

State of Missouri  
Office of Secretary of State

Case No. AP-12-14

IN THE MATTER OF:

RICHARD CRAIG STITT,

Respondent.

Serve: Richard Craig Stitt at:  
20836 Hall Road Lot 267  
Clinton, Michigan 48038

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

On July 27, 2012, the Enforcement Section of the Securities Division of the Office of Secretary of State ("Enforcement Section"), through the Securities Division's Chief Enforcement Counsel, Kristine Sonnett Kaufflin, and Deputy Enforcement Counsel, Corinne E. Muller, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, 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. Richard Craig Stitt ("Stitt") is a fifty-seven (57) year-old resident of Michigan with a last known mailing address of 20836 Hall Road Lot 267, Clinton Township, Michigan 48038. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Stitt was not registered as a securities agent with the State of Missouri.
2. Liberty Technologies, Inc. ("Liberty"), was a Kansas corporation. Liberty's corporate status with Kansas was forfeited on July 15, 2007. Liberty was registered to do business in Missouri under the name Liberty Technologies Group, Inc. Liberty's corporate status in Missouri was administratively dissolved or revoked as of October 13, 2009. According to records maintained by Missouri's Business Services Division, Stitt was the president, vice president, secretary, treasurer, and the only director on Liberty's board. As used herein, the term "Liberty" refers to Liberty Technologies, Inc., and Liberty Technologies Group, Inc.
3. Stitt Industries Inc., was a Missouri corporation. Stitt Industries Inc., was administratively dissolved or revoked as of January 6, 2000. According to records maintained by Missouri's Business Services Division, Stitt was the incorporator of Stitt Industries Inc.
4. As used herein, the term "Respondent" refers to Stitt.
5. From January 3, 2011, to October 5, 2011, the Enforcement Section interviewed and received documents from a seventy-five (75) year-old Sedalia, Missouri, resident ("MR"), MR's daughter, and an investigator with the Missouri Department of Health and Social Services relating to MR's investments with Stitt and Liberty. A review of this information revealed, among other things, the following:
  - a. in or around late 2007, Stitt and MR met at a social event in Sedalia, Missouri;
  - b. Stitt told MR that MR could invest in Liberty;
  - c. in or around October 2008, MR gave Stitt a check made payable to Liberty in the amount of fifteen thousand dollars (\$15,000) to invest in Liberty;
  - d. Stitt gave MR a preferred stock certificate which set forth, among other things, the following:
    - i. Liberty was a Missouri Corporation;
    - ii. MR was "the record holder of fifteen thousand (15,000) shares of preferred stock of Liberty;"
    - iii. the Liberty preferred stock was to pay a dividend of ten percent (10%) annually, would mature in twelve (12) months, and was automatically renewable for twelve (12) additional months at the same rate; and
    - iv. "The shares represented by this certificate have been acquired for investment and have not been registered under the securities act of 1933. Such shares may not be sold or transferred or pledged in the absence of such

registration unless the company receives an opinion of counsel reasonably acceptable to it stating that such sale or transfer is exempt from the registration and prospectus delivery requirements of said act;"

- e. between October 2008 and August 2010, MR made at least twelve (12) additional investments totaling over forty-four thousand dollars (\$44,000) in Liberty preferred stock, and MR received Liberty preferred stock certificates signed by Stitt as the president and secretary of Liberty;
  - f. MR used funds from MR's bank account, investment accounts and/or certificates of deposit to invest in Liberty;
  - g. Stitt lived with MR at MR's residence from approximately August 2010 through November 2010;
  - h. after November 2010, Stitt visited MR on multiple occasions; on at least one of those occasions, Stitt stayed in a van parked in MR's driveway, and MR paid for Stitt's gasoline because Stitt told MR that Stitt could not afford to pay for gasoline;
  - i. after MR informed Stitt that MR could not invest additional funds, Stitt did not call or visit MR as frequently; and
  - j. as of July 27, 2012, MR has not received any returns on MR's investments with Stitt.
6. On or about July 11, 2011, an investigator with the Enforcement Section contacted a brother of Stitt, and Stitt's brother stated, among other things, that:
- a. in or around 1998, Stitt offered and sold investments in Stitt Industries Inc., to family members of Stitt;
  - b. some of the investments in Stitt Industries Inc., were evidenced by promissory notes; and
  - c. at least some of these promissory notes have not been fully repaid.
7. As part of the Enforcement Section's investigation, a review of Court records revealed among other things, that in July of 1994, Stitt's brother obtained a judgment against Stitt for nonpayment of a promissory note. Stitt v. Stitt, No. 7CV193007184 (Clay County, Mo. 1994), aff'd, (Mo. App. W.D. 1995).
8. On or about July 12, 2011, a Missouri accountant ("PM") responded to the Enforcement Section's request for information regarding Stitt and Liberty. PM stated, among other things, that:
- a. PM performed accounting services for Stitt and Liberty;
  - b. Stitt and Liberty owed PM approximately seventeen thousand dollars (\$17,000) for PM's accounting services;
  - c. in 2009, PM began pursuing collection of Stitt and Liberty's seventeen thousand dollar (\$17,000) debt; and
  - d. Stitt and Liberty have not paid any of PM's outstanding accounting fees.
9. Prior to some or all of MR's investment in Liberty, Stitt failed to disclose to MR, among other things, the following:
- a. that Stitt was not registered to offer and sell securities in the State of Missouri;
  - b. financial information to support the promise of a ten percent (10%) return on MR's investment;
  - c. the risks of the investment;
  - d. how funds obtained from investors would be used;
  - e. that Liberty had outstanding debts for accounting services in the amount of approximately seventeen thousand dollars (\$17,000);
  - f. that Stitt owed money to investors in Stitt Industries Inc.;
  - g. that a judgment was entered against Stitt for nonpayment of a promissory note;
  - h. the financial condition of Liberty; and
  - i. that Liberty's corporate status in Kansas was forfeited in 2007 and that Liberty's corporate status in Missouri was administratively dissolved or revoked in 2009.

