

State of Missouri  
Office of Secretary of State

Case No. AP-12-32

IN THE MATTER OF:

PIF FINANCIAL SERVICES, LLC;  
PREMIER MORTGAGE SOLUTIONS, LLC;  
MICHAEL KITCHEN; DANIEL P. HANCE, SR.;  
DION MONROE; SHANNON R. INGRAM; and  
GARLANDA KITCHEN,

Respondents.

Serve: PIF Financial Services, LLC at:  
60 Gailwood Drive  
Saint Peters, Missouri 63376

Premier Mortgage Solutions, LLC at:  
60 Gailwood Drive, Suite A  
Saint Peters, Missouri 63376

Michael Kitchen at:  
220 Walden Court  
Eureka, Missouri 63025-1130

Daniel P. Hance, Sr. at:  
1968 Graystone Drive  
Saint Charles, Missouri 63303-4662

Dion Monroe at:  
16124 West 83rd Terrace  
Lenexa, Kansas 66219

Shannon R. Ingram at:  
9106 West 78th Street  
Overland Park, Kansas 66204-2503

Garlanda Kitchen at:  
1052 Grand Teton Apt #7  
Saint Peters, Missouri 63376

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

On December 5, 2012, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through the Assistant Commissioner Mary S. Hosmer, 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. PIF Financial Services, LLC ("PIF"), is a Missouri limited liability company that was formed on September 12, 2008, and has an address of 1555 Kisker Road, Saint Peters, Missouri 63304. Michael Kitchen ("Kitchen") is the registered agent of PIF with an address of 60 Gailwood Drive, Saint Peters, Missouri 63376.
2. Premier Mortgage Solutions, LLC ("PM Solutions"), is a Missouri limited liability company that was formed on March 2, 2005, and has an address of 5 Novella Drive, Saint Peters, Missouri 63376. Cheryl Gourley is the registered agent of PM Solutions with an address of 60 Gailwood Drive, Suite A, Saint Peters, Missouri 63376.
3. Kitchen was an organizer of PIF and PM Solutions and purports to be the president of PIF. Kitchen has an address of 220 Walden Court, Eureka, Missouri 63025-1130.

4. Daniel P. Hance, Sr. ("Hance") was an organizer of PIF. Hance has an address of 1968 Graystone Drive, Saint Charles, Missouri 63303. A check of records maintained by the Missouri Department of Insurance, Financial Institutions & Professional Registration ("DIFP") indicates that Hance holds an active Missouri insurance producer license, DIFP number 0101956.
5. Brian Whitney ("Whitney") was an organizer of PIF. Whitney has an address of 220 Walden Court, Eureka, Missouri 63025.
6. Dion Monroe ("Monroe") purported to be an agent of PIF. Monroe has an address of 16124 West 83rd Terrace, Lenexa, Kansas 66219.
7. Shannon R. Ingram ("Ingram") purported to be an agent of PIF. Ingram has an address of 9106 West 78th Street, Overland Park, Kansas 66204-2503.
8. Garlanda Kitchen ("G. Kitchen") is Kitchen's wife and purported to be a representative of PM Solutions. G. Kitchen has an address of 1052 Grand Teton Apt #7, Saint Peters, Missouri 63376.
9. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no record of registration as a broker-dealer agent, investment adviser representative or issuer agent for Kitchen, Hance, Monroe, or Ingram.
10. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no registration, granted exemption or notice filing indicating status as a "federal covered security" for any securities issued by PIF and/or Kitchen.
11. As used herein, the term "Respondents" refers to PIF, PM Solutions, Kitchen, Hance, Monroe, Ingram, and G. Kitchen.
12. From February to November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from Hance, a fifty-eight (58) year-old resident of Wentzville, Missouri regarding PIF. In October 2012, Hance appeared before representatives of the Enforcement Section for an on-the-record examination ("Hance OTR"). A review of this information revealed, among other things, the following:
  - a. on or before 2008, Hance and Kitchen agreed to work together to generate leads for Kitchen's mortgage company and Hance's insurance agency. To generate these leads, Hance gave Kitchen over sixty thousand dollars (\$60,000);
  - b. when Hance and his insurance agency experienced financial difficulties, Kitchen told Hance that Kitchen was a "trader" and that Hance could participate in trading platform programs ("Trading Programs") through Kitchen;
  - c. Kitchen told Hance, among other things, that:
    - i. Hance could recruit individuals to participate in the Trading Programs and Hance would earn ten percent (10%) of any funds these individuals invested;
    - ii. Kitchen would pool investor funds to invest in the Trading Programs;
    - iii. Kitchen invested funds "through a trader." The trader would invest these funds in private placements, security bonds and/or treasury notes; and
    - iv. Kitchen was making in excess of one hundred and sixty thousand dollars (\$160,000) a month through the Trading Programs;
  - d. Hance, Whitney, and Kitchen formed PIF to conduct trading through the Trading Programs;
  - e. Kitchen provided Hance with a private placement programs document ("PPP Document") that explained the Trading Programs;
  - f. Hance brought four (4) investors to Kitchen and PIF. These four individuals invested in excess of ninety thousand dollars (\$90,000) in Trading Programs through Kitchen and PIF;
  - g. Hance received twenty thousand dollars (\$20,000) from Kitchen through a PIF account located at Bank of America in St. Peters, Missouri ("PIF Bank Account"). At least some of these funds were paid to Hance for recruiting investors to participate in the Trading Programs through PIF; and
  - h. Hance received in excess of forty thousand dollars (\$40,000) from Kitchen and/or G. Kitchen through a PM Solutions bank account located at National City Bank in St. Charles, Missouri ("PM Bank Account"). At least some of these funds were paid to Hance for recruiting investors to participate in the Trading Programs through PIF.
13. In September 2012, the Enforcement Section obtained a copy of the PPP Document that Kitchen provided to Hance. The

