STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:	)	
	)	
OAKBRIDGE FINANCIAL SERVICES, INC.,	)	
CRD No. 16323; PRIVATE LABEL MONEY	)	
MANAGEMENT, INC., CRD No. 154952;	)	Case No. AP-16-11
STEVEN LARSON, CRD No. 2422755;	)	
MICHAEL STANDLEY, CRD No. 2422939;	)	
and KATHRYN WINTER, CRD No. 4523089,	)	
	)	
Respondents.	)	

FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING RESTITUTION AND ASSESSING CIVIL PENALTIES AND COSTS AS TO RESPONDENTS OAKBRIDGE FINANCIAL SERVICES, INC., AND PRIVATE LABEL MONEY MANAGEMENT, INC.

Now on the 1st day of June, 2018, the Missouri Commissioner of Securities ("the Commissioner"), having reviewed this matter, issues the following findings and order:

I. PROCEDURAL BACKGROUND

1. On March 7, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("the Enforcement Section"), through Director of Enforcement John R. Phillips and Enforcement Counsel Scott Snipkie, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, Costs, and Bars/Conditions Should not be Imposed ("Petition").

2. On May 12, 2016, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Civil Penalties, Costs, and Other Administrative Relief Should not be Imposed (the "C&D Order").

3. On or around May 12, 2016, a copy of the C&D Order was made available to the general public on the Missouri Secretary of State's website.[1]

4. The C&D Order was sent to Respondents by certified U.S. mail on May 13, 2016.

[1] http://www.sos.mo.gov/cmsimages/securities/orders/AP-14-02.pdf

5. On May 16, 2016, Respondents Private Label Money Management, Inc. ("PLMM") and Oakbridge Financial Services, Inc. ("Oakbridge") received the C&D Order at 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. The documents were signed for by the same individual, however the name is illegible.

6. On June 13, 2016, the Commissioner received a letter dated June 8, 2016, from Gary E. Domke, Chairman of the Board for Respondent Oakbridge Financial Services ("Oakbridge") denying "all claims, assertions and charges in this matter." The letter did not request a hearing. Moreover, given that Oakbridge is a corporation that cannot represent itself, any such request would have to be received by an attorney representing Oakbridge.

7. On June 20, 2016, Respondent PLMM, through Hesse Martone, P.C., filed a Request for Hearing.

8. On June 21, 2016, the Commissioner issued an order setting a hearing in this matter for August 29, 2016.

9. On July 14, 2016, Respondent PLMM filed a motion to dismiss the C&D Order.

10. On July 28, 2016, a hearing was held on Respondent PLMM's motion to dismiss. The Commissioner denied this motion by order on August 11, 2016.

11. On August 12, 2016, the Commissioner issued an order setting a hearing in this matter for October 4, 2016.

12. On September 8, 2016, Respondents Kathryn Winter and PLMM submitted a motion to reschedule the hearing.

13. On October 6, 2016, the Commissioner issued an order setting a hearing in this matter for December 14-16, 2016.

14. On November 18, 2016, Respondents Kathryn Winter and PLMM submitted a motion to reschedule the hearing.

15. On December 5, 2016, the Commissioner issued an order setting a hearing in this matter for February 7-10, 2017.

16. On January 11, 2017, Respondents Kathryn Winter and PLMM submitted a motion to reschedule the hearing.

17. On January 26, 2017, the Commissioner issued an order setting a hearing in this matter for April 17-19, 2017.

18. On March 27, 2017, the Commissioner issued an order canceling the April 17-19, 2017, hearing date and ordered the parties to submit exclusionary dates for June and July, 2017.

19. On May 2, 2017, the Commissioner issued an order setting a hearing in this matter for July 17-19, 2017.

20. On May 30, 2017, the Commissioner issued an order setting a hearing in this matter for August 8-10, 2017. This order was amended on June 1, 2017, and the Commissioner set the hearing for the dates of August 14-16, 2017.

21. On October 10, 2017, the Commissioner issued an order setting a hearing in this matter for December 5-8, 2017.

22. On December 4, 2017, the Commissioner issued an order setting a hearing in this matter for April 10-13, 2018.

23. On December 13, 2017, the Commissioner issued a Consent Order as to Respondent Kathryn Winter. In this Order, the Commissioner noted that Respondent PLMM had ceased operations in Missouri as of February 28, 2017.

24. On December 14, 2017, Hesse Martone, P.C., withdrew as counsel for Respondent PLMM.

25. On March 1, 2018, the Commissioner issued an order setting a hearing in this matter for May 15-18, 2018.

26. On May 9, 2018, the Commissioner issued a Consent Order as to Respondent Michael Standley.

27. On May 11, 2018, the Commissioner issued a Consent Order as to Respondent Steven Larson.

28. On May 14, 2018, the Enforcement Section submitted a Statement of Penalties, Costs, & Restitution as to Respondents Oakbridge and PLMM. In this statement, the Enforcement Section sought a total of $260,000 in civil penalties against Oakbridge, $210,000 in civil penalties against PLMM, $25,332.13 in costs jointly and severally against both Respondents, and $203,079.17 in restitution plus statutory interest jointly and severally against both Respondents.

29. On May 15, 2018, a hearing in this matter was held. No one representing Respondent Oakbridge or Respondent PLMM appeared at the hearing.

30. The Enforcement Section offered into evidence a letter dated April 25, 2018, informing Oakbridge about the date of the hearing and that the Enforcement Section would seek a final order against it. The letter was entered into evidence as "Enforcement Exhibit 1."

31. The Commissioner, on the record, took administrative and judicial notice of the pleadings filed in this matter, including the allegations made by the Enforcement Section against Respondents Oakbridge and PLMM in the Petition, including all supporting affidavits,

attachements, and exhibits.

II. FINDINGS OF FACT

A. Respondents

32. Oakbridge Financial Services, Inc. ("Oakbridge"), formerly known as Forsyth Securities, Inc. ("Forsyth") is a Missouri-registered broker-dealer with a main address of 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. Oakbridge is registered in Missouri through the Central Registration Depository ("CRD") with number 16323.

33. Private Label Money Management ("PLMM"), CRD number 154952, is a Missouri-registered investment adviser with a main address of 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. PLMM has been registered in Missouri as an investment adviser since January 13, 2011, and registered in Minnesota as an investment adviser since December 14, 2010.

34. Steve Larson ("Larson"), CRD number 2422755, has been registered as a broker-dealer agent with Oakbridge in Minnesota since October 4, 2011. Larson became a Missouri-registered broker-dealer agent with Oakbridge on February 20, 2012. Larson has never been registered as an investment adviser representative of PLMM. Larson served as President, owner, and control person of PLMM from December 14, 2010 until June 19, 2012, when he was then removed as President and designated as Chief Compliance Officer ("CCO"). Larson's current address is listed in CRD as 5843 Nashway Rd., Nisswa, Minnesota 56468. Larson served as President, Chief Executive Officer ("CEO"), and CCO of Oakbridge from late 2011 until approximately October, 2015. Larson, by position and his own admission, was a control person at both Oakbridge and PLMM throughout their existence. Larson and the Commissioner entered into a Consent Order on May 11, 2018, where Larson agreed he had failed to comply with Sections 409.4-412(d)(9), 409.4-412(d)(13), and 409.5-502. Larson was permanently barred from offering and selling any securities in the state of Missouri or registering as an investment advisor, investment advisor representative, broker-dealer, or agent in Missouri.

35. Michael Standley ("Standley"), CRD number 2422939, has been a Missouri-registered broker-dealer agent with Oakbridge since August 30, 2011. Standley has been a Missouri-registered investment adviser representative with PLMM since January 13, 2011. Standley's office address is 910 S. Kirkwood Road, Suite 190, St. Louis, Missouri 63122. Standley, by position, his own admission, and practice, was a control person at both Oakbridge and PLMM throughout their existence. Standley and the Commissioner entered into a Consent Order on May 9, 2018, where Standley agreed he had failed to comply with Section 409.4-412(d)(9). Standley was barred from registering as an investment advisor representative or agent in Missouri for four years.

36. Kathryn Winter ("Winter"), CRD number 4523089, has been a Missouri-registered broker-dealer agent with Oakbridge since May 22, 2012, and a Missouri-registered investment adviser representative with PLMM since May 22, 2012. Winter was listed as

the President of PLMM starting in approximately July of 2012. Winter maintains an office address of 910 S. Kirkwood Road, Suite 190, St. Louis, Missouri 63122. Winter, by position, her own admission, and practice, was a control person at both Oakbridge and PLMM throughout her time affiliated with the firms. Winter and the Commissioner entered into a Consent Order on December 13, 2017, where Winter agreed she had failed to comply with Section 409.4-406(b) when she was President of PLMM. Winter was barred from operating as a supervisor and control person for a registered broker dealer or investment advisor for two years.

B. Related Parties

37. RBC Capital Markets, LLC ("RBC"), CRD number 31194, is a Missouri-registered broker-dealer with a main address of 3 World Financial Center, 200 Vesey Street, New York, New York 10281. RBC, among other things, acts as the clearing firm for Oakbridge.

38. John Huang ("Huang"), CRD number 2659909, has been a Missouri-registered broker-dealer agent with Oakbridge from February 16, 2011 until on or about December 1, 2015, and a Missouri-registered investment adviser representative with PLMM from April 19, 2013 until on or about October 27, 2015. Huang maintains an address of 16503 Crossover Lane, Chesterfield, Missouri 63005.

39. Gary Domke ("Domke"), CRD number 69774, has been a Missouri-registered broker-dealer agent of Oakbridge since January 5, 2010. Domke maintains an office address of 910 S. Kirkwood Road, Suite 190, St. Louis, Missouri 63122, as well as a home office in Hillsboro, Missouri. From January 1, 2012, until November 18, 2015, Domke was the Designated Supervisory Officer ("DSO") and Senior Vice President of Oakbridge. Domke was named CCO of Oakbridge on November 18, 2015. During that time, Domke's primary supervisory responsibility was to supervise Larson and, to a limited degree, several other agents.

40. Hugh Murray ("Murray"), CRD number 826261, is the former owner of Oakbridge immediately prior to ownership by Larson, Standley, and Winter.

41. Robert Stack Beyer, II ("Beyer"), CRD number 2602180, was a Missouri-registered broker-dealer agent with Oakbridge from at least March 13, 2010 to May 15, 2012, and from January 30, 2013, to September 13, 2013, and an investment adviser representative with PLMM from at least March 28, 2013 through September 13, 2013. Beyer's office addresses were 243 North Lindbergh Boulevard, St. Louis, Missouri 63141, and/or 910 South Kirkwood Road, Suite 190, Kirkwood, Missouri 63122. Beyer's last known mailing address is 9935 Vasel Drive, Affton, Missouri 63123.