## **II. STATUTORY PROVISIONS**

10. Section 409.1-102(1), RSMo. (Cum Supp. 2011), 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."

11. Section 409.1-102(17), RSMo. (Cum. Supp. 2011), defines "Issuer" as "a person that issues or proposes to issue a security . . ."

12. Section 409.1-102(25), RSMo. (Cum. Supp. 2011), defines "Record" as "information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form"

13. Section 409.1-102(26), RSMo. (Cum. Supp. 2011), defines "Sale" as "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value, and 'offer to sell' includes every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."

14. Section 409.1-102(28), RSMo. (Cum. Supp. 2011), 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."

15. Section 409.3-301, RSMo. (Cum. Supp. 2011), 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.

16. Section 409.4-402(a), RSMo. (Cum. Supp. 2011), states:

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (b).

17. Section 409.5-501, RSMo. (Cum. Supp. 2011), 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.

18. Section 409.6-601(a), RSMo. (Cum. Supp. 2011), states:

This act shall be administered by the commissioner of securities who shall be appointed by and act under the direction of the secretary of state, and shall receive compensation as provided by law.

19. Section 409.6-602, RSMo. (Cum. Supp. 2011), states:

(a)The commissioner may:

- (1)Conduct public or private investigations within or outside of this state which the commissioner considers necessary or appropriate to determine whether a person has violated, is violating, or is about to violate this act or a rule adopted or order issued under this act, or to aid in the enforcement of this act or in the adoption of rules and forms under this act;
- (2)Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;
- (3)Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest

and for the protection of investors;

...

(b) For the purpose of an investigation under this act, the commissioner or its designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the filing of statements, and require the production of any records that the commissioner considers relevant or material to the investigation.

20. Section 409.6-604, RSMo. (Cum. Supp. 2011), 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;

(2) Require or permit a person to testify, file a statement, or produce a record, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning a matter to be investigated or about which an action or proceeding is to be instituted;

(3) Publish a record concerning an action, proceeding, or an investigation under, or a violation of, this act or a rule adopted or order issued under this act if the commissioner determines it is necessary or appropriate in the public interest and for the protection of investors;

(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.

21. Section 409.6-605(b), RSMo. (Cum. Supp. 2011), states:

Under this act, a rule or form may not be adopted or amended, or an order issued or amended, unless the commissioner finds that the rule, form, order, or amendment is necessary or appropriate in the public interest or for the protection of investors and is consistent with the purposes intended by this act. In adopting, amending, and repealing rules and forms, section 409.6-608 applies in order to achieve uniformity among the states and coordination with federal laws in the form and content of registration statements, applications, reports, and other records, including the adoption of uniform rules, forms, and procedures.

### **III. CONCLUSIONS OF LAW**

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

22. Paragraphs 1 through 21 are incorporated by reference as though fully set forth herein.
23. A "stock" is enumerated as a security in Section 409.1-102(28), RSMo. (Cum. Supp. 2011). The preferred stock at issue in this matter was a stock and is therefore a security.
24. Respondent Stitt offered and sold MR preferred stock in Liberty. This activity constitutes the offer and sale of securities as those terms are defined in Section 409.1-102(26), RSMo. (Cum. Supp. 2011), in that Respondent Stitt solicited MR to invest in Liberty, MR paid Respondent Stitt funds to invest, and MR received preferred stock certificates evidencing MR's investment in Liberty.
25. At all times relevant, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondent Stitt.
26. Respondent Stitt violated Section 409.3-301, RSMo. (Cum. Supp. 2011), when Respondent Stitt offered and sold securities in Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2011), or (3) registered under the Missouri Securities Act of 2003.
27. MR was over the age of sixty (60) years old and was an elderly person as that term is defined under Section 409.6-604(d)(3) (B), RSMo. (Cum. Supp. 2011), at the time of Respondent Stitt's offer and sale of these securities.
28. Respondent Stitt's actions in offering and selling securities that were not registered, exempt or a federal covered securities 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. 2011).