PPP Document stated, among other things, the following:

- a. all of the Trading Programs “are conducted under the specific guidelines set up by the International Chamber of Commerce” (“ICC”);
  - b. through the Trading Programs investors “have the opportunity to earn exceptionally high and safe profit yields;”
  - c. there was no risk of losing investment funds because these funds were blocked and would not be “moved, transferred or withdrawn;”
  - d. the Trading Programs’ directors “put up their own . . . funds equivalent to the . . . blocked funds . . . for trading purposes;”
  - e. the Trading Programs trade negotiable bank instruments that “are debt obligations of *the top one hundred (100) world banks*” (emphasis added);
  - f. the “international trading of these banking instruments is a privileged and highly lucrative profit source for participating banks;”
  - g. these money-making opportunities have been available “for fifty years to qualified European Investors through ICC-affiliated banks;”
  - h. “virtually every contract involving one of these *high-yield bank instruments* contains explicit language forbidding the contracted parties from disclosing any aspect of the transactions for a period of five years” (emphasis added); and
  - i. “your local [bank] branch manager has absolutely no knowledge of [the programs] and may even deny their existence.”
14. The United States Securities and Exchange Commission (“SEC”) and other state and federal agencies have issued numerous investor warnings about high-yield investment schemes. The SEC website as of November 27, 2012 stated, among other things, the following:

These fraudulent schemes involve the purported issuance, trading, or use of so-called ‘prime’ bank, ‘prime’ European bank or ‘prime’ world bank financial instruments, or other ‘high yield investment programs’ (‘HYIP’s). The fraud artists who promote these schemes often use the word ‘prime’ – or a synonymous phrase, such as ‘top fifty world banks’ – to cloak their programs with an air of legitimacy. They seek to mislead investors by suggesting that well regarded and financially sound institutions participate in these bogus programs. But prime bank and other related schemes have no connection whatsoever to the world’s leading financial institutions or to banks with the word ‘prime’ in their names. The Securities and Exchange Commission and other federal and state agencies are continuing to warn investors about these scams.

15. From July through November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, Monroe, a fifty (50) year-old Lenexa, Kansas resident. Monroe recruited individuals to invest in the Trading Programs. A review of this information revealed, among other things, the following:
- a. Monroe worked in the mortgage business with Kitchen;
  - b. Kitchen told Monroe that Kitchen was a “facilitator” for a “private platform trading” investment program;
  - c. Kitchen told Monroe, among other things, that:
    - i. the private platform trading involved giving funds to a trader that would leverage bank notes; and
    - ii. there was little risk because the investment money would be held in a trust account by the trader;
  - d. Monroe referred approximately seven (7) other individuals to Kitchen to invest in the Trading Programs;
  - e. the individuals Monroe referred to Kitchen invested in excess of six hundred thousand dollars (\$600,000) in the Trading Programs with Kitchen and PIF;
  - f. Monroe received a “finder’s fee” of approximately sixty thousand dollars (\$60,000) for bringing investors to the Trading Programs through Kitchen and PIF; and
  - g. after Monroe referred others to the Trading Programs, Kitchen sent Monroe a copy of a letter from Bank of America that stated that a PIF account at Bank of America had in excess of eight hundred million dollars (\$800,000,000) in the account but that these funds were frozen by the SEC because the trader had invested in illegal bank notes.

16. In November 2012, an investigator with the Enforcement Section spoke to Ingram, a thirty-four (34) year-old Kansas resident. Ingram stated, among other things, the following:

- a. Ingram had worked with Monroe;
- b. Monroe and Kitchen told Ingram about a platform trading program that was short term and would pay investors a return in approximately thirty (30) days;
- c. Kitchen told Ingram that Ingram would receive a “finder’s fee” for referring others to the program;
- d. Ingram referred five (5) or six (6) individuals to the Trading Programs through Kitchen;
- e. the investors Ingram referred to the Trading Programs invested in excess of one hundred thousand dollars (\$100,000) with Kitchen; and
- f. Ingram received approximately four thousand dollars (\$4,000)<sup>[1]</sup> from Kitchen for referring investors to the Trading Programs.

17. From July 2012 to November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, a forty-nine (49) year-old Desloge, Missouri resident (“MR1”) who invested with PIF and Kitchen. A review of this information revealed, among other things, the following:

- a. in 2008, MR1 learned about PIF and Kitchen from Hance;
- b. Hance introduced MR1 to Kitchen. Kitchen told MR1, among other things, that:
  - i. investment funds would be pooled with funds from other investors;
  - ii. the pooled funds would be invested with a trader;
  - iii. there were no risks associated with the investment;
  - iv. invested funds were protected by an insurance policy that Kitchen had obtained; and
  - v. Kitchen and PIF had made several successful investments through the Trading Programs;
- c. on August 25, 2008, MR1 signed a one-page compensation agreement with Kitchen and PIF;
- d. this compensation agreement stated, among other things, that:

“This agreement is between [PIF] and [MR1]. This agreement, dated August 25, 2008, does hereby supersede any and all previous agreements whether verbal or in writing. [MR1] does hereby agree to deposit with PIF a minimum sum of \$15,000.00. PIF will accept the funds as an interest in a joint venture and will repay to [MR1] a minimum sum of the initial deposit, up to a total of \$150,000.00. PIF expects to be able to do this within 30 days after the joint venture begins. PIF retains the right to pay to [MR1] the funds sooner than 30 days.”