42. Heroic Life Assurance, LLC ("Heroic") is a Missouri Limited Liability Company organized in the State of Missouri on December 29, 2011, with an address of 50 Lionshead Court, O'Fallon, Missouri 63368. The registered agent is Beyer.

43. At all times relevant to this matter, Beyer had an active Missouri insurance producer's license with the Missouri Department of Insurance, Financial Institutions and Professional Registration, number 0279768. Beyer's insurance license was suspended December 31, 2013, for tax compliance issues.

44. At all times relevant to this matter, Beyer was not registered as an issuer agent, or as a broker-dealer agent and/or investment adviser representative for Heroic in the State of Missouri.

45. At all times relevant to this matter, Heroic was not registered as a broker-dealer or investment adviser in the State of Missouri.

46. 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/or sold by Heroic and Beyer.

C. Change of Ownership at Oakbridge and Ownership Structure at PLMM

47. In or around the middle of 2011, Murray was the majority owner, president, and chief supervisory officer of Forsyth/Oakbridge.

48. In or around the middle of 2011, Standley and Larson left their then-current firm, Gardner Financial Services, Inc., CRD number 2100, and Gardner Advisors, Inc., CRD number 112399, to begin working for Oakbridge with the expectation that Standley and Larson, among others, would buy Oakbridge from the current owner, Murray.

49. On or about May 15, 2011, Standley, Larson, Winter, and another broker named Donald Boyce ("Boyce") entered into a letter of intent with Murray to purchase Forsyth. Collectively they referred to themselves as the "Forsyth Control Group." The letter of intent indicates that the Forsyth Control Group would pay Murray $20,000 upfront, and $1,000 per month for a period of ten years, as well as 1% of the gross profits per year up to $70,000 a year for 5 years. Each of the members of the Forsyth Control Group would receive a 17% share in the broker-dealer. The remaining shares remained with Murray for his distribution.

50. Sometime thereafter, Boyce dropped out of the Forsyth Control Group.

51. Based on a July 25, 2011 AWC with Winter, the Financial Industry Regulatory Agency ("FINRA") suspended Winter for six months starting on September 19, 2011, for participating in private securities transactions without providing prior written notice to Winter's member firm describing, in detail, the proposed transactions and Winter's proposed role, and stating whether Winter has received or might receive selling compensation in connection with the transactions. Winter solicited investments from three customers of her firm on behalf of a third entity, and these customers subsequently invested $750,000 in the entity, which pooled money from investors in a common enterprise with the expectation of profit derived from the efforts of others. Winter failed

to disclose these private securities transactions to her firm. Winter recommended that these three customers of her firm invest in the entity without having reasonable grounds for believing that the recommendations were suitable. The petition alleges the investment was fraudulent and resulted in significant losses for these three clients.

52. On September 15, 2011, Winter contributed $30,000 to the purchase of Oakbridge. She did this in advance of the imposition of her FINRA suspension and, at the time of the investment, or at the latest November 18, 2011, there was an express agreement that this represented an investment in Oakbridge for which Winter could exercise a vested right to receive a 1/3 ownership interest in Oakbridge that would become official at the exercise of her option, which she intended to exercise sometime after the expiration of her FINRA suspension.

53. On September 12, 2011, Winter invested $11,000 in PLMM in exchange for a 1/3 ownership interest in PLMM.

54. On or about December 15, 2011, Larson and Standley entered into a "Stock Purchase Agreement" with Murray, on behalf of Forsyth ("Oakbridge SPA"). The Oakbridge SPA included, among other things, that Larson and Standley would acquire all issued and outstanding shares of common stock and preferred stock of Oakbridge for a designated purchase price, which was a minimum of $120,000 (broken out over ten years of $1,000 monthly payments). As a result of this agreement, Standley and Larson purportedly each became 50% owners of Oakbridge.

55. As a result of the November 18, 2011 agreement, further codified later in October 2013, Winter was a *de facto* 1/3 owner of Oakbridge from its inception in December of 2011. This was true despite a September 16, 2011 agreement between Winter and the Forsyth Control Group wherein she purported to transfer her shares to Standley and Larson.

56. On or about December 22, 2011, Oakbridge (then Forsyth) entered into a Consent Order with the Missouri Securities Division for activities occurring while Murray was the owner. These activities included, among other things, failing to reasonably supervise agents, failing to have reasonable policies and procedures, and failing to have a system for implementing policies and procedures. Oakbridge was censured and ordered to review and enhance its compliance and supervisory procedures. The December 22, 2011 Consent Order resulted in Murray's permanent bar from the securities industry. The Consent Order alleged, among other things, that Murray failed to reasonably supervise Missouri-registered agents who engaged in dishonest and unethical practices in the securities industry.

57. At the time of the signing of the Oakbridge SPA, both Larson and Standley knew that Murray would at least either enter into a settlement agreement with the Missouri Securities Division or be the subject of an action initiated by the Missouri Securities Division.

D. Corporate Structure of Oakbridge and PLMM

58. Since on or about December 15, 2011, upon the execution of the Oakbridge SPA, Larson, Standley, and Winter (based on contingent ownership) have been the owners and control persons of Oakbridge, though official filings for Oakbridge only list Larson and Standley as owners, each with 50% of the shares.

59. Since on or about December 15, 2011, Standley and Winter have acted as control persons and in supervisory capacities at Oakbridge, among other things negotiating with and hiring other brokers. This was true despite neither having the required FINRA Series exams necessary to act in such capacity.

60. In addition, Standley reviewed the Oakbridge written supervisory policies ("WSPs") and had input on the language included in the WSPs, as well as if and when Oakbridge's WSPs are distributed to agents. Standley also provided input as to supervision. Larson "allow[ed] [Standley] some management function with Oakbridge" and when Standley passes the Series 24, Oakbridge can "officially re-allocate" supervision responsibilities to Standley. Standley has never passed his Series 24, despite multiple efforts.

61. Larson served as CEO of Oakbridge from December 15, 2011, until June 2015, when he resigned that position. Larson resigned as CCO sometime in October of 2015. Larson attempted to rescind that resignation, but Oakbridge did not recognize that attempt.

62. While he was CCO, Larson reviewed all outside business activities ("OBAs") for agents for approval or disapproval. Larson "had ultimate authority for everything at [Oakbridge]" and supervised "everyone," including, for all practical purposes, his own trading activity—even occasionally approving his own trades.

63. On or about August 30, 2010, PLMM caused to be filed Form ADV on CRD and therein sought registration as an investment adviser in both Minnesota and Missouri. At the time of the above mentioned registration, PLMM was a Minnesota Corporation.

64. PLMM filed with its initial Form ADV a balance sheet for the firm to verify its net worth as required by 15 CSR 30-51.070.

65. PLMM's balance sheet reflected that it had $10,000 on deposit with RBC as part of the necessary filing; however, the money listed on deposit with RBC was actually an account jointly held by Larson and his wife.

66. The State of Missouri approved PLMM's application for registration as an investment adviser on January 13, 2011.

67. Winter made an investment of $11,000 in PLMM on September 12, 2011 at which time she acquired a 1/3 ownership interest; however, official filings for PLMM only noted Winter's inclusion as an owner beginning May 26, 2015, listing Standley and Larson as possessing 50% interests prior to that time.

68. Since on or about September 12, 2011, Winter, Larson and Standley have acted as control persons for PLMM without regard to their status as represented on Form ADV.

69. No official filing acknowledged Winter's connection with PLMM until June 19, 2012 when an amendment filed with CRD removed Larson as President in favor of Winter, at which time she was recognized as a control person, but still not an owner. The same amendment retitled Larson as CCO. CRD recognized Standley as the firm's Manager from its inception until May 26, 2015 when he replaced Larson as CCO. Larson was PLMM's CCO from at least November, 2010 until May 26, 2015.

70. Following the amendment to Form ADV for PLMM, filed May 26, 2015, Winter is a 1/3 owner, President and a control person; Standley is a 1/3 owner, CCO and control person; and Larson is a 1/3 owner and control person without further title.

71. The May 26, 2015 amendment to PLMM's Form ADV is the first official recognition of Winter's ownership interest, and it also reflects a change in role for Standley who replaced Larson as CCO of PLMM at that time.

E. Misleading Regulatory Filings

72. On or about January 3, 2012, Oakbridge amended the application on CRD to reflect Larson as Chairman of the Board of Directors, CCO, and owner of Oakbridge. Also on this date, the application on CRD was amended to reflect Standley as President, control person, and co-owner of Oakbridge.

73. From January 3, 2012 until January 6, 2016, on 13 separate occasions, Oakbridge filed amendments to its regulatory filings, specifically to its Broker-Dealer Application. On all 13 occasions, Oakbridge failed accurately and fully to amend Schedule A to reflect the ownership and control structure of the firm and Items 9A, 9B, and 10A, which respectively ask and were answered:

    a. Schedule C exists to amend Schedule A's ownership and control person information, which Oakbridge failed to update to reflect Winter as an owner until January 6, 2016 despite her having acquired an ownership interest as early as September 15, 2011. Furthermore, Oakbridge failed to accurately amend Schedule A through Schedule C to reflect Huang's control status as a director and, later, president, and, finally, failed to remove him as the contact employee for the firm despite his having been fired;

    b. "Does any person not named in Item 1 or Schedules A, B, or C, directly or indirectly 'control' the management or policies of the applicant?" Oakbridge answered "No" to the aforementioned question on all amendments between January 3, 2012 and January 6, 2016; however, Winter acquired an ownership interest in Oakbridge as early as September 15, 2011.

    c. "Does any person not named in Item 1 or Schedules A, B, or C, directly or

indirectly wholly or partially finance the business of the applicant?" Oakbridge answered "No" to the aforementioned question on all amendments between January 3, 2012 and January 6, 2016; however, Winter acquired an ownership interest in Oakbridge as early as September 15, 2011, by providing the financing and monies to Standley and Larson required for the purchase of the firm.

d. "Directly or indirectly, does applicant control, is applicant controlled by, or is applicant under common control with a partnership, corporation, or other organization that is engaged in the securities or investment advisory business?" Oakbridge answered "No" to the aforementioned question on all amendments between January 3, 2012 and January 6, 2016; however, upon review of PLMM's filings, Standley and Larson concurrently controlled both Oakbridge and PLMM from the outset of their ownership and control of Oakbridge and failed to so note on initially amending the form and for two subsequent amendments until May 17, 2012.

