



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
LONGHORN PROPERTIES, LLC, et al.)
d/b/a LONGHORN PROPERTIES OF) Case No. AP-14-04
MISSOURI, LLC; and HENRY T. HAMMOND)
a/k/a TOMMY HAMMOND,)
)
Respondent.)

CONSENT ORDER AS TO RESPONDENT HENRY T. HAMMOND

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of the Secretary of State (“Enforcement Section”) through Enforcement Counsel has alleged that Respondents Longhorn Properties, LLC and Henry T. Hammond (“Respondent”) violated Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (2016)¹ by, among other things: offering and/or selling unregistered, non-exempt securities in Missouri by offering and/or selling notes and/or investment contracts to MR1, MR2, and/or MR3; Henry T. Hammond (“Hammond”) transacted business as an unregistered agent when he sold securities to investors in the State of Missouri through Longhorn Properties, LLC (“Longhorn”); Longhorn employed and/or associated with Hammond who offered and sold securities through Longhorn; and Respondent omitted to state material facts and engaged in an act, practice, or course of business that would operate as a fraud or deceit in connection with the offer or sale of a security. These violations constitute grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating the alleged violations by Respondent.

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Commissioner of Securities (“Commissioner”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*

¹ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

4. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), RSMo. which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondent waive Respondent’s right to a hearing with respect to this matter.
6. Respondent waives any right that Respondent may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent (a) testimonial obligations; (b) right to take legal or factual position in connection with litigation, arbitration, or other legal proceeding in which the Commissioner of Securities is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent are not the prevailing party in this action because the parties have reached a good faith settlement.
11. Respondent consent to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below for the purpose of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

I. FINDINGS OF FACT

12. Longhorn Properties, LLC (“Longhorn”) is a Kansas limited liability company formed in 2007 to engage in the business of “real estate and investments.” A check of the records of the Missouri Secretary of State Business Services Division (“Missouri Business Services Division”) indicates that Longhorn did business as (“d/b/a”) Longhorn Properties of Missouri, LLC and that the registered agent for Longhorn is Evan L. Tripp with an address of 2001 W. Jesse James Road, #6, Excelsior Springs, Missouri 64024.
13. Longhorn Construction, Inc. (“Longhorn Construction”) was a Kansas corporation formed in 2007 to engage in business as a “general contractor.” A check of the records of the Missouri Business Services Division indicates that Longhorn Construction was listed as a foreign corporation in Missouri on February 10, 2010, and that Longhorn Construction was administratively dissolved on January 27, 2012. Longhorn Construction had a last known principal place of business of 105 N. Stewart Court, Suite 200, Liberty, Missouri 64068.
14. Hammond purports to be the majority owner of Longhorn and was previously the President of Longhorn Construction. Hammond has an address of 153 Bear Pen Road, Ponte Vedra Beach, Florida 32082-3699. On or around April 30, 2014, Hammond was indicted by the U.S. District Court for the Western District of Missouri for, among other things, wire fraud, bank fraud, and unlawful monetary transactions. On or around March 8, 2018, Hammond pled guilty to one count of wire fraud and was subsequently sentenced to one year and one day in prison.
15. Greg Stodghill (“Stodghill”) represented to be a financial officer of the Maranatha Platform (“Maranatha Platform”), a trading platform affiliated with a church. According to Stodghill, the Maranatha Platform was purported to be the largest trading platform in the world and was in the business of leveraging assets through buy/sell agreements to fund humanitarian projects worldwide. On or around December 17, 2013, in the U.S. District Court for the Southern District of Indiana, Stodghill was convicted of tax evasion related to a number of investment fraud schemes perpetrated by Stodghill and sentenced to 60 months in prison.
16. A check of the records maintained by the Commissioner indicates that neither Hammond nor Longhorn have ever been registered with the State of Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, or issuer agent.
17. At all times relevant to this matter, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by Hammond, Longhorn, and/or the Maranatha Platform.

Missouri Resident 1

High Yield Investment Program in the Maranatha Platform

18. MR1, a 43 year-old Kansas City, Missouri resident, was the proprietor of several businesses (collectively, “MR1 Related Entities”) and made investments on behalf of the MR1 Related Entities in or around 2008.
19. In 2009, MR1 met Hammond through a mutual friend who told MR1 about an investment opportunity through Hammond and Longhorn that paid “fast returns”. Hammond, Stodghill and John Marino, a colleague of Stodghill, told MR1, among other things, the following about an investment in the Maranatha Platform’s Strategic Investment Program (“SIP”):
 - a. MR1’s principal investment would not be at risk in the investment;
 - b. the more money MR1 invested, the higher the yield on the investment;
 - c. the Maranatha Platform was an exclusive, high-yield, Christian-based investment;
 - d. the Maranatha Platform supported humanitarian projects, including the construction of churches all over the world;
 - e. the Maranatha Platform offers investors different projects from which to choose, including the SIP; and
 - f. an investment of \$400,000 in the Maranatha Platform would return \$1,000,000 per month for ten months.
20. On May 28, 2009, MR1, on behalf of the MR1 Related Entities, entered into an agreement to invest in the SIP. This SIP was described as “a private placement transaction for a buy-sell portion of an existing investment” through Hammond and Longhorn.
21. The SIP Agreements were a series of vague, complex, and confidential documents that purported to reflect how the SIP generated profits by trading in bank instruments. Pursuant to these SIP Agreements, MR1:
 - a. was to deposit investment funds through an intermediary account (the intermediary was not named and no contact information was supplied for this intermediary);
 - b. would be participating in an “on-going buy-sell of a Bank Instrument” with Longhorn (the bank instrument was not specified or further defined);
 - c. would be participating in these transactions through a “trading group” (the trading group was not named and no contact information was supplied for this trading group); and