#### **Multiple Violations of Transacting Business as an Unregistered Agent**

29. Paragraphs 1 through 21 are incorporated by reference as though fully set forth herein.
30. At all times relevant, records maintained by the Commissioner contained no registration or granted exemption for Respondent Stitt to transact business as an agent in the State of Missouri.
31. Respondent Stitt violated Section 409.4-402(a), RSMo. (Cum. Supp. 2011), when Respondent Stitt offered and/or sold securities to an investor in Missouri without being registered or exempt from registration as an agent.
32. MR was over the age of sixty (60) years old and was an elderly person as that term is defined under Section 409.6-604(d)(3) (B), RSMo. (Cum. Supp. 2011), at the time Respondent Stitt transacted business as an unregistered agent.
33. Respondent Stitt's actions in transacting business as an unregistered agent 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. 2011).

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

34. Paragraphs 1 through 21 are incorporated by reference as though fully set forth herein.
35. In connection with the offer, sale or purchase of a security, Respondent Stitt made untrue statements of material fact to MR, regarding some or all of MR's investments, including but not limited to, the statement that Liberty was a Missouri Corporation.
36. In connection with MR's purchase of securities in Liberty, Respondent Stitt 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, among other things, the following:
  - a. that Respondent Stitt and Liberty were not registered to offer and sell securities in the State of Missouri;
  - b. financial information to support the promise of a ten percent (10%) return on MR's investment;
  - c. the risks of the investment;

- d. how funds obtained from investors would be used;
  - e. that Liberty had outstanding invoices payable to PM for accounting services in the amount of approximately seventeen thousand dollars (\$17,000);
  - f. that Respondent Stitt owed money to investors in Stitt Industries Inc.;
  - g. that a judgment was entered against Respondent Stitt for nonpayment of a promissory note;
  - h. the general financial condition of Liberty; and
  - i. that Liberty's corporate status in Kansas was forfeited in 2007 and that Liberty's corporate status in Missouri was administratively dissolved or revoked in 2009.
37. MR was over the age of sixty (60) years old and was an elderly person as that term is defined under Section 409.6-604(d)(3) (B), RSMo. (Cum. Supp. 2011), at the time of Respondent Stitt's actions in making untrue statements and omitting to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading.
38. Respondent Stitt violated 409.5-501, RSMo. (Cum. Supp. 2011), when he made untrue statements and omitted to state material facts necessary in order to make statements made in light of the circumstances under which they were made, not misleading.
39. Respondent Stitt's actions in making untrue statements and omitting to state material facts constitute an illegal act, practice, or course of business and such actions are subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2011).
40. 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. 2011).

#### **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 be prohibited from:

- A. violating Section 409.3-301, RSMo. (Cum. Supp. 2011), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2011), 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 409.3-301;
- B. violating Section 409.4-402(a), RSMo. (Cum. Supp. 2011), by transacting business as an unregistered agent; and
- C. violating Section 409.5-501, RSMo. (Cum. Supp. 2011), 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 light of the circumstances under which they are made, not misleading.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), 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 Stitt for violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Stitt 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)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to five thousand dollars (\$5,000) against Respondent Stitt for violation of Section 409.3-301, RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent Stitt 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. 2011), 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 Stitt for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Stitt 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)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to five thousand dollars (\$5,000) against Respondent Stitt for violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent Stitt 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. 2011), 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 Stitt for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Stitt 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)(3)(B), RSMo. (Cum. Supp. 2011), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to five thousand dollars (\$5,000) against Respondent Stitt for violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent Stitt 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 Stitt to pay restitution for any loss, possibly to include the amount of any actual damages that may have been caused by the conduct of Respondent Stitt, and interest at the rate of eight percent (8%) per year from the date of the violation causing the loss, or disgorge any profits, arising from the violation of Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2011), after review of evidence submitted by the Enforcement Section, in a final order, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2011), unless Respondent Stitt requests a hearing and shows cause why this restitution and 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 Respondent Stitt in this proceeding, the commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2011), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondent Stitt 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 31<sup>ST</sup> DAY OF JULY, 2012.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

State of Missouri  
Office of Secretary of State

Case No. AP-12-14

IN THE MATTER OF:

RICHARD CRAIG STITT,

Respondent.

Serve: Richard Craig Stitt at:  
20836 Hall Road Lot 267  
Clinton, Michigan 48038

**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. 2011), 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 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  
600 West Main Street, Room 229  
Jefferson City, Missouri 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 31<sup>st</sup> day of July, 2012, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was **mailed by Certified U.S. mail to:**

Richard Craig Stitt  
20836 Hall Road Lot 267  
Clinton, Michigan 48038

**And via hand-delivery to:**

Kristine Sonnett Kauffin  
Chief Enforcement Counsel  
Missouri Securities Division

**and to:**

Corinne E. Muller  
Deputy Enforcement Counsel  
Missouri Securities Division

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John Hale, Specialist