- e. on August 26, 2008, MR1 sent fifteen thousand dollars (\$15,000) via wire transfer to the PM Bank Account for an investment in PIF;
- f. MR1 had no duties with respect to the joint venture with PIF and Kitchen. MR1 did not speak to anyone on behalf of the joint venture and had no control over the joint venture, the funds acquired by the joint venture, or what products the joint venture would purchase;
- g. in early 2010, MR1 requested information from Kitchen about MR1’s investment. Kitchen told MR1 that MR1 did not get paid because an investor filed for bankruptcy and, therefore, no one could get paid;
- h. on or after April 4, 2010, MR1 demanded a refund of MR1’s investment with Kitchen and PIF; and
- i. as of November 2012, MR1 has not received any return on MR1’s investment with Kitchen or PIF, and MR1 has not received a refund of MR1’s investment with Kitchen or PIF.

18. Between July and November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, a thirty-three (33) year-old Mooresville, North Carolina resident (“NC1”) who invested with PIF and

Kitchen. A review of this information revealed, among other things, the following:

- a. in October 2008, while residing in the State of California, NC1 learned of the Trading Programs from a co-worker;
  - b. on October 14, 2008, NC1 received a telephone call from Hance and Kitchen. During this call, Kitchen told NC1, among other things, the following:
    - i. investor funds would be placed in government bonds;
    - ii. Kitchen had made this type of investment before and it was “foolproof;” and
    - iii. there were no risks associated with the investment;
  - c. on October 14, 2008, NC1 signed a one-page compensation agreement with Kitchen and PIF;
  - d. this compensation agreement stated, among other things, that the funds were in a joint venture and that PIF would repay NC1 up to one hundred thousand dollars (\$100,000) in thirty (30) days;
  - e. on October 20, 2008, NC1 sent twenty thousand dollars (\$20,000) to Kitchen via wire transfer to the PM Bank Account for an investment in PIF;
  - f. NC1 had no duties with respect to the joint venture with PIF and Kitchen. NC1 did not speak to anyone on behalf of the joint venture and had no control over the joint venture, the funds acquired by the joint venture, or what products the joint venture would purchase;
  - g. on February 13, 2009, NC1 received an email from Kitchen providing a “status report.” The email stated, among other things, the following:
    - i. Kitchen was meeting in New York with “the trader” and was “getting the contracts signed;”
    - ii. “[w]e are expecting the payouts to begin in the next couple of weeks;” and
    - iii. “[t]hanks for being patient and I do intend to give you more than we agreed to for your trouble;” and
  - h. as of November 2012, NC1 has not received any return on NC1’s investment with Kitchen or PIF, and NC1 has not received a refund of NC1’s investment with Kitchen or PIF.
19. Between September and November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, an eighty (80) year-old Saint Joseph, Missouri resident (“MR2”) who invested with PIF and Kitchen. A review of this information revealed, among other things, the following:
- a. MR2 contacted Ingram regarding raising funds for a business;
  - b. Ingram told MR2 about an investment with Kitchen. Ingram stated, among other things, the following:
    - i. the investment was in foreign money exchange;
    - ii. the minimum investment was one hundred thousand dollars (\$100,000);
    - iii. MR2’s initial investment amount would never be at risk because it was guaranteed;
    - iv. the parties had made a previous investment and had earned “big bucks;” and
    - v. the investment was “almost too good to be true” and MR2 “had to invest before time ran out;”
  - c. on November 4, 2008, MR2 signed a one-page compensation agreement with Kitchen and PIF;
  - d. this compensation agreement stated, among other things, that the funds were in a joint venture and PIF would repay MR2 up to six million dollars (\$6,000,000) in sixty (60) days;
  - e. between October 28, 2008 and October 31, 2008, MR2 sent one hundred thousand dollars (\$100,000) via three (3) wire transfers to the PM Bank Account for an investment with Kitchen and PIF;
  - f. MR2 had no duties with respect to the joint venture with PIF and Kitchen. MR2 did not speak to anyone on behalf of the joint venture and had no control over the joint venture, the funds acquired by the joint venture, or what products the

joint venture would purchase;

g. in late 2010 or early 2011, MR2 asked for a refund of MR2's investment with Kitchen and PIF; and

h. as of November 2012, MR2 has not received any return on MR2's investment with Kitchen or PIF, and MR2 has not received a refund of MR2's investment with Kitchen or PIF.

20. Between July and November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, a forty (40) year-old Garden City, Utah resident ("UR1") who invested with PIF and Kitchen. A review of this information revealed, among other things, the following:

a. in the fall of 2008, UR1 learned about an investment with Monroe, Kitchen, and PIF. UR1 talked with Kitchen and Monroe by telephone. During this telephone call, Kitchen and Monroe told UR1, among other things, the following:

i. the investment money was to be used in a "multi-level trade platform;"

ii. there were no risks associated with the investment;

iii. investment funds were deposited into a protected bank account; and

iv. Kitchen had an insurance policy in case the trade failed;