- d. was to maintain “strict confidentiality in all matters relating to these transactions” and represented that the investor was not an “informant, nor associated with any government agency of the United States of America, or any other country, such as the Secret Service, Internal Revenue Service, Federal Bureau of Investigation, Central Intelligence Agency, Securities and Exchange Commission, Banking Commission, nor any agency whose purpose is to gather information regarding such offerings” (no reason was provided to explain this restriction).
22. The SIP Agreements were provided to MR1. One of the SIP documents contained a schedule of the anticipated payout on the SIP investment (See Exhibit A). This schedule stated, among other things, that:
- Actual payouts will vary but the following is anticipated as listed in table below:
40K Euro – 8 Weeks – 25%
50K Euro – 8 Weeks – 35%
60K Euro – 8 Weeks – 45%
70K Euro – 8 Weeks – 50%
80K Euro – 100K E - 8 Weeks – 55%
23. From about June 1, 2009 to June 8, 2009, MR1, on behalf of the MR1 Related Entities, issued 2 checks payable to Hammond and/or Longhorn totaling \$98,000 to participate in the SIP.
24. MR1 and the MR1 Related Entities had no management responsibilities with respect to the investments made with Hammond and Longhorn.

Hotel Project

25. When the SIP failed to produce the anticipated high-yield returns, Hammond offered MR1 a joint venture for a hotel development investment through Hammond and Longhorn (the “Hotel Project”).
26. On November 18, 2009, Hammond, on behalf of Longhorn, and MR1 entered into and executed an Equity Participation Agreement & Venture (“EPAV”) contract that stated, among other things, that:
- a. Longhorn would use MR1’s funds to purchase, develop, and construct a 103-Unit Country Inn and Suites Hotel in Independence, Missouri;
- b. upon executing the EPAV, MR1 would make a loan to Longhorn and/or Hammond in the amount of six hundred seventy-six thousand two hundred seventy-five dollars \$676,275 in order to obtain a 10% equity position in the Hotel Project; and

- c. for MR1's loan, MR1 would receive approximately \$1,485,105 over a 14-month period.
27. On or about July 20, 2010, Hammond and Longhorn issued MR1 and the MR1 Related Entities a "Promissory Note & Agreement" that set forth, among other things that:
- a. MR1 would provide a loan to Hammond and Longhorn in the amount of \$160,000;
 - b. the \$160,000 would be used solely for investment transactions and costs pursuant to the EPAV; and
 - c. the promissory note would be due and payable on or before August 19, 2010.
28. Between July 8, 2010, and July 20, 2010, checks from MR1 and the MR1 Related Entities, totaling \$160,000, were issued to Hammond and made payable to Longhorn.
29. MR1 had no management responsibilities with respect to the Hotel Project.
30. Between approximately June 1, 2009, and July 20, 2010, MR1 and the MR1 Related Entities invested approximately \$679,000 with Longhorn and/or Hammond.
31. To date, MR1 and the MR1 Related Entities have been repaid approximately \$557,333 by Longhorn and/or Hammond.

Missouri Resident 2

32. In 2009, MR1's mother, an 81 year-old resident of Lee's Summit, Missouri ("MR2"), met with Hammond in Kansas City, Missouri, regarding the SIP investment opportunity.
33. On June 17, 2009, Longhorn and/or Hammond provided MR2 with a "KNOW YOUR CLIENT QUESTIONNAIRE" that provided, among other things, that:
- a. MR2 would be investing in an existing "BUY-SELL transaction" through Longhorn;
 - b. MR2 had "received a copy of the [SIP] data";
 - c. MR2 would invest \$98,000 through Longhorn;
 - d. MR2's profits were expected "to be 55% of the amount invested or approximately \$53,900"; and
 - e. the "international standards of business conduct and confidentiality, non-disclosure, and non-circumvention apply to this private transaction..."

34. On June 17, 2009, MR2 signed the above-mentioned questionnaire and wrote 2 checks payable to Longhorn in the total amount of \$98,000 to invest in the SIP through Hammond and Longhorn.
35. MR2 had no management responsibilities with respect to the investment with Hammond, Longhorn, and/or Reliance.
36. To date, MR2 has been repaid approximately \$20,517 by Longhorn and/or Hammond.