74. On or about August 30, 2010, PLMM filed an application on CRD to operate as a Missouri-registered investment adviser. On this date, the application on CRD reflected that Larson and Standley were co-owners and control persons of PLMM.

75. From August 30, 2010 until May 26, 2015, on eight separate occasions, PLMM filed amended applications to the firm's regulatory filings, specifically to its Adviser's Application.

a. On five occasions, PLMM failed accurately and fully to amend schedule C to reflect the ownership structure of the firm:

i. Schedule C exists to amend Schedule A's ownership and control person information, which PLMM failed to update to reflect Winter as an owner until May 26, 2015, and control person until June 19, 2012, despite her having acquired an ownership interest in PLMM as early as September 12, 2011;

b. On two occasions, PLMM failed accurately to amend its answer to Item 9B (1) and (2) which asks and was answered:

i. "Do any of your related persons have custody of any of your advisory clients' cash, bank accounts, or securities?" PLMM has answered "No" to the aforementioned question on every amendment since adding a certain advisory client on August 28, 2014. Larson is the primary Attorney-in-fact for the particular client with full power of attorney. Standley is the successor Attorney-in-fact for the client;

c. On at least one occasion, PLMM failed accurately to amend its answer to Item 10 which asks and was answered:

i. "Does any person not named in Item 1.A. or Schedules A, B or C, directly or indirectly, control your management or policies?" PLMM answered "No" to the aforementioned question on all amendments between October 11, 2011, and the updating of its Schedule A information on May 26, 2015; however, Winter acquired an ownership interest in PLMM as early as September 12, 2011, a fact that would affect the answer in PLMM's October 26, 2011 amended filing;

d. On at least five occasions, PLMM failed accurately to amend its answer to Item 11E (1, 2 and 4) which asks and were answered:

i. "Has any self-regulatory organization or commodities exchange ever: (1) found you or an advisory affiliate to have made a false statement or omission? (2) found you or any advisory affiliate to have been involved in a violation of its rules? (3) disciplined you or any advisory affiliate by expelling or suspending you or the advisory affiliate from association with other members, or otherwise restricting your or the advisory affiliate's activities?" PLMM has answered "No" to the aforementioned question on every amendment since October 11, 2011, the first amendment filed after Winter acquired an ownership interest in PLMM. Winter was subject to a bar imposed by FINRA from affiliating with any FINRA member in any capacity for 180 days that began on September 19, 2011, and fined in the amount of $12,500;

e. On at least one occasion, PLMM failed accurately to amend its answer to Part 1B, Item 2E (1-5) which asks and were answered:

i. "Are you, any advisory affiliate, or any management person currently the subject to, or have you, any advisory affiliate, or any management person been the subject of, an arbitration claim alleging damages in excess of $2,500 involving any of the following: (1) an investment or investment-advisor related business or activity (2) fraud, false statement, or omission (3) theft, embezzlement, or other wrongful taking of property (4) bribery, forgery, counterfeiting or extortion, or (5) dishonest, unfair or unethical practices?" PLMM answered "No" to the aforementioned question on every amendment between October 11, 2011 and May 7, 2013. Winter acquired an ownership interest as early as September 12, 2011, and was named President of PLMM on June 19, 2012; however, she was involved in a FINRA arbitration beginning May 12, 2011 and ending December 18, 2012 that resulted in a settlement of the claim by payment of $100,000 to the adverse party;

f. On at least five occasions, PLMM failed accurately to amend its answer to Part 1B, Item 2F (1-5) which asks and were answered:

i. "Are you, any advisory affiliate, or any management person currently the

subject to, or have you, any advisory affiliate, or any management person been found liable in, a civil, self-regulatory, or administrative proceeding involving any of the following: (1) an investment or investment-advisor related business or activity (2) fraud, false statement, or omission (3) theft, embezzlement, or other wrongful taking of property (4) bribery, forgery, counterfeiting or extortion, or (5) dishonest, unfair or unethical practices?" PLMM has answered "No" to the aforementioned question on every amendment since October 11, 2011, the first amendment filed after Winter acquired an ownership interest in PLMM. Winter was subject to a bar imposed by FINRA from affiliating with any FINRA member in any capacity for 180 days that began on September 19, 2011, and fined in the amount of $12,500;

g. On May 7, 2013, PLMM filed an inaccurate amendment to Form ADV in the following respects:

i. Item 6 lists among PLMM's other business activities "broker-dealer." PLMM is not and was not registered as a broker-dealer in Missouri;

ii. Section 6.A. lists as the name of another business under which PLMM was actively engaged in business as "Oakbridge Financial Services," and other lines of business in which it engaged as "broker-dealer" and "registered representative of a broker-dealer";

iii. Section 7.A. identifies Forsyth Securities as a related person to PLMM, and it identifies that related person as a "broker-dealer, municipal securities dealer, or government securities broker or dealer" with the CRD number of 16323. The section further indicates that PLMM is neither controlled by nor controls Forsyth – or the entity identified with CRD number 16323 – and nor are they under common control;

iv. 16323 is the CRD number for Oakbridge Financial Services, an entity that changed its name from Forsyth Securities, Inc. in an amended Broker-Dealer Application on January 15, 2013; and

v. Schedule D miscellaneous indicates that Standley, Larson and Winter are owners and "investment representives [*sic*]" of Forsyth Securities, and further acknowledges that Forsyth changed its name to Oakbridge Financial Services.

F. Unsuitable Recon Sales

76. Larson and Standley offered their clients reverse convertible securities ("Recons") starting in the year 2000, when the two were at Moloney Securities.

77. Recons are complex, structured securities products that contain a put option held by the issuer that triggers if the underlying equity falls below a certain barrier price and stays there at the end of the term. When the equity price triggers the put option, the investor gets a certain number of shares of the equity at that lower price. Whether or not the barrier price is breached, the investor gets income during the term of the Recon at an above market interest rate. The interest rate is a function of the volatility of the underlying equity. The higher the volatility and closer the barrier price to current price, the higher the interest rate. Recons are sold in $1,000 increments.

78. At Oakbridge, Larson and Standley (and certain other approved brokers) arranged to sell one type of Recon each month, underwritten primarily by RBC (Oakbridge also offered a few Recons underwritten by JP Morgan).

79. Initially, Oakbridge picked from an inventory of Recons available through RBC. However, eventually Oakbridge worked with RBC to pick the stock, the barrier price, and the term for the Recon, to create its own Recon. From no later than December 2011 until at least October of 2014, the firm sold one Recon per month, and it was primarily Standley who worked with underwriters to put the deals together. Oakbridge did this to recapture part of the "placement fee," which effectively is the commission on a Recon.

80. Larson and Standley generally followed parameters for the Recons they sold their clients, limiting the Recons to a 3-month term, a medium interest rate, and downside protection of at least 20%, choosing stocks that they claimed to have researched extensively.

81. Recons are a complex investment per FINRA guidelines. Despite this, Oakbridge sold them to certain of Larson, Standley, and Winter's clients, albeit Larson and Standley insisted that either the client had a history of investing in Recons or the client had to fill out an Options Trading Form.

82. Oakbridge policy was for every Recon client to sign the Options Trading Form—a form that Larson describes as a "get out of jail free card"—complete the firm's suitability form, and read the FINRA educational article on Recons. However, Oakbridge has no policy for verifying that the investor read the FINRA article. For several of Oakbridge's clients, one or more of these conditions was not met.

83. The specific mechanics of the Recon purchases at Oakbridge were as follows:

    a. Larson and Standley, on behalf of Oakbridge, negotiated with RBC as to the preliminary terms of the Recon that would be offered;

    b. Larson and Standley, either using discretion or by contacting clients, "pre-subscribe(d)" the RBC Recon in amounts of approximately $750,000 per month;

    c. The terms of the Recon were finalized, issued by RBC, and distributed among the clients who "pre-subscribed"; and

d. The client was then provided a prospectus from RBC as to what the Recon terms were (because the process committed the client to purchasing or "roll[ing] over" a previous Recon into a new one before the terms of the Recon to be purchased were finalized, the client never knew the final terms of the Recon prior to purchase).

84. The Recon agreement between Oakbridge and RBC stated that "…we agree that [in] purchasing securities, we rely upon no statement whatsoever, written or oral, other than the statements in the applicable prospectus and any documents incorporated by reference herein." It also stated that Oakbridge would "furnish the preliminary term sheet or prospectus provided by RBCCM to investors prior to their purchase of the relevant securities."

85. During his July 29, 2015 on-the-record statement ("Larson OTR"), Larson admitted that what was in the RBC contract and how the Recon operation worked "sometimes [didn't] match." According to Larson, the written agreement was not how the process worked; Oakbridge did not sell Recons consistent with their RBC agreement.

86. In failing to adhere to their agreement with RBC, the way Oakbridge sold these Recons meant that the clients were not aware of the terms of the Recon before they purchased it.

87. In certain cases, Larson and Standley exercised discretion in accounts of clients who expressed interest in "rolling over" one Recon to another. As a result, Larson and Standley operated a Recon "program" in which clients purportedly gave them permission to place them in whatever Recon was to be sold next by Oakbridge as their current Recons matured. Eighty percent of Larson's clients were in this Recon "roll over" program at Oakbridge.

88. As early as July 2012, the RBC compliance software ProSurv signaled exceptions as to the way Oakbridge was selling Recons.

89. RBC's reclassification of Recons as "growth equity investments" rather than "high yield bonds" further cast doubt on the suitability of Recons for certain investors.

90. Larson personally advised agents on multiple occasions to change investor profiles in order to approve trades that were otherwise flagged as unsuitable.

91. During the Larson OTR, Larson initially characterized the biggest risk associated with Recons as a situation where the stock appreciates significantly in the three month term. Such a situation would result in the investor accruing the interest payments, but missing out on the gain of the stock itself. Later, Larson asserted that the actual biggest risk related to Recons is that the stock goes to zero, which is the same risk inherent in buying the stock.

92. By contrast, FINRA warns that the biggest risks associated with Recons are that an investor gets all the risks of a debt instrument (i.e. default), plus the risks of the

underlying equity (i.e. price depreciation). In addition, FINRA warns of the lack of transparency of fees on Recons, potential liquidity risks (i.e. no secondary market), tax considerations, and loss of principal (i.e. being put the equity at a much lower price than the equity started at), among other risks.

93. On three occasions during the time Larson sold Recons, the underlying equity breached the barrier price and the client was unable to hold the equity until it recovered its price, thereby losing money.

94. Larson testified that underwriters only underwrite Recons on inherently volatile stocks.

95. Larson testified that Recons are beneficial to get investors a better return during a flat interest rate market. However, he also testified that he would "take disciplinary action against a rep who marketed recons" as a way to increase income for an income-oriented investor.