b. in the fall of 2008, Kitchen sent UR1 a letter that purported to be from Wachovia Bank dated October 20, 2008 (the "2008 Wachovia Letter"). The 2008 Wachovia Letter stated that PIF had an account at Wachovia Bank that had in excess of ten million dollars (\$10,000,000) in that account. The 2008 Wachovia Letter was signed by John Amato as branch manager of the Egg Harbor City, New Jersey, Wachovia bank. Kitchen stated to UR1 that UR1's money would be deposited and would remain in PIF's Wachovia account;

c. on November 14, 2008, UR1 signed a one-page compensation agreement with Kitchen and PIF;

d. this compensation agreement stated, among other things, that the funds were in a joint venture and that PIF would repay UR1 up to four million dollars (\$4,000,000) within forty-five to sixty (45-60) days;

e. on November 14, 2008, UR1 invested one hundred thousand dollars (\$100,000) via wire transfer to the PM Bank Account for an investment in PIF;

f. UR1 had no duties with respect to the joint venture with PIF and Kitchen. UR1 did not speak to anyone on behalf of the joint venture and had no control over the joint venture, the funds acquired by the joint venture, or what products the joint venture would purchase;

g. in late 2008 or early 2009, Monroe and Kitchen met with UR1 and another investor in Utah to discuss the investment;

h. at this meeting, Kitchen offered to refund UR1's initial investment, but Kitchen showed UR1 a bank statement for PIF that indicated UR1's money was still safe;

i. UR1 believed that this bank statement indicated that UR1's initial investment was not at risk, so UR1 did not request a refund from Kitchen and PIF. UR1 agreed to allow Kitchen to continue trading with UR1's investment funds;

j. on or after December 2009, UR1 demanded a refund of UR1's investment funds from Kitchen;

k. Kitchen sent UR1 a copy of a December 28, 2009 letter on Bank of America letterhead<sup>[2]</sup> (the "2009 BOA Letter");

l. the 2009 BOA Letter stated, among other things, that:

i. PIF had an account at Bank of America;

ii. the PIF account at Bank of America had a balance in excess of eight hundred forty million dollars (\$840,000,000);

iii. these funds would be available immediately upon "receiving the release codes from the (SEC) US Government [sic];"

iv. Bank of America had a "standing order to return upon funding, the initial sum of \$30,000,000.00 to Michael Kitchen, President of [PIF];" and

- v. Bank of America was to disburse the remaining funds to the accounts as provided on “the day of release;” and
  - m. as of November 2012, UR1 has not received any return of UR1’s investment with Kitchen or PIF, and UR1 has not received a refund of UR1’s investment with Kitchen or PIF.
21. From February 2012 to November 2012, an investigator with the Enforcement Section spoke to, and received emails and documentation from, a fifty-three (53) year-old Eureka, Missouri resident (“MR3”) who invested with PIF and Kitchen. A review of this information revealed, among other things, the following:
- a. in April 2009, Hance told MR3 about an investment opportunity through PIF and Kitchen;
  - b. Hance introduced MR3 to Kitchen. Kitchen told MR3 that:
    - i. MR3 could participate in an investment opportunity through Kitchen and PIF;
    - ii. Kitchen was a “licensed investor;”
    - iii. Kitchen would pool MR3’s investment funds with other investors;
    - iv. Kitchen would invest the funds in a trading platform;
    - v. the total amount invested in the trading platform was to be one hundred and fifty thousand dollars (\$150,000);
    - vi. the trading platform invested in security bonds;
    - vii. there were no risks in the investment;
    - viii. the investment was “a sure thing;” and
    - ix. MR3 would receive up to four hundred thousand dollars (\$400,000) within seven (7) weeks;
  - c. on April 16, 2009, MR3 signed a joint venture agreement with Kitchen who signed as president of PIF;
  - d. the joint venture agreement stated, among other things, that:
    - i. supplied funds would be used “TO PURCHASE AAA RATED BANK ISSUED SECURED NEGOTIABLE INSTRUMENTS TO BE USED AS COLLATERAL FOR THIRD PARTY BANK TO ISUUE [sic] LOAN AGAINST IT AND REPEAT THE PROCESS UNTIL IT REACHES 500 MILLION DOLLARS” (emphasis in original); and
    - ii. MR3 and Kitchen would share any profits;
  - e. on April 16, 2009, MR3 invested forty thousand dollars (\$40,000) with Kitchen and PIF via personal check made payable to PIF;
  - f. MR3 had no duties with respect to the joint venture with PIF and Kitchen. MR3 did not speak to anyone on behalf of the joint venture and had no control over the joint venture, the funds acquired by the joint venture, or what products the joint venture would purchase;
  - g. in early 2010, MR3 contacted Kitchen about the delays in receiving a return on MR3’s funds. Kitchen told MR3, among other things, that:
    - i. the original investment “dried up;”
    - ii. Kitchen invested MR3’s funds with a trader in a large pool of investors overseas; and
    - iii. Kitchen would not provide MR3 the name of the trader Kitchen used;
  - h. in January 2010, Kitchen emailed MR3 a copy of the 2009 BOA Letter;
  - i. on August 24, 2010, Kitchen emailed MR3 a copy of a purported joint venture agreement dated October 13, 2008 (“2008 JVA”), between Kitchen and a London company that Kitchen indicated was a partner (“London Partner”)<sup>[3]</sup> of PIF;
  - j. the 2008 JVA stated, among other things, that:

- i. PIF and the London Partner were entering into a “series of financial transactions of a Private Placement Investment Trade Program in the United States or Europe through a *Prime Top 25 Bank*, Western European Branch” (emphasis added);
    - ii. PIF agreed to “provide cash funds in the amount of Thirty Million United States Dollars (30,000,000.00 USD) . . . in . . . the trade account for the purposes of buy/sell [sic] and or HYIP (High Yield Investment Programs);”
    - iii. the London Partner agreed to “provide its expertise and banking relationships to purchase financial instruments suitable for HYIP;” and
    - iv. the parties were to “maintain CONFIDENTIALITY for a period no less than (5) five years” (emphasis in original);
  - k. in August 2010, MR3 received an email from Kitchen relating to the Trading Program. In this email Kitchen stated, among other things, the following:

“Your money was in this trade but because of the agreements and the fact that I am not the only party in the litigation, I will not be allowed to give you the requested information. The trade is between me and the trader. You are not a party to the trade. You and I have an agreement (Joint Venture) that would allow you to be a recipient of the proceeds that I would make on the trade . . . I am sorry that this had not worked out to our benefit yet;” and
  - l. as of November 2012, MR3 has received less than two thousand dollars (\$2,000) from Kitchen and PIF. MR3 has received no additional funds and has not received a refund of MR3’s investment with Kitchen or PIF.
22. On July 27, 2012, a representative of the Enforcement Section contacted Bank of America regarding the 2009 BOA Letter.
  23. On August 16, 2012, Mike Plante, Vice President and Senior Investigator at Bank of America, sent a letter to the Enforcement Section that stated, among other things, that “Bank of America has reviewed the supplied document dated December 28, 2009 pertaining to the account of PIF Financial Services, LLC. Bank of America has determined that the document supplied is fraudulent and was not issued by Bank of America.”
  24. On September 13, 2012, a representative of the Enforcement Section contacted Wells Fargo regarding the 2008 Wachovia Letter.
  25. On October 12, 2012, Ryan Danner, Vice President at Wells Fargo External Fraud Investigations, sent a letter to the Enforcement Section that stated, among other things, that after a search Wells Fargo was unable to locate any accounts in the name of PIF with Kitchen as a signatory. In addition, Mr. Danner stated that Wells Fargo was unable to locate any employment records for the branch manager listed on the Wachovia Letter. Mr. Danner ended by stating that, “I believe the information on the [the 2008 Wachovia Letter] is false.”
  26. From February to October 2012, representatives of the Enforcement Section spoke to, and received information from Kitchen. A review of this information revealed, among other things, the following:
    - a. Kitchen was the owner of PIF;
    - b. other individuals helped organize PIF, but Kitchen was the main representative of PIF;
    - c. PIF was not currently in business;
    - d. Kitchen did not solicit any person to invest in PIF;
    - e. Kitchen was the only person who invested through PIF;
    - f. Kitchen received money from other individuals for the purpose of making money;
    - g. these individuals signed joint venture agreements;
    - h. Kitchen pooled the money from other individuals with Kitchen’s own money to make an investment that was controlled by a third party;
    - i. Kitchen sent a money order to the third party for the investment;
    - j. Kitchen would not provide the name of the third party to the Enforcement Section;

- k. the third party invested in, among other things, an oil rig and a gold mine;
  - l. Kitchen had not received any return or refund from the investment with the third party;
  - m. Kitchen would repay the other individuals who put money into PIF when Kitchen had the funds to repay them; and
  - n. Kitchen received approximately fifty thousand dollars (\$50,000) from other individuals through PIF.
27. On November 21, 2012, G. Kitchen spoke to representatives of the Enforcement Section and on November 26, 2012, G. Kitchen appeared before representatives of the Enforcement Section for an on-the-record examination ("G. Kitchen OTR"). During these interviews, G. Kitchen stated, among other things, the following:
- a. G. Kitchen and Kitchen are husband and wife and are currently separated;
  - b. G. Kitchen and Kitchen operated mortgage businesses together until 2008, when the last of these mortgage businesses was sold;
  - c. G. Kitchen opened the PM Bank Account in May 2008;
  - d. G. Kitchen had signatory authority over the PM Bank Account;
  - e. Kitchen handled all of the finances for PM Solutions and G. Kitchen wrote checks from the PM Bank Account as directed by Kitchen;
  - f. G. Kitchen did not review the statements from the PM Bank Account;
  - g. Kitchen told G. Kitchen, among other things, that:
    - i. PIF investor funds were wired and/or deposited into the PM Bank Account because the funds could not be "commingled;"
    - ii. the money from investors in PIF would be pooled and these funds would be invested with "traders;" and
    - iii. "the less you know [about PIF] the better [off] you are;"
  - h. G. Kitchen did not know who these PIF traders were;
  - i. G. Kitchen did not talk to investors about the Trading Programs;
  - j. G. Kitchen did not know the amount of money that was wired and/or deposited into the PM Bank Account from PIF investors;
  - k. G. Kitchen knew that Kitchen was writing checks on the PM Bank Account and signing G. Kitchen's name to these checks;
  - l. G. Kitchen identified numerous checks that were signed "Garlanda Kitchen" that G. Kitchen had not signed. G. Kitchen identified the handwriting on these checks as Kitchen's handwriting;
  - m. G. Kitchen and/or Kitchen wrote checks from the PM Bank Account to Hance and Monroe;
  - n. G. Kitchen had never seen the 2008 Wachovia Letter or the 2009 BOA Letter;
  - o. Kitchen directed G. Kitchen to wire the funds from the PM Bank Account to other entities;
  - p. G. Kitchen believed that these entities were to invest funds for PIF;
  - q. at least some of the funds from the PM Bank Account were used to buy cars for Kitchen, G. Kitchen, and Kitchen's son;
  - r. at least some of the funds from the PM Bank Account were used to pay for rent on the Kitchens' home located in St. Peters, Missouri; and
  - s. twenty thousand dollars (\$20,000) was paid to Kitchen's sister and brother-in-law who were experiencing financial difficulties.