Missouri Resident 3

37. Sometime prior to July 2009, MR1's brother, a 47 year-old Lee's Summit, Missouri resident ("MR3"), met Hammond through a mutual friend.
38. Hammond told MR3 about investment opportunities through Hammond and Longhorn in "security swaps in Europe" and bank "trading notes."
39. In or around July 2009, MR3 made investments with Hammond and/or Longhorn totaling more than \$80,000 to invest in the SIP with Hammond and/or Longhorn.
40. MR3 had no management responsibilities with respect to the investment with Hammond and Longhorn.
41. MR3 has been repaid a portion of the investment, but MR3 is still owed at least \$74,175 by Longhorn and/or Hammond.

Promissory Note with a Personal Guarantee

42. On or around the end of 2010, Hammond told MR1 that Hammond would "convert the balances owed" to MR1, MR2, and MR3 through the SIP investment by issuing three (3) promissory notes with "personal guarantees" from Hammond.
43. On January 19, 2011, Hammond and Longhorn executed and issued three (3) promissory notes to MR1, MR2, and MR3:
 - a. the promissory note issued to MR1 was in the amount of \$475,000 and was due and payable on November 15, 2011;
 - b. the promissory note issued to MR2 was in the amount of \$50,000 and was due and payable on May 15, 2011; and
 - c. the promissory note issued to MR3 was for \$15,000 and was due and payable on March 15, 2011.
44. The promissory notes issued to MR1, MR2, and MR3 provided, among other things, that:

- a. interest would accrue at the rate of 8% per annum after the due date; and
 - b. in the event Hammond and/or Longhorn failed to pay the promissory note in full on or before the due date, interest would accrue on the entire remaining balance of the promissory note until fully paid.
45. MR1, MR2, and MR3 have not received any payments on the promissory notes.

Respondent's Bank Account

46. On September 15, 2008, Hammond opened a business checking account with Pony Express Bank located in Liberty, Missouri, in the name of Longhorn ("Longhorn Bank Account").
47. A review of the Longhorn Bank Account records revealed, among other things, that:
- a. Hammond and Hammond's wife were listed as the signatories on the Longhorn Bank Account;
 - b. on June 1, 2009, the Longhorn Bank Account had a balance of \$69.61;
 - c. from June 2009 through July 2010, investment funds from MR1, MR2, and MR3 in excess of \$675,000 were deposited into the Longhorn Bank Account and were commingled with Hammond's personal and/or other business funds and used, among other things, for:
 - i. numerous payments to credit card accounts in Hammond's name, including, but not limited to, Macy's, American Express and Visa;
 - ii. numerous checks payable to Hammond; and
 - iii. numerous checks payable to Longhorn Construction.

II. CONCLUSIONS OF LAW

48. The Commissioner finds Respondent offered and/or sold unregistered, non-exempt securities in the state of Missouri by offering and selling notes and investment contracts to investors, one of which was elderly, that promised a return on their investments; acted as an unregistered agent by transacting business regarding securities in the state of Missouri; and made untrue statements or omitted to state material facts and engaged in an act, practice or course of business that would operate as a fraud or deceit in connection with the offer or sale of a security, in violation of Sections 409.3-301, 409.4-402, and 409.5-501, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.

49. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent, his agents, employees, servants, and all other persons participating in the above-described violations with knowledge of this Order are permanently enjoined and restrained from offering and selling securities and violating Section 409.3-301, 409.4-402, and 409.5-501.
2. Respondent hereby agrees to be BARRED, effectively immediately, from registration as an investment adviser, investment adviser representative, broker-dealer, or agent in the state of Missouri.
3. Respondent is ordered to pay \$511,325.00 in restitution. These payments shall be paid as ordered by the United States District Court, Western District of Missouri, as part of the sentence in *United States of America v. Henry Thomas Hammond, Case Number 4:14-00124-01-CR-W-SRB*.
4. Respondent is ordered to pay \$10,000 to the Investor Education and Protection Fund. This payment shall be suspended for five years or until the terms and conditions of Respondent's sentencing concerning restitution as noted in paragraph 3 above are met. All suspended payments and unpaid portions of amounts ordered above shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for, by the Commissioner or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law.
5. After five years from the date of this Consent Order, provided Respondent has complied with all terms of this Consent Order, all suspended payments reference in paragraph 4 above are waived.
6. Upon Respondent's failure to comply with the terms of this Consent Order, all remaining payments shall become immediately due and payable upon operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law.
7. Respondent shall pay his own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 22nd DAY OF October 2018.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "David M. Minnick", written over a horizontal line.

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

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Derek Green,
Enforcement Counsel
Counsel for Petitioner

A handwritten signature in black ink, appearing to read "Henry T. Hammond", written over a horizontal line.

Henry T. Hammond, RESPONDENT

Approved as to Form:

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Charles Lembecke
Attorney for Respondent