96. During his May 21, 2015 on-the-record statement ("Standley OTR"), Standley testified that you should never sell a Recon based on the size of its yield, because that means you are selling a more volatile Recon to an investor who wanted income, not to be put in the stock.

97. Oakbridge required individual brokers to go through the Recon training on the FINRA website in order to sell Recons. Larson testified that only Larson, Standley, and Winter were selling many Recons. But other Oakbridge brokers had, in fact, sold Recons.

98. According to Larson, any product can be suitable for any given investor, depending on circumstances. For Recons, Larson would need to know how much money the investor has and how liquid the investor is, as well as the investor's investment objectives. Recons are a growth investment, susceptible to all the downside risks of any growth investment.

99. Larson testified that, under certain circumstances, an investor can be over-concentrated in Recons; however, Larson testified that 90% Recons in an investor account does not necessarily mean there is an over-concentration of Recons, while 90% of a client's net worth in Recons would be an over-concentration. Larson testified that he would not base the concentration number on liquid net worth, but instead would need to know the overall net worth, including real estate, life insurance, etc.

100. In contrast to Larson's testimony, Standley testified that Recons were suitable for aggressive or speculative investors and not suitable for someone with return of principal as their goal. According to Standley, the suitability of Recons depends on their concentration in an investor's portfolio.

101. Recon "placement fees" represented approximately $7,500 per month in revenue for Oakbridge, which represented a material amount of monthly revenue for the firm.

102. Recon sales represented approximately 40% of the firm's revenue for the first 6 months of 2014, which also was a material amount of revenue for Oakbridge.

103. As a result of Oakbridge's, Larson's, and Standley's Recon sales practices and need to generate revenue, several investors ended up, at certain times, with unsuitably large concentrations of Recons in their accounts at Oakbridge. Concentrations of Recons in client accounts varied from as low as 26% to as much as 88%, the latter of which was found in the account of an 83 year-old investor with an investment goal of Balanced/Conservative Growth.

Name	Date of Birth	Asset Allocation
Minnesota Resident 1 ("MNR1")	April 25, 1951	75%
Minnesota Resident 2 ("MNR2")	August 19, 1951	72%
Virginia Resident 1 ("VR1")	March 29, 1965	65%
Minnesota Resident 3 ("MNR3")	January 1, 1932	88%
Minnesota Resident 4 ("MNR4")	October 31, 1941	26%
Minnesota Resident 5 ("MNR5")	April 24, 1931	41%

104. Larson testified that the line to be drawn on whether a certain concentration of Recons is unsuitable is "up to the client to choose," notwithstanding whatever duty might be owed to the client.

105. Further, Larson admitted that he was "selling recons"—partially because Recons were "in place" and it was "simple to continue to do it."

106. Finally, Larson admitted that his practice of selling Recons needed to be "squeeze[d]" into suitability rules, and in some cases he needed to "stomp on [the suitability rules] a bit" to make the Recon purchase suitable.

G. Fraudulent Church Bond Valuations and Statements

107. From approximately 2000 to 2005, Larson and Standley, while at Moloney, sold their

clients church bond securities, the proceeds of which were used to finance church construction or related projects, including conference centers and other such projects. These bonds were considered a safe investment initially, and performed accordingly for many years.

108. By 2010, many of the churches that issued the bonds that Larson and Standley sold to their clients became delinquent in their payments or otherwise defaulted and issued notices of events, such as:

a. July 19, 2010 – Notice to Bondholder regarding delinquent payments resulting in default of Church Fellowship Worship Ministries, Inc., 2007 Series, dated Dec. 19, 2007, amount of $2,299,000 Trust No. 2412752;

b. June 21, 2011 – Notice to Bondholder regarding delinquent payments resulting in default of First Mortgage Bonds issued by United Pentecostal Church of Modesto, Inc., dated Nov. 21, 2006, amount of $3,436,000 Trust No. 5412745;

c. July 20, 2011 – Notice to Bondholder regarding delinquent payments resulting in default of Supplemental First Mortgage Bonds issued by Metropolitan Baptist Church, 2006 Series A, dated Dec. 15, 2006, amount of $11,000,000 Trust No. 6412690;

d. November 29, 2011 – Notice to Beneficial Owners of Bonds of New Life Anointed Ministries International, Inc., 2006 Series, dated June 21, 2006, original principal $13,453,000, indicating a circuit court judge ruling of a diminished chance of any substantial recovery by Bondholders;

e. December 15, 2011 – Notice to Bondholder regarding delinquent payments resulting in default of First Mortgage Bonds issued by Windermere Baptist Conference Center, Series 2005, dated Nov. 15, 2005, amount of $14,000,000 Trust No. 5412568;

f. March 22, 2012 – Notice to Bondholders regarding delinquent payments resulting in default of First Mortgage Bonds issued by Bethel Baptist Institutional Church, Inc., 2006 Series, dated July 21, 2006, amount of $22,119,000 Trust No. 1412643;

g. May 21, 2012 – Notice to Bondholders regarding preservation and possible liquidation of real estate of Lifepointe Village – Southaven, LLC, Church filed Chapter 11 bankruptcy on May 18, 2012;

h. May 24, 2012 – Notice to Bondholders of First Mortgage Bonds of Orlando Central Community, Inc., Series 2008A and 2008B, status of contract to sell partially completed assisted living facility in Orlando, Florida (the property) to Heartland Communities, LLC, relative to Order on Reliance Trust Company's Petition for Declaratory Judgment, Civil Action in State of Georgia; and

i. June 7, 2012 – Notice to Bondholders regarding preservation and possible liquidation of real estate of First Mortgage Bonds issued by Iglesia Cristiana La Nueva Jerusalem, Inc., dated Aug. 5, 2005, amount of $4,720,000 Trust No. 2412550, filed Chapter 11 bankruptcy on June 4, 2012.

109. On November, 19, 2012, RBC notified Larson that it would no longer price the bonds because it lacked a pricing source. RBC's previous pricing source was Strongtower Financial, which dissolved at the end of 2012.

110. There was no alternative source for bond pricing, in part because so many of these bonds were in default and there was no secondary market for them.

111. As a result of RBC's decision not to price the bonds, statements published to Oakbridge clients from RBC displayed a value of $0 for the bonds because there was no pricing source and no secondary market for the bonds.

112. Oakbridge clients with church bonds in their portfolios became concerned about the dip in value of their portfolios when the church bonds' prices indicated $0, and they inquired of and complained to Larson and Standley regarding the issue.

113. Larson in particular exchanged e-mails with several clients between May 7, 2013 and June 3, 2013, regarding losses in client accounts resulting from the pricing of the church bonds at $0.

114. After the bonds lost their pricing, Larson and Standley sent all Oakbridge church bond clients a letter explaining that, despite the fact that the bonds were no longer priced, they were still sound investments that would continue to provide income.

115. Starting in May 2013, and until approximately April 2014, Larson created valuations monthly for the church bonds that had no market value (or were priced at $0 by RBC), generated supplemental account statements or "updates" for each client holding church bonds reflecting his own opinion as to the value of the church bonds, and directed the supplemental statements to be sent to Oakbridge clients. Standley relied on Larson's valuations for the bonds held in his Oakbridge client accounts.

116. The valuation of the bonds reflected Larson's opinion as to the revenue stream for the bonds, the value of the underlying collateral, and his "expected" sales price for the bonds. Larson's valuation necessarily did not reflect the market price of the bonds, which was $0, because there was no pricing source or secondary market for the bonds.

117. Larson purported to use information gathered from the prospectuses, information on the TMI Trust Company website— TMI Trust Company was responsible for gathering and distributing the bond proceeds—and conversations with trustees to create his valuation of the bonds. Larson never looked at recent property appraisals for the valuations. Larson's valuations were his "best guess."

118. Larson and Standley's valuation of the bonds failed to account for the fact that many of

the bonds were in default at the time, or if it did take default into account, clients were not notified that the valuation represented a bond in default.

119. The valuations concocted by Larson in several cases misrepresented and overstated the overall value of a client's portfolio by tens of thousands of dollars. For example, on January 31, 2014, Larson represented to MNR5 that the values of MNR5's portfolios were worth approximately $150,000 more than RBC represented. The entire discrepancy in the valuation represents Larson's personal valuation of the church bonds in MNR5's portfolio versus RBC's assessed market value of $0 each. On contemporaneous account statements, and for the same reasons, Larson overvalued the accounts of MNR1, MNR2, MNR4 and VR1 by approximately $100,000, $95,000, $45,000 and $30,000 each under substantially similar circumstances.

120. According to Standley, the valuation of the bonds was an effort to "console" Oakbridge clients who were upset that their portfolio had dramatically lost value.

121. In early November 2013, Larson facilitated a cross-trade of a church bond, using his wife's account to purchase the church bond from a client who insisted on selling it.

122. In late 2013 and 2014, Larson attempted unsuccessfully to get prices from various sources for the bonds in an attempt to find a buyer for additional church bonds.

123. On March 13, 2014, Larson exchanged e-mails with a client who held church bonds regarding "update & valuations." Larson assured the client that she didn't lose money but instead was "making money" on the bonds.

124. In July 2014, Larson again used his wife's account to facilitate a cross-trade with another Oakbridge client who wanted to sell church bonds.

125. Currently, the church bonds are still priced at $0, have no secondary market, and in some cases are in default and not returning income as promised.

H. Robert Stack Beyer and Heroic Life Assurance Company

1. Red Flags in the Legal and Regulatory History of Beyer

126. On or about May 2, 1997, Beyer was terminated for-cause from Metropolitan Life Insurance Company, CRD number 4095, and Met Life Securities, Inc., CRD number 14251, for forging a client's signature guarantee on a transfer of assets form.

127. Between 2003 and 2004, Beyer was involved in a debt collection matter with Asset Acceptance, LLC.

128. On or around July 23, 2007, a civil judgment in favor of American General Financial Services was filed against Beyer for $11,194.

129. On or around March 26, 2008, a federal tax lien was filed against Beyer in the amount of

$22,928.

130. On or around July 9, 2009, a federal tax lien was filed against Beyer in the amount of $394. This tax lien was later released.

131. On or around July 16, 2009, FIA Card Services filed a garnishment action against Beyer for $38,669.

132. On or about October 6, 2010, a judgment was entered against Beyer pertaining to a Missouri Department of Revenue tax lien. Beyer was ordered to pay $3,065.16.

133. On or about October 6, 2010, another judgment was entered against Beyer pertaining to a Missouri Department of Revenue tax lien. Beyer was ordered to pay $2,396.12.

