

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: Ryan J. McMillin, Esq.
Attorney for Respondent
6000 N. Oak Trafficway, #301
Kansas City, Missouri 64118

**FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL
PENALTIES, AWARDING COSTS AND TO PAY RESTITUTION**

On October 7, 2011, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), by and through Assistant Commissioner, Mary Hosmer, submitted a Petition for Final Order to Cease and Desist and Payment of Restitution, Civil Penalties, and Costs (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law and order:

PROCEDURAL BACKGROUND

1. On February 22, 2011, 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, Costs, and Restitution Should Not Be Imposed (the "C&D Petition") in the above-styled matter.
2. On February 28, 2011, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties, Costs, and Restitution Should Not Be Imposed against Respondent (the "C&D Order").
3. On April 1, 2011, Ryan J. McMillin submitted an Entry of Appearance and Request for Hearing on behalf of the Respondent.
4. On April 6, 2011, the Commissioner issued an order setting a hearing in this matter for July 6, 2011.
5. On June 24, 2011, the Respondent, through Mr. McMillin, submitted a request for continuance.
6. On June 30, 2011, the Commissioner continued the hearing in this matter to July 27, 2011.
7. On July 26, 2011, the Respondent, through Mr. McMillin, withdrew his request for a hearing on the allegations in this matter, and submitted a Request for Hearing for Fines, Costs, and Restitution.
8. On August 24, 2011, the Commissioner set a hearing to address the imposition of civil penalties, the charging of costs and/or the ordering of restitution for September 27, 2011.
9. On September 26, 2011, the Respondent, through Mr. McMillin, submitted a Request for Continuance of the Hearing on Fines, Costs, and Restitution.
10. On September 28, 2011, the Commissioner continued the hearing in this matter to October 7, 2011.
11. On October 6, 2011, the Respondent, through Mr. McMillin, submitted a stipulation to pay twenty thousand dollars (\$20,000) in a civil penalty, one thousand dollars (\$1,000) as the costs of investigation, and restitution in the amount of one hundred fifteen thousand dollars (\$115,000).
12. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist and Payment of Civil Penalties, Costs, and Restitution.
13. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of ten thousand dollars (\$10,000) against Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009).
14. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty in the amount of ten thousand dollars (\$10,000) against Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2009).

15. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondent to pay the costs of the investigation in this matter in the amount of one thousand dollars (\$1,000).
16. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondent to pay restitution in the amount of one hundred fifteen thousand dollars (\$115,000).

FINDINGS OF FACT

17. The Commissioner adopts and incorporates the Findings of Fact, paragraphs 1 - 52, in the C&D Order.

CONCLUSION OF LAW

18. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 60 - 69, in the C&D Order.
19. 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-11-01 on February 28, 2011, is **FINAL**.
- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) 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 shall deliver this payment to the Securities Division at 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 shall pay a civil penalty in the amount of ten thousand dollars (\$10,000) to the State of Missouri for multiple violations of Section 409.5-501, 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 shall deliver this payment to the Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2009), Respondent shall pay the additional sum of one thousand dollars (\$1,000) as reimbursement for costs of the investigation and administration of this matter. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and paid within thirty (30) days of the date of this Order. Respondent shall deliver this payment to the Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(d)(2), RSMo. (Cum. Supp. 2009), Respondent shall pay restitution in the amount of one hundred fifteen thousand dollars (\$115,000) for the amount of actual damages caused by Respondent's conduct arising from violations of Sections 409.3-301 and 409.5-501, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to those persons referenced in Exhibit A and injured by the acts and violations. This amount shall be paid within thirty (30) days of the date of this Order. Respondent shall deliver this payment to the Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- F. 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 restitution, penalties and costs described in the Order, as necessary. In the event of such referral, priority in collection shall be given to recovery of monies for the restitution ordered under paragraph E, above. Once such collection efforts result in the full satisfaction of paragraph E, priority shall be given to recovery of monies for the civil penalties ordered under paragraphs B and C, above.
- G. 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 13TH DAY OF OCTOBER, 2011.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of October 2011, a copy of the foregoing Final Order to Cease and Desist in the above styled case was **mailed by U.S. mail to:**

Ryan J. McMillin, Esq.
6000 N. Oak Trafficway, #301
Kansas City, Missouri 64118
Attorney for Respondent

John Hale, Specialist