28. A review of the bank records revealed that investors wired and/or deposited in excess of four hundred thousand dollars (\$400,000) into the PIF Bank Account. Kitchen used these investor funds, among other things, to:
- a. wire one hundred twenty thousand dollars (\$120,000) to a title company in California;
  - b. purchase or lease personal vehicles in excess of fifty thousand dollars (\$50,000);
  - c. obtain cash in excess of thirty-five thousand dollars (\$35,000);
  - d. purchase pet supplies in excess of ten thousand dollars (\$10,000); and
  - e. pay in excess of forty thousand dollars (\$40,000) for entertainment, meals, department stores and other personal expenses of Kitchen, that, upon information and belief, appear to be unrelated to trading in private placements.
29. A review of the bank records revealed that investors in the Trading Programs deposited and/or wired in excess of four hundred thousand dollars (\$400,000) into the PM Bank Account. Investor funds from the PM Bank Account were used by Kitchen and/or G. Kitchen, among other things, to:
- a. pay ninety thousand dollars (\$90,000) to PIF;
  - b. pay in excess of sixty-five thousand dollars (\$65,000) to Monroe;
  - c. pay in excess of forty thousand dollars (\$40,000) to Hance;
  - d. pay rent on the Kitchens' home and businesses in excess of twenty-five thousand dollars (\$25,000);
  - e. pay twenty thousand dollars (\$20,000) to Kitchen's sister and brother-in-law;
  - f. pay in excess of twenty thousand dollars (\$20,000) for automobiles; and
  - g. pay cash withdrawals and other expenses in excess of one hundred thousand dollars (\$100,000), that, upon information and belief, appear to be unrelated to trading in private placements. This amount included checks payable to G. Kitchen in excess of seventy thousand dollars (\$70,000).

## **II. STATUTORY PROVISIONS**

30. 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."
31. Section 409.1-102(17), RSMo. (Cum Supp. 2011), defines "Issuer" as "a person that issues or proposes to issue a security . . ."
32. 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"
33. 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."
34. 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. The term . . . (D)Includes as an 'investment contract' an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the

fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors; and

(E) May include as an 'investment contract', among other contracts, an interest in a limited partnership and a limited liability company and an investment in a viatical settlement or similar agreement . . . .”

35. 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.

36. 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).

37. Section 409.4-402(d), RSMo. (Cum. Supp. 2011), states:

It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

38. 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.

39. 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.

40. 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.

41. 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 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.

(d) 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..

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

that an order may not be issued or amended . . . unless the commissioner finds that the . . . 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.

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

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

43. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.

44. Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe, and Respondent Ingram offered and sold a security as those terms are defined in Sections 409.1-102(26) and (28), RSMo. (Cum. Supp. 2011).

45. An "investment contract" is enumerated in the list of items that are securities in Section 409.1-102(28), RSMo. (Cum. Supp. 2011). The investments Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe, and Respondent Ingram offered and sold are investment contracts, in that:

- a. MR1, MR2, MR3, NC1, and UR1 invested funds with PIF and Kitchen;
- b. investor funds were pooled by PIF and Kitchen;
- c. Kitchen and PIF were to invest the pooled funds and generate a profit;
- d. the investors expected a profit from the efforts of PIF and Kitchen and not from the investors' own efforts;
- e. the investors' expected profits were interwoven with and dependent upon the efforts of PIF and Kitchen; and
- f. the investors had no realistic management authority over the joint venture and no reasonable alternative but to rely on

the purported expertise of PIF and Kitchen. The investors did not speak to anyone on behalf of the joint venture, had no control over the joint venture, and did not direct how the joint venture funds would be invested.

46. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe, and Respondent Ingram.
47. Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe, and Respondent Ingram violated Section 409.3-301, RSMo. (Cum. Supp. 2011), when they offered and sold securities in or from 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.
48. MR2 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 PIF's, Kitchen's, and Ingram's offer and sale of a security to MR2.
49. The actions of Respondents PIF, Kitchen, Hance, Monroe, and Ingram 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. 2011).

#### **Materially Aiding the Offer and Sale of Unregistered Securities**

50. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.
51. Respondent PIF and Respondent Kitchen violated Section 409.3-301, RSMo. (Cum. Supp. 2011), on multiple occasions when they 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.
52. Respondent PM Solutions and Respondent G. Kitchen materially aided Respondent PIF and Respondent Kitchen's violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), by among other things, the following:
  - a. opening a PM Bank Account;
  - b. allowing PIF investors to deposit and/or wire funds into the PM Bank Account;
  - c. allowing G. Kitchen and/or Kitchen to write checks from the PM Bank Account to PIF agents Hance, and Monroe;
  - d. allowing Kitchen to write checks and sign G. Kitchen's name to checks from the PM Bank Account;
  - e. allowing Kitchen to withdraw cash from the PM Bank Account; and/or
  - f. allowing G. Kitchen and/or Kitchen to write checks from the PM Bank Account made payable to G. Kitchen in excess of seventy thousand dollars (\$70,000).
53. Respondent PM Solutions and Respondent G. Kitchen violated Section 409.3-301, RSMo. (Cum. Supp. 2011), by materially aiding Respondent PIF and Respondent Kitchen in the violations of the same Section as described in paragraphs 44 – 48, above.
54. Respondent PM Solutions' and Respondent G. Kitchen's actions in materially aiding Respondent PIF and Respondent Kitchen 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. 2011).