134. On or about September 6, 2011, a judgment was entered against Beyer pertaining to a Missouri Department of Revenue tax lien in the amount of $3,140.80.

135. On or about February 19, 2012, Beyer was terminated from Washington National Insurance Company for, among other things, low-production.

136. On or about August 1, 2012, a petition was filed against Beyer by the Missouri Director of Revenue to revoke Beyer's driver's license.

2. Beyer and Heroic Activities

137. From on or about December 28, 2011 through June 2013, Beyer solicited four persons, at least two of which were Oakbridge clients, and had them invest with Beyer in Heroic:

a. a 48 year-old Missouri resident ("MR1");

b. a 55 year-old Illinois resident ("IR1");
c. a 59 year-old Missouri resident ("MR2"); and

d. a 63 year-old Illinois resident ("IR2").

138. With regard to MR1:

a. On or about December 28, 2011, MR1 invested $10,000 with Heroic via personal check. Beyer endorsed this check on behalf of Heroic;
b. On or about January 4, 2012, MR1 invested an additional $66,625 with Beyer in Heroic via two personal checks, one to "Heroic Life Insur" and one to "Heroic Life Assurance Co."; and

c. The Petition alleges that MR1 was paid back by Beyer using investment funds from MR2.

139. With regard to IR1:

a. On or about February 29, 2012, Beyer visited IR1 at IR1's residence to solicit an investment in Heroic;

b. Beyer told IR1, among other things, Beyer "took care of stocks and bonds" and that an investment in Heroic would pay a 10% return;

c. Beyer asked IR1 to invest $100,000; and

d. IR1 invested $10,000 with Beyer in Heroic via personal check.

140. With regard to MR2:

a. In late 2011 through early 2012, Beyer contacted MR2 about an investment opportunity in Heroic;

b. Beyer represented to MR2 that an investment in Heroic would be good for MR2;

c. Beyer, among other things, told MR2 that MR2's investment would be in Heroic, guaranteed to MR2 that MR2 would never lose any of the original principal of the investment; and guaranteed to MR2 that MR2 would earn 8% interest yearly on the investment. Beyer, however, failed to disclose to MR2 among other things, the following:

i. Any risks associated with MR2's investment in Heroic;

ii. That Heroic was owned by Beyer;

iii. That the investment in Heroic would not be through Oakbridge; and

iv. That at least some of MR2's investment funds may be used to pay back MR1;

d. On or about March 26 and March 27, 2012, Beyer facilitated a wire transfer of $20,000 from MR2's brokerage account at Oakbridge to a Heroic checking account at Meramec Valley Bank ("Heroic Checking Account");

e. On or about April 16, 2012, Beyer, acting as MR2, wrote a note to Washington National Insurance Company ("Washington National") to prematurely liquidate MR2's annuity with Washington National. This note stated, among other things, "Please accept my request to surrender my annuity contract…. Please note that I am aware of the surrender charges and taxes due, but I need to close the account and receive the funds as soon as possible. Please send my check via overnight mail…so that I can receive it immediately." Beyer signed MR2's name; and

f. On April 27, 2012, based on Beyer's representations, MR2 invested an additional

$190,000 in Heroic via check. MR2's investment was deposited in the Heroic Checking Account on May 1, 2012.

141. With regard to IR2:

a. In or around June 2013, Beyer told IR2 about a "high return short-term savings" investment in Heroic which would provide monthly payments for 12 months; and

b. In or around June 2013, IR2 invested a total of $33,079.17 via two checks in Heroic based upon Beyer's representations. At least some of IR2's investment funds were derived from IR2's existing annuity.

142. MR1, MR2, IR1, and IR2 had no management responsibilities and performed no duties with respect to MR1's, MR2's, IR1's, and IR2's investments with Beyer and Heroic.

143. The Petition alleges that Beyer returned MR1's investment funds using at least some of MR2's investment funds.

144. MR2, IR1, and IR2 have never received any returns or returns of principal from MR2's, IR1's, and IR2's investments in Heroic, respectively.

145. MR2 and IR1 attempted to contact Beyer; however, Beyer failed to respond. At some point subsequent to IR2's investment, Beyer told IR2, among other things, the following:

a. IR2 was not receiving the promised investment payments because the RBC had been delayed in "backing up" the account in St. Louis, Missouri; and

b. Beyer's "two million dollar business had gone under," and Beyer would re-pay IR2.

146. Beyer and/or Heroic had four bank accounts: the Heroic Checking Account, a business savings account at Meramec Valley Bank in the name of Heroic ("Heroic Savings Account"), a personal bank account in the name of Beyer at PNC Bank ("Beyer PNC Account"), and a personal bank account at Meramec Valley Bank in the name of Beyer ("Beyer Meramec Account"). A review of these bank records revealed, among other things, that funds from MR1, MR2, IR1, and IR2, were all commingled and used, among other things, for the following:

a. To pay personal expenses, such as to The Fantasy Shop Comics, Hooter's, Funforsingles, Inc., Orbit Pinball Lounge, cell phone expenses, and Mystic Valley, among others;

b. ATM withdrawals;

c. Payments to Beyer personally; and

d. To pay back MR1.

147. Pursuant to *In the Matter of Robert Stack Beyer*, AP-15-20, Beyer offered and sold unregistered, non-exempt securities in violation of Section 409.3-301, and engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit in violation of Section 409.5-501.

I. Failure to Supervise Beyer

148. Larson and Standley entered into the Oakbridge SPA with Murray and Oakbridge on or about December 15, 2011, at which point, Larson, Standley, and Winter took full ownership of Oakbridge.

149. Beyer was an agent with Oakbridge under the control and supervision of Larson and Standley on two separate occasions relevant to this matter: from approximately December 15, 2011 through approximately May 15, 2012 ("First Beyer Employment Period"), and from approximately January 30, 2013 through September 5, 2013 ("Second Beyer Employment Period").

150. During both the First Beyer Employment Period and the Second Beyer Employment Period, Larson, Standley, and Winter were owners and control persons of Oakbridge. Larson and Standley in particular directly and/or indirectly supervised and/or controlled Beyer. Larson was CCO and had the responsibility to supervise Beyer, have reasonable policies and procedures, and implement those policies and procedures.

1. Failure to Supervise Beyer During First Beyer Employment Period

a. Knowingly Implementing and Continuing with Deficient Policies and Procedures

151. During the time of the Oakbridge SPA, Oakbridge, under Murray, entered into a Consent Order ("Oakbridge 2011 Consent") with the Missouri Securities Division for, among other things, failing to have reasonable policies and procedures, as well as a system for implementing the policies and procedures. At least some of these failures related to the following:

a. Reviewing an agent's activities to ensure the timely filing of amendments to applications on CRD;

b. Making suitability determinations;

c. Reviewing an agent's financial, employment, and legal history prior to hiring an agent; and

d. Reviewing the compliance and exception reports received from Forsyth's clearing firm and failing to follow Forsyth's written policies and procedures.

152. Oakbridge continued to utilize many of the same faulty policies and procedures used by Murray after Larson and Standley became owners of Oakbridge, despite the known deficiencies of those policies and procedures, as well as the policies and procedures Oakbridge should have reasonably known to be deficient.

b. No Due Diligence upon Purchase of Oakbridge

153. On or about August 30, 2011, Larson and Standley began working at Oakbridge with the expectation that they would purchase Oakbridge in the near future. In the Standley OTR, Standley stated that "…as a condition of an agreement that we had to buy [Oakbridge] from [Murray], [Murray] required us to bring our books of business over to him." Larson and Standley had adequate time to evaluate the current Oakbridge environment, policies and procedures, implementation of policies and procedures, agents, and personnel between the end of August 2011 and mid-December 2011.

154. In late 2011, Oakbridge and Murray were under investigation by the Enforcement Section due to supervisory and compliance issues. At minimum, Larson and Standley were aware that the investigation was being conducted. Murray was barred from the securities industry on or about December 22, 2011.

155. Standley stated in the Standley OTR that, among other things, he and Larson completed the following tasks as a part of a review of Oakbridge:

a. Review of FOCUS filings;

b. Review of Oakbridge's financial information;

c. Review of the books and records;

d. Addressing some agents who Standley and/or Larson "knew" had "longstanding problems with…following regulations, doing things the right way, and we made the decision once we owned the firm and could do something to separate them from us";

e. With regard to agents Larson and/or Standley were not aware had "problems," Standley and Larson reviewed "only what [Larson and Standley] could find on CRD";

f. "[Standley and Larson] wanted to put the firm on heightened supervision…We didn't do that…"; and

g. Larson and Standley did not check the credit reports of any current agents at Oakbridge when Larson and Standley took over Oakbridge. "And the assumption I guess there was [Murray] had done all of that, but we didn't know that for a fact."

156. Larson, Standley, and Oakbridge personnel conducted no background check and conducted no review of any other current agents at Oakbridge, specifically Beyer, despite the serious compliance concerns with Oakbridge and Murray's subsequent bar due to compliance issues.

c. Failure to Place Beyer on Heightened Supervision or Terminate Beyer due to Red Flags Associated with Beyer's Financial Matters and Production

157. Oakbridge and PLMM failed to investigate the character, business reputation, qualifications, and/or experience of Beyer, as well as the risks Beyer presented with regard to regulations and clients.

158. At the time of Beyer's affiliation with Oakbridge and PLMM, Beyer had an employment history that included forgery and a termination from Beyer's insurance company, in addition to five tax liens and at least three debt collection matters. No one at Oakbridge questioned Beyer about Beyer's past financial matters.

159. Larson, the CCO of both Oakbridge and PLMM, had requested and received Beyer's credit history, but was not aware of these judgments until on or about March 10, 2014.

160. On or about March 10, 2014, Larson sent an e-mail to Standley with an attachment titled, "[Beyer] Credit Report paperwork.pdf," that stated, among other things, the following: "I was going to send this as part of our review of BOB [*sic*] but then looked at it. How did we every [*sic*] hire someone who had 5 accounts 'in collection'??...I would have stopped the hire if I had seen it."

161. As CCO of both Oakbridge and PLMM, Larson had full authority and opportunity to request this report of Beyer, but failed to do so.

162. As a further testament to Beyer's poor financial history, Beyer disclosed to Oakbridge on or about January 13, 2012 that, as of that date, Beyer had no personal brokerage accounts. Larson, acting as CCO, signed this document on February 7, 2012, and thus had knowledge that Beyer either had no investable assets or was not investing assets, further showing that he was living strictly from his checking and was financially vulnerable.

