64024

And hand-delivered to:

Mary Hosmer
Assistant Commissioner
Missouri Securities Division

John Hale, Specialist