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

55. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.
56. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondents Kitchen, Hance, Monroe, and Ingram were not registered as securities agents in the State of Missouri.
57. Respondents Kitchen, Hance, Monroe, and Ingram violated Section 409.4-402(a), RSMo. (Cum. Supp. 2011), when they offered and/or sold securities in or from Missouri without being registered or exempt from registration as an agent.
58. MR2 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 Respondents Kitchen and Ingram transacted business as unregistered agents in Missouri.

59. The actions of Respondents Kitchen, Hance, Monroe, and Ingram in transacting business as unregistered agents 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 Employing an Unregistered Agent**

60. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.
61. Respondent PIF employed Respondents Kitchen, Hance, Monroe, and Ingram who transacted business on behalf of Respondent PIF. These activities constitute transacting business in the State of Missouri.
62. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent PIF had no registration or granted exemption for any agents of Respondent PIF to transact business in the State of Missouri.
63. Respondent PIF violated Section 409.4-402(d), RSMo. (Cum. Supp. 2011), when it employed unregistered agents who transacted business in the State of Missouri.
64. MR2 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 PIF employed unregistered agents who transacted business in the State of Missouri.
65. Respondent PIF's action of employing unregistered agents who transacted business in Missouri 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, Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security**

66. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.
67. In connection with the offer, sale or purchase of a security Respondent PIF and Respondent Kitchen made untrue statements of material fact to MR1, MR2, MR3, NC1, UR1, Hance and/or Monroe, including that:
- a. Kitchen was making in excess of one hundred and sixty thousand dollars (\$160,000) a month through the Trading Programs; and/or
  - b. there were no risks associated with the investment.
68. In connection with the offer, sale or purchase of a security Respondent PIF and Respondent Kitchen 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:
- a. that Kitchen was not registered to offer and/or sell securities;
  - b. that the securities were not registered;
  - c. the reason some investor funds were wired and/or deposited into an account belonging to PM Solutions;
  - d. the contractual relationship between PM Solutions, PIF and/or Kitchen;
  - e. the accounting methods PM Solutions, PIF, and Kitchen used to track investor funds;
  - f. the name and contact information for the trader;
  - g. the name and contact information for the Trading Programs;
  - h. the specific products to be purchased through the Trading Programs;
  - i. the risks associated with any investment through the Trading Programs;
  - j. that investor funds would be used to buy cars;
  - k. that investor funds would be used to pay rent;

- l. that investor funds would be used to buy pet supplies; and/or
  - m. that investor funds would be used for cash withdrawals.
69. In connection with the offer and sale of securities, Respondent PIF and Respondent Kitchen engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by, among other things, lulling MR1, MR3, NC1, UR1, Hance and/or Monroe in order to obtain additional investment funds, and/or avoid or delay detection by:
- a. claiming that payments from the Trading Programs were delayed because an investor filed for bankruptcy;
  - b. claiming that the Trading Programs were “expecting . . . payouts to begin in the next couple of weeks;”
  - c. claiming that the funds received from the Trading Programs would be available when the SEC sent the “release codes” to Bank of America;
  - d. providing investors and/or agents with the 2009 BOA Letter that stated that PIF had in excess of eight hundred million dollars (\$800,000,000) in an account at Bank of America;
  - e. providing investors and/or agents with the 2008 Wachovia Letter that stated that PIF had in excess of ten million dollars (\$10,000,000) in a Wachovia account; and/or
  - f. providing investors and/or agents with the 2008 JVA that stated that PIF agreed to provide thirty million dollars (\$30,000,000) to participate in a HYIP and that redacted all contact information for the London Partner.
70. Respondent PIF and Respondent Kitchen violated Section 409.5-501, RSMo. (Cum. Supp. 2011), when in connection with the offer and sale of a security, they made untrue statements, omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, and by engaging in an act, practice or course of business that would operate as a fraud or deceit upon another person.
71. MR2 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 PIF’s and Respondent Kitchen’s actions in making untrue statements and omitting to state necessary material facts, and engaging in an act, practice or course of business that would operate as a fraud or deceit.
72. Respondent PIF’s and Respondent Kitchen’s actions in making untrue statements, omitting to state material facts, and engaging in an act, practice or course of business that would operate as a fraud or deceit, 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).

**Materially Aiding Untrue Statements, and Omissions of Material Fact in Connection with the Offer or Sale of a Security**

73. Paragraphs 1 through 42 are incorporated by reference as though fully set forth herein.
74. Respondent PM Solutions and Respondent G. Kitchen materially aided Respondent PIF’s and Respondent Kitchen’s untrue statements and omissions in violation of Section 409.5-501, RSMo. (Cum. Supp. 2011), by among other things, the following:
- a. opening a PM Bank Account;
  - b. allowing PIF investors to deposit and/or wire funds into the PM Bank Account;
  - c. allowing G. Kitchen and/or Kitchen to write checks from the PM Bank Account to PIF agents Hance, and Monroe;
  - d. allowing Kitchen to write checks and sign G. Kitchen’s name to checks from the PM Bank Account;
  - e. allowing Kitchen to withdraw cash from the PM Bank Account; and/or
  - f. allowing G. Kitchen and/or Kitchen to write checks from the PM Bank Account made payable to G. Kitchen in excess of seventy thousand dollars (\$70,000).
75. Respondent PM Solutions and Respondent G. Kitchen violated Section 409.5-501, RSMo. (Cum. Supp. 2011), by materially aiding Respondent PIF and Respondent Kitchen in their violation of the same Section as described in paragraphs 67, 68 and 70, above.