163. In addition to Beyer's lack of any investment accounts and/or investable assets and past civil actions, Beyer, as proclaimed by Oakbridge personnel, was a "low-producer." From February 28, 2013 until December 12, 2013, Beyer's production was $10,995.12, which included trails credited to Beyer after his termination in September of 2013. After fees and other charges were deducted, Beyer owed Oakbridge $1,030.93 after termination.

164. Moreover, no one at Oakbridge, including Larson, made any inquiry to Beyer regarding Beyer's insurance commissions or other sources of income. No one at Oakbridge, including Larson, made any inquiry into or was aware that Beyer was terminated from an insurance company for low-production. Any such inquiry would have necessitated further scrutiny.

d. Failure to Review and Question Beyer's Outside Business Activities

165. On or about December 29, 2011, Beyer registered Heroic as a limited liability company with the Missouri Secretary of State. Beyer was listed as the registered agent and officer of Heroic. Beyer indicated that Heroic was organized for "Life, Health, + Wellness." Heroic was listed as owned by Beyer on the Missouri Secretary of State's business services directory, which is accessible and searchable by the public.

166. Heroic never had any insurance registration in the State of Missouri. This would be listed on the Missouri Department of Insurance website, which is accessible and searchable by the public.

i. 2012 Beyer OBA Disclosure

167. On or about February 7, 2012, Beyer submitted an OBA disclosure form ("2012 Beyer OBA Disclosure") to Oakbridge. This 2012 Beyer OBA Disclosure stated, among other things, the following:

a. Beyer worked for Heroic in "sales";

b. The address for Heroic was 255 Marshall Road, Suite 200, Valley Park, Missouri 63088;

c. The nature of the business was "fixed life products";

d. The OBA was not investment-related;

e. Beyer became involved with Heroic on December 29, 2011;

f. Beyer spent "30+" hours monthly working for Heroic; and

g. Beyer spent time with Heroic during trading hours.

168. Larson approved this form as principal and CCO.

ii. Heroic Facebook Page

169. On or about February 25, 2012, a Facebook page for a "Foundation" affiliated with Heroic ("Heroic Facebook Page") was created. The Heroic Facebook page was available via public search engines. The Heroic Facebook Page included, among other things, the following:

a. Heroic's website of http://hlac.org;

b. That Heroic and/or the affiliated Foundation was a "Heroic Entrepreneur Reproduction Operation";

c. That Heroic and/or the affiliated Foundation would be hosting at least one "entrepreneurship class";

d. The "products" of "Building bridges between businesses and entrepreneurs, life coaching, continued support and education";

e. "[Heroic] Foundation is dedicated to helping entrepreneurs and business owners build Enterprises that will continue to grow and emerge…"

iii. 2012 Heroic Advertisement

170. Before May 2012, Beyer was distributing a pamphlet and/or advertisement to the public regarding Heroic ("2012 Heroic Advertisement"). This advertisement was not consistent with the information provided on the 2012 Beyer OBA Disclosure form. This advertisement stated, among other things:

a. "Do you know anyone Heroic? We need heroines and heroes";

b. "Grand Opening and Entrepreneurship Course" scheduled for Tuesday, February 7; and

c. "Heroic Entrepreneur Reproduction Operation."

iv. Heroic Website

171. The Petition alleges, from at least in or around February 2012 through at least June 2, 2013, Beyer and Heroic publically advertised for investments in Heroic on a website, www.hlac.org. This website was available via public search engines and was advertised on the Heroic Facebook Page, LinkedIn pages for Beyer and Heroic, and on Heroic brochures and/or pamphlets. This website stated, among other things, the following:

a. That Heroic had an office address of 255 Marshall Road, Suite 200, Valley Park, Missouri 63088;

b. Heroic "is a company committed to doing the right thing";

c. "[W]e invite you to become an associate member in our company";

d. "For a one-time investment, you receive an annual 8% dividend (payable every year in February) and a stock conversion privilege";

e. "This translates into an additional, reliable stream of income every year to help support your family—and your business and investment efforts";

f. "By offering a good product and educational and coaching opportunities we dedicate ourselves to your personal and professional success";

g. "…[I]f you purchase our 20-year Heroic Life Assurance Policy in the amount of $1 Million, and you die within those 20 years, just like life insurance, your beneficiary would receive the $1 Million benefit. However, unlike life insurance, should you survive the next 20 years and pass away at 101, your beneficiary will still receive a death benefit in the amount you paid into the product as premiums during those years";

h. "Some of our affiliate partners include the Innovative Concept Academy, Knights of Columbus, Millionaires for Jesus, Connections for Success, Absolute Barter, Networking Plus, The Kauffman Foundation, and several Angel Groups throughout the United States";

i. "Q: What is required if I decide to invest in The Heroic Life Assurance Company? A: TBD. You can be involved as you would like. Many of our associate members like receiving business and company updates, others just wanted to contribute and receive the yearly dividend check"; and

j. "All investment funds will be invested according to MO's government laws to provide capital for product benefits and other company costs."

v. Beyer's/Heroic's LinkedIn and Gust.com Pages

172. Beginning at least in February 12, 2012, and throughout his employments with Oakbridge and PLMM, Beyer maintained a LinkedIn internet page. This page was publically available via public search engines. This page included, among other things, the following:

a. Beyer was a "Founder/Missionary" of Heroic from December 2011 through the present;

b. Beyer's job functions with Heroic consisted of "Assuring Beneficial Life, Health, Wellness, and Integrity Results by engaging in Economic Development Missions Work promoting Entrepreneurship, Family Life, and Faith";

c. Beyer served as a "National Financial Specialist" with Washington National Insurance Company from April 2009 through December 2011;

d. Beyer had been working on an "Assurance Capital Campaign" project since February 2012 in order to raise "$11,201,971 to fund the risk pool and launch our revolutionary life assurance product"; and

e. A company symbol for Heroic.

173. Since at least February 2012 and throughout his employments with Oakbridge and PLMM, Beyer maintained a LinkedIn internet page for a "Foundation" affiliated with Heroic. This page was publically available via public search engines. This page included, among other things, the following:

a. "We believe in integrating the life, work, health & wellness of our associates and entrepreneurs";

b. "The [Heroic] Foundation is dedicated to helping entrepreneurs and business owners build Enterprises that will continue to grow and emerge, focusing on Integrity, Assurance, and Prosperity";

c. "Assure the integrity of your Life and Work through us!"; and

d. "There is the opportunity to…qualify to join an angel group of entrepreneurs by completing this course and actively transforming you and your company."

174. From at least August 9, 2012 to November 21, 2014, Beyer maintained a website on gust.com for Heroic. This website was available via public search engines. This website included, among other things, the following:

a. Beyer was the "Chief Executive Officer";

b. A person named "Jesus Cristobal" was the "Entrepreneurship Executive";

c. The "stage" of the company was "Product in Development";

d. The industry of the company was "financial services";

e. The location of the company was "Afton, MO, US";

f. The company was founded in December 2011;

g. The home website for Heroic; and

h. The names of MR1 and IR2 as "previous investors."

vi. Failure to Investigate Heroic in 2012

175. Oakbridge failed to conduct a business directory search or insurance registration search for Heroic.

176. When asked about the 2012 Beyer OBA Disclosure, Standley admitted he did not know what Heroic was, stating, among other things:

a. With regard to the term, fixed life product, the following: "I know what a fixed annuity is. A fixed life, I'm not sure of the term…I'm not sure if I understand the term";

b. With regard to the meaning of the term, "life assurance," the following: "I have no clue";

c. "We weren't aware other than it was a life assurance company that we have no control over, we have no overview responsibilities for, so we wouldn't have been concerned about it;" and

d. That Beyer's OBA disclosure did not state that Heroic was an insurance company or offered insurance products.

177. Oakbridge never requested that Beyer provide Oakbridge the 2012 Heroic Advertisement or any documentation pertaining to Beyer's OBAs, despite Larson not understanding what the nature of Heroic was.

178. On or about January 9, 2012, Larson, acting as CCO of Oakbridge, sent a letter to the Missouri Securities Division, stating, among other things, the following:

a. "There will be a follow-up mailing that will require [agents of Oakbridge] to list their outside business activities. By April 15th, we are requiring 1099's and W-2's from any of their outside activities. Failure to provide them will be a terminating issue"; and

b. "[Agents of Oakbridge] will also sign that they are aware that we are doing background checks on all employees and brokers of [Oakbridge]."

179. Oakbridge never requested a Form W2 or Form 1099 from Beyer pertaining to Beyer's OBAs.

180. Oakbridge never conducted and/or reviewed the background of Beyer.

181. In the Huang OTR, Huang stated, among other things, that as part of the initial hiring or onboarding process, compliance would not review LinkedIn pages and other social media of agents.

182. However, FINRA Rule 3010 "requires each firm to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable federal securities laws and FINRA rules."

183. In the Huang OTR, Huang stated that he expressed to Larson that Beyer's outside business activity with Heroic needed to be "looked at much more closely."

184. A reasonable inquiry into Beyer's OBAs would have revealed that Beyer's activities with Heroic were investment-related.

185. Because Beyer's activities were investment-related, Oakbridge had a duty to supervise Beyer's activities with Heroic.

e. Personnel of Oakbridge Unlawfully Notarized Documents Related to Beyer's Heroic Activities and Oakbridge Failed to Supervise Wire Transfers

186. On or about March 26 and March 27, 2012, Beyer facilitated a wire transfer of $20,000 from MR2's brokerage account to the Heroic Checking Account.

187. In order to facilitate this transfer, Beyer had MR2 sign a "Letter of Authorization" on or about March 26, 2012 ("MR2 Letter of Authorization"). MR2 only completed the name and amount to be transferred portion of the MR2 Letter of Authorization.

188. The MR2 Letter of Authorization included, among other things, the following:

a. Funds were to be wired to "Meramec Valley Bank" in "Ellisville, MO";

b. The "Beneficiary Name (account title at bank)" of "[Heroic]/[Beyer]"; and

c. The account number of the Heroic Checking Account.

189. Beyer electronically requested the wire transfer via a "Wire Transfer Request" ("MR2 WTR"). The MR2 WTR included, among other things, the following:

a. The wire transfer to be initiated by Murray, who was barred from the industry and no longer working for Oakbridge;

b. A "Warning" that stated, among other things, "This request will deplete all available funds in the account"; and

c. Additional comments from Beyer stating, "Please wire $20000.00 3/27/12 ASAP. Thanks."

190. The authorization form for this transfer should have been signed by Huang or another principal, but was not.

191. Huang was trying to improve the process; however, no WSPs were in place regarding wire transfer policies at the time of the $20,000 transfer.