76. Respondent PM Solutions' and Respondent G. Kitchen's actions in materially aiding Respondent PIF and Respondent Kitchen in making untrue statements and omissions 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).
77. 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 are prohibited from

- A. violating or materially aiding in any violation of 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, RSMo. (Cum. Supp. 2011);
- B. violating or materially aiding in any violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), by transacting business as an unregistered agent;
- C. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), by employing an unregistered agent;
- D. violating or materially aiding in any violation of 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 the statement made, in light of the circumstances under which it is 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 each of Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe and Respondent Ingram, for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent PIF, Respondent Kitchen, Respondent Hance, Respondent Monroe and Respondent Ingram 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)(1), 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 each of Respondent PM Solutions and Respondent G. Kitchen, for materially aiding Respondent PIF's, Respondent Kitchen's, Respondent Hance's, Respondent Monroe's and Respondent Ingram's violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent PM Solutions and Respondent G. Kitchen 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)(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 each of Respondent PIF, Respondent Kitchen and Respondent Ingram for violations of Section 409.3-301, RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent PIF, Respondent Kitchen and Respondent Ingram 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. 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 each of Respondent Kitchen, Respondent Hance, Respondent Monroe and Respondent Ingram for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent Kitchen, Respondent Hance, Respondent Monroe and Respondent Ingram 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)(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 each of Respondent Kitchen and Respondent Ingram for violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent Kitchen and Respondent Ingram 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. 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 PIF for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), in a final order, unless Respondent PIF 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 PIF for violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent PIF 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 each of Respondent PIF and Respondent Kitchen, for violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent PIF and Respondent Kitchen 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)(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 each of Respondent PIF and Respondent Kitchen for violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), against an elderly person, in a final order, unless Respondent PIF and Respondent Kitchen 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)(1), 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 each of Respondent PM Solutions and Respondent G. Kitchen, for materially aiding Respondent PIF's and Respondent Kitchen's violations of Section 409.5-501, RSMo. (Cum. Supp. 2011), in a final order, unless Respondent PM Solutions and Respondent G. Kitchen 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 order of restitution, the Commissioner will determine whether to order Respondents to pay restitution for any loss, possibly to include the amount of any actual damages that may have been caused by the conduct of Respondents, 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 Respondents request a hearing and show 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 Respondents 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 Respondents request a hearing and show cause why such award should not be made.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 7TH DAY OF DECEMBER, 2012.

ROBIN CARNAHAN  
SECRETARY OF STATE

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

Consented to by:  
MISSOURI SECURITIES DIVISION

State of Missouri  
Office of Secretary of State

Case No. AP-12-32

IN THE MATTER OF:

PIF FINANCIAL SERVICES, LLC;  
PREMIER MORTGAGE SOLUTIONS, LLC;  
MICHAEL KITCHEN; DANIEL P. HANCE, SR.;  
DION MONROE; SHANNON R. INGRAM; and  
GARLANDA KITCHEN,

*Respondents.*

Serve: PIF Financial Services, LLC at:  
60 Gailwood Drive  
Saint Peters, Missouri 63376

Premier Mortgage Solutions, LLC at:  
60 Gailwood Drive, Suite A  
Saint Peters, Missouri 63376

Michael Kitchen at:  
220 Walden Court  
Eureka, Missouri 63025-1130

Daniel P. Hance, Sr. at:  
1968 Graystone Drive  
Saint Charles, Missouri 63303-4662

Dion Monroe at:  
16124 West 83rd Terrace  
Lenexa, Kansas 66219

Shannon R. Ingram at:  
9106 West 78th Street  
Overland Park, Kansas 66204-2503

Garlanda Kitchen at:  
1052 Grand Teton Apt #7  
Saint Peters, Missouri 63376

## 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 § 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 7th day of December, 2012, a copy of the foregoing Order to Cease and Desist in the above styled case was **mailed by Certified U.S. mail to:**

PIF Financial Services, LLC  
60 Gailwood Drive  
Saint Peters, Missouri 63376

PIF Financial Services, LLC  
Registered Agent: Michael Kitchen  
220 Walden Court  
Eureka, Missouri 63025-1130

Premier Mortgage Solutions, LLC  
60 Gailwood Drive, Suite A  
Saint Peters, Missouri 63376

Premier Mortgage Solutions, LLC  
Registered Agent: Cheryl Gourley

200 Startcrest Drive  
Clearwater, Florida 33765

Michael Kitchen  
220 Walden Court  
Eureka, Missouri 63025-1130

Daniel P. Hance, Sr.  
1968 Graystone Drive  
Saint Charles, Missouri 63303-4662

Shannon R. Ingram  
9106 West 78th Street  
Overland Park, Kansas 66204-2503

Dion Monroe  
16124 West 83rd Terrace  
Lenexa, Kansas 66219

Garlanda Kitchen  
1052 Grand Teton, Apt #7  
Saint Peters, Missouri 63376

[1] Bank records reflect that Ingram received three thousand dollars (\$3,000) from Kitchen.

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John Hale, Specialist

[2] The number for the PIF account and all contact information for Bank of America were redacted from this letter, including the name of the branch manager who purportedly signed the letter on behalf of Bank of America.

[3] All contact information for the London Partner was redacted from the 2008 JVA sent to MR3.