192. Oakbridge failed to construct and implement reasonable policies and procedures with regard to wire transfers. At least at the time of the wire transfer from MR2 to Beyer:

a. Oakbridge personnel failed to have an understanding that wire transfers were required to have a principal's signature;

b. No follow-up interview was conducted with Beyer or with MR2, even though the funds were being transferred to Beyer's bank account; and

c. No follow-up interview was conducted with Beyer or with MR2, despite the wire

transfer depleting almost all of MR2's funds.

f. Beyer's Resignation from Oakbridge on May 15, 2012

193. On or about May 15, 2012, Beyer sent and/or delivered a handwritten note to Oakbridge ("Beyer 2012 Resignation Letter"). The Beyer 2012 Resignation Letter stated, among other things, the following:

> "Dear [Oakbridge] Securities, Effective immediately I resign to pursue full-time employment by [Heroic]. Sincerely, [Beyer][,] 237 Benton St, Apt 201[,] Valley Park, MO 63088."

1. Failure to Supervise Beyer during Second Beyer Employment Period

194. On or about January 30, 2013, Oakbridge, at the behest of Standley, rehired Beyer as an agent. On or about that same date, PLMM hired Beyer.

a. Failing to Have Reasonable WSPs and Implement WSPs related to Hiring Practices and/or Heightened Supervision

195. Oakbridge and PLMM once again failed to investigate the character, business reputation, qualifications, and experience of Beyer, as well as the risks Beyer presented with regard to regulation and to customers.

196. At the time of Beyer's re-hiring in or around January of 2013, in addition to Beyer's employment history that included forgery, termination from Beyer's insurance company, five tax liens, and three debt collection matters, Beyer also was subject to an action involving a revocation of Beyer's driver's license by the Missouri Director of Revenue. No one at Oakbridge or PLMM questioned Beyer about his past financial matters or the driver's license revocation action.

197. Larson, as the CCO of Oakbridge, requested Beyer's credit history, but never reviewed it. Larson was also CCO of PLMM at this time.

198. As a further testament to Beyer's poor financial history, Beyer again disclosed to Oakbridge on or about January 30, 2013 that, as of that date, Beyer had no personal brokerage accounts. Larson never signed this document as CCO, even though it was submitted to Oakbridge compliance. Larson knew or should have known that Beyer had no investable assets. This further shows that Beyer was strictly living from Beyer's checking and/or savings accounts and thus had no investable assets.

199. Once again, no one at Oakbridge or PLMM, including Larson who was CCO for both firms, made any inquiry to Beyer regarding his status as an insurance agent or other sources of income. No one at Oakbridge or PLMM, including Larson, made any inquiry into or was aware that Beyer was terminated from an insurance company for low production. Any such inquiry would have necessitated further scrutiny.

200. On or about March 9, 2014, Larson sent an e-mail to Standley, Winter, Domke, and Huang, stating, among other things: "Please send my [*sic*] BOB's [*sic*] onboarding checklist or a blank one. DID [*sic*] we do a background check through paycheck vendor or remit pro?...Everyone PS [*sic*] Why did we let him come back????"

201. With regard to its process when Oakbridge rehired Beyer, Standley stated in the Standley OTR, among other things, the following:

> "[Larson and Standley] looked at him a little bit. He went through apparently a horrific divorce, where he was going to lose his kids and all kinds of things. He left the firm and came back dragging tail and begging forgiveness and saying he was going to do wonderful things. And we thought, well, we don't know of any problems out there, so okay."

b. <u>Failure to Review and Question Beyer's OBAs</u>

202. All information Oakbridge and Larson knew or should have known relating to Beyer's OBAs during the beginning of the First Beyer Employment Period is identical to the information Oakbridge, PLMM, and Larson knew or should have known at the beginning of the Second Beyer Employment Period pertaining to Beyer's OBAs.

203. On or before February 11, 2013, Beyer initialed and submitted a compliance checklist to Oakbridge ("2013 Compliance Checklist") for Larson's review. This 2013 Compliance Checklist consisted of 52 statements pertaining to Beyer's understanding of compliance of which both Beyer and Larson were required to initial. Larson never signed this document. Larson also was CCO of PLMM at all times relevant.

204. On or about January 30, 2013, Beyer submitted an OBA disclosure form ("2013 Beyer OBA Disclosure") to Oakbridge. This 2013 Beyer OBA Disclosure stated, among other things, the following:

a. Beyer was the "Agent/owner" of Heroic;

b. The address for Heroic was 255 Marshall Road, Suite 200, Valley Park, Missouri 63088;

c. The nature of the business was "life assurance";

d. The OBA was not investment-related;

e. Beyer became involved with Heroic in December of 2011; and

f. Beyer spent 20 hours monthly working for Heroic.

205. The 2013 Beyer OBA Disclosure was submitted to Larson, who was CCO of both Oakbridge and PLMM, and he signed off on it on January 30, 2013.

206. In the Standley OTR, Standley stated, among other things, "Larson should have seen the word owner and that should have been a red flag. I don't know that he saw that…He has 20 or 25 of these to do at exactly the same time at the meeting."

207. On or around February 21, 2013, Beyer sent Huang via e-mail a trifold advertisement titled, "Associate Membership Opportunities" ("2013 Heroic Advertisement"). Huang forwarded this advertisement to Larson, stating, among other things, the following:

a. "Bob came to me…and disclosed his venture on the insurance products which he was the principal behind raising funds…";

b. "I am bound this over to you as CCO. Attached is the [2013 Heroic Advertisement] which he provided…"; and

c. "I am under the impression that either you or [Standley] was already made aware of [Beyer's] involvement and have some or sufficient knowledge for due diligence review."

208. The 2013 Heroic Advertisement stated, among other things:

a. "We believe in integrating the Life, Work, Health, and Wellness of our members, customers, and associates";

b. "We are working on our wings as we become angels in action – heroines and heroes fighting the good fight for the right reasons";

c. "Assuring Your Entrepreneurial Integrity";

d. "[Heroic] is making available a limited number of Associate Memberships for those qualified to add to their asset portfolio";

e. "As an Associate Member of [Heroic], for your participation an 8% dividend each year in February";

f. "When [Heroic] goes public, your participation will grant you conversion privileges to participate in the equity of the company";

g. "Associate Memberships for [Heroic] are being offered from $75,000 per parcel to a maximum of 100 parcels. Fractional memberships are available in increments of $7,500";

h. "[Heroic] will never again be able to make this particular offer to anyone. If you believe participation in this opportunity is right for you, call [Beyer]"; and

i. "Your invested dollars not only provide you with a life long [*sic*] dividend but also ensure the success of future entrepreneurs and their new entrepreneurs."

209. On or about March 28, 2013, Beyer, as an agent of Oakbridge, submitted a "Registered Individual Personal Activity Questionnaire" ("FINRA Questionnaire") to FINRA. This FINRA Questionnaire asked if Beyer was engaged in any "outside employment/activities" for which Beyer would be compensated. Beyer responded, "Yes – Christian book sales – 20 hours." The FINRA Questionnaire failed to mention Beyer's activities pertaining to Heroic.

J. Oakbridge's Termination of Beyer

210. On or around September 5, 2013, members of Oakbridge, including Larson, requested that Beyer attend a meeting to discuss Beyer's OBA in Heroic. Beyer failed to attend this meeting.

211. Shortly after Beyer failed to attend the meeting, Beyer was terminated by Oakbridge.

212. Around the time Beyer was terminated from Oakbridge, Beyer submitted a handwritten letter to Oakbridge about his involvement with Heroic, which stated, among other things:

a. That Beyer had been raising capital for Heroic;

b. That Beyer kept poor records for Heroic and had "no internal company controls to handle associate member funds";

c. That Beyer "no longer has sufficient funds to repay any of Heroic investors due to difficulties in raising capital and my income drawn from the investments";

d. The names of four (4) investors in Heroic;

e. That MR1 was a "non-qualified investor";

f. That IR1 was a "qualified investor";

g. That MR2 was a "non-qualified investor" and former client of Oakbridge; and

h. That IR2 was a "qualified investor" and was initiating a lawsuit.

K. Other Evidence of Oakbridge's and PLMM's Failure to Supervise Beyer's OBAs

213. Beyer resigned from Oakbridge on or about May 15, 2012, and was rehired on or about January 30, 2013.

214. Larson did not express concern to Huang about rehiring Beyer "because he didn't have any history in CRD."

215. However, Beyer gave Huang the 2013 Heroic Advertisement on February 21, 2013,

which stated, among other things:

a. "When Heroic Life Assurance goes public, your participation will grant you conversion privileges to participate in the equity of the company."; and

b. "Associate membership for Heroic Life Assurance are being offered from $75,000 per parcel to a maximum of 100 parcels. Fraction memberships are available in increments of $7,500."

216. By the time Beyer was rehired, Huang had developed a checklist of steps taken in the onboarding process. This included background checks by Oakbridge's vendors ADP and Paychex, which, according to Huang, only checked for court cases on applicants. PLMM also employed Beyer during his second employment period, and Larson was CCO of PLMM at all times relevant.

217. The checklist did not include checking the Missouri Secretary of State's website to search for potential businesses with which the applicant was associated or searching for social media connected to the applicant.

218. Huang received criticism from Larson concerning the checklist because it "created a paper trail." With regard to the CCO signature section on the form, Huang said Larson "didn't like that in particular."

219. Huang said that Larson began an investigation on Beyer and Heroic only after receiving a telephone call from MR2 concerning MR2's investments in Heroic.

220. Larson believed that Heroic was "an insurance product not regulated by FINRA or the SEC, other than his required notification on the OBA, it was outside our jurisdiction and responsibility. It was under the jurisdiction of the Missouri Insurance Division."

L. Events after the Beyer Termination

221. In or around June 13, 2014, FINRA suspended Beyer from association with any broker-dealer for failing to respond to FINRA's request for information.

222. Despite all the information available to Oakbridge regarding Beyer and Heroic dating back to 2011, in a September 4, 2013 letter from Larson to FINRA, Larson stated, in his capacity as CCO of Oakbridge, among other things:

a. "It was our understanding that Mr. Beyer was just an agent for Heroic, and that Heroic had become inactive. . .";

b. "We did not know that he was an owner. We had no idea if he was nor did we know of his activities with Heroic. . .";

c. "As we were unaware of his activities at Heroic we did not know of solicitation

activities. Because we were not aware, we took no action. . .";

d. "Not getting approval breached policy. Again, he was not terminated for outside business activity but for failure to cooperate in an investigation as to rumors of improper activities. . ."; and

e. "Many of our associates do life insurance business separate from any oversight by Oakbridge as this activity falls under the supervision of the general agent and the states."

223. Despite all the information available to Oakbridge and PLMM regarding Beyer and Heroic dating back to 2011, in a July 15, 2014 letter from Larson to FINRA concerning Beyer, Larson stated, in his capacity as CCO of Oakbridge, among other things:

a. That MR2's "purchase of a non-variable life insurance product is outside our jurisdiction and responsibility to oversee"; and

b. That Beyer's "activities with Heroic were insurance related and outside our scope of supervision."

224. On or about October 8, 2014, Beyer was indicted by the United States government on one count of wire fraud and one count of unlawful monetary transactions.

225. On or about May 18, 2015, the Commissioner issued an Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed ("Beyer Order") for, among other things, offering and selling unregistered securities and engaging in fraud in the securities industry. Beyer's actions giving rise to the Findings of Fact and Conclusions of Law in the Beyer Order would constitute dishonest and unethical practices in the securities industry and would therefore authorize the Commissioner and/or the Administrative Hearing Commission to condition, limit, and/or suspend the securities registration of Beyer, censure, bar, and/or impose a civil penalty on Beyer.

226. On or about September 30, 2015, the Commissioner issued a Final Order to Cease and Desist and Order Awarding Restitution, Costs, and Civil Penalties against Beyer and Heroic for, among other things, offering and selling unregistered securities and engaging in fraud in the securities industry.

III. CONCLUSIONS OF LAW

227. Respondent Oakbridge failed to request a hearing within the time allowed by Section 409.6-604, and because the Commissioner never ordered such a hearing, the Order issued on May 12, 2016, against Oakbridge became **FINAL** by operation of law.

228. Respondent PLMM requested a hearing within the time allowed by Section 409.6-604. This hearing was held on May 15th, 2018, before the Commissioner based upon lawful notice provided to all Respondents. No one appeared on behalf of PLMM at this hearing.

Therefore, the Order issued on May 12, 2016, against PLMM became **FINAL** by operation of law.

Multiple Violations of Failure to Supervise Regarding Beyer and Heroic

229. **THE COMMISSIONER CONCLUDES** that Respondents Oakbridge and PLMM failed to reasonably supervise Beyer.

230. Beyer committed violations of the securities laws while registered as an agent at Oakbridge and a representative at PLMM. These violations included, among other things, the following:

a. Multiple violations of offering and selling unregistered, non-exempt securities (Heroic investments); and

b. Multiple violations of making an untrue statement, omitting to state material facts and 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 (promising 10% return, 8% yearly interest, and guaranteeing principal related to Heroic investment).

231. Oakbridge and PLMM shared in the responsibility to take appropriate action to supervise Beyer's OBAs and prevent Beyer's misconduct. Respondents, among other things, had a duty to reasonably investigate Beyer's OBA.

232. Oakbridge and PLMM were not reasonable in their supervision of Beyer. Respondents failed to investigate Beyer's OBA in Heroic, despite having the opportunity to do so before approval.

233. Oakbridge and PLMM did not act reasonably, delayed taking action, and their responses were inadequate. These supervisory failures included, among other things, the following:

a. Not reasonably investigating Beyer's February 7, 2012 OBA Disclosure, despite the meaning of his disclosure being unclear by referencing "sales" of "fixed life products," which neither Larson nor Standley understood;

b. Not reasonably investigating the Heroic Facebook Page that, on February 25, 2012, stated:

i. That Heroic's website was http://hlac.org;

ii. That that Heroic and/or the affiliated Foundation was a "Heroic Entrepreneur Reproduction Operation";

iii. That Heroic and/or the affiliated Foundation would be hosting at least one "entrepreneurship class";

iv. The "products" of "Building bridges between businesses and entrepreneurs, life coaching, continued support and education"; and

v. "[Heroic] Foundation is dedicated to helping entrepreneurs and business owners build Enterprises that will continue to grow and emerge…"

c. Not reasonably investigating a May 2012 Heroic advertisement that stated, among other things:

i. "Do you know anyone Heroic? We need heroines and heroes";

ii. "Grand Opening and Entrepreneurship Course" scheduled for Tuesday, February 7; and

iii. "Heroic Entrepreneur Reproduction Operation."

d. Not reasonably investigating the Heroic website that, from at least February 2012 through June 2, 2013, stated, among other things:

i. That Heroic had an office address of 255 Marshall Road, Suite 200, Valley Park, Missouri 63088;

ii. Heroic "is a company committed to doing the right thing";

iii. "[W]e invite you to become an associate member in our company";

iv. "For a one-time investment, you receive an annual 8% dividend (payable every year in February) and a stock conversion privilege";

v. "This translates into an additional, reliable stream of income every year to help support your family—and your business and investment efforts";

vi. "By offering a good product and educational and coaching opportunities we dedicate ourselves to your personal and professional success";

vii. "…[I]f you purchase our 20-year Heroic Life Assurance Policy in the amount of $1 Million, and you die within those 20 years, just like life insurance, your beneficiary would receive the $1 Million benefit. However, unlike life insurance, should you survive the next 20 years and pass away at 101, your beneficiary will still receive a death benefit in the amount you paid into the product as premiums during those years";

viii. "Some of our affiliate partners include the Innovative Concept Academy, Knights of Columbus, Millionaires for Jesus, Connections for Success,

Absolute Barter, Networking Plus, The Kauffman Foundation, and several Angel Groups throughout the United States";

ix. "Q: What is required if I decide to invest in The Heroic Life Assurance Company? A: TBD. You can be involved as you would like. Many of our associate members like receiving business and company updates, others just wanted to contribute and receive the yearly dividend check"; and

x. "All investment funds will be invested according to MO's government laws to provide capital for product benefits and other company costs."

e. Not investigating Beyer's and/or Heroic's LinkedIn and Gust.com Pages that, as of February 2012 (LinkedIn) and August 9, 2012 to November 21, 2014 (Gust.com), stated, among other things:

i. That Beyer was a "Founder/Missionary" of Heroic from December 2011 through the present;

ii. That Beyer's job functions with Heroic consisted of "Assuring Beneficial Life, Health, Wellness, and Integrity Results by engaging in Economic Development Missions Work promoting Entrepreneurship, Family Life, and Faith";

iii. That Beyer served as a "National Financial Specialist" with Washington National Insurance Company from April 2009 through December 2011;

iv. That Beyer was working on an "Assurance Capital Campaign" project since February 2012 in order to raise "$11,201,971 to fund the risk pool and launch our revolutionary life assurance product";

v. That "[w]e believe in integrating the life, work, health & wellness of our associates and entrepreneurs";

vi. That "[t]he [Heroic] Foundation is dedicated to helping entrepreneurs and business owners build Enterprises that will continue to grow and emerge, focusing on Integrity, Assurance, and Prosperity";

vii. That Heroic "[a]ssure[s] the integrity of your Life and Work through us!";

viii. That "[t]here is the opportunity to…qualify to join an angel group of entrepreneurs by completing this course and actively transforming you and your company.";

ix. That Beyer was the "Chief Executive Officer" of Heroic;

x. That a person named "Jesus Cristobal" was the "Entrepreneurship Executive";

xi. That the "stage" of the company was "Product in Development";

xii. That the industry of the company was "financial services";

xiii. That the location of the company was "Afton, MO, US";

xiv. That the company was founded in December 2011;

xv. The home website for Heroic; and

xvi. The names of MR1 and IR2 as "previous investors."

f. Not requesting that Beyer provide Oakbridge the 2012 Heroic Advertisement or any documentation pertaining to Beyer's OBAs, despite Larson not understanding what the nature of Heroic was;

g. Not requesting a Form W2 or Form 1099 from Beyer pertaining to Beyer's OBAs;

h. Not reviewing Beyer's background check;

i. Not conducting a reasonable investigation into Beyer and his OBA Heroic when Beyer was rehired by Oakbridge on January 30, 2013, which would have shown a past forgery, termination from Beyer's insurance company, five tax liens, three debt collection matters, and that Beyer also was subject to an action involving a revocation of Beyer's driver's license by the Missouri Director of Revenue;

j. Not reviewing Beyer's credit history prior to rehiring Beyer in January 2013;

k. Not reviewing Beyer's background check prior to rehiring Beyer in January 2013; and

l. Not investigating Beyer's OBA Heroic via internet searches or otherwise, any of which would have revealed the above information, prior to rehiring Beyer in January 2013.

234. Respondents Oakbridge and PLMM failed to reasonably supervise Beyer in violation of Section 409.4-412(d)(9), RSMo.[2]

[2] Unless otherwise noted, all statutory references are to the 2016 cumulative supplement of the Revised Statutes of Missouri.

235. Respondents Oakbridge's and PLMM's failure to reasonably supervise Beyer constitutes grounds to censure, impose a bar, and/or impose a civil penalty and is subject to the Commissioner's authority under Section 409.4-412.

Multiple Violations of Materially Aiding Fraud and/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, Sale, or Purchase of a Security Regarding Supervisory Policies and Procedures in Place Regarding OBAs

255. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents Oakbridge and PLMM materially aided Beyer's conduct in violation of Section 409.5-501.

256. In connection with the purchase or sale of the Heroic unregistered, non-exempt security, Beyer made the above-referenced untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person.

257. Respondents Oakbridge and PLMM materially aided Beyer and Heroic's conduct by having such substandard supervisory policies and procedures that Beyer affirmatively disclosed his fraudulent scheme, but Respondents failed to conduct a reasonable investigation of the OBA and allowed Beyer to defraud investors, some of whom were Oakbridge clients.

258. Respondents Oakbridge and PLMM failed to follow even the substandard supervisory policies and procedures that existed at Oakbridge and PLMM, which also facilitated Beyer defrauding investors, some of whom were Oakbridge clients.

259. Respondents Oakbridge and PLMM materially aided Beyer's and Heroic's conduct in violation of Section 409.5-501.

260. Respondents Oakbridge's and PLMM's conduct in violation of Section 409.5-501 constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Dishonest and Unethical Practices Regarding Unsuitable Sales of Reverse Convertible Products

261. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent Oakbridge, engaged in dishonest and unethical practices in the securities business in the State of Missouri by, among other things, the following:

a. Making unsuitable sales of Recons to multiple clients in that client accounts were over-concentrated in Recons;

b. Exercising discretion in client accounts where Oakbridge did not have discretionary authority to make unsuitable sales of Recons to multiple clients; and

c. Obligating clients to purchase Recons prior to disclosing the final terms of the Recons.

262. Respondent Oakbridge was registered as a broker-dealer in the State of Missouri at the time these activities occurred.

263. Respondent Oakbridge committed multiple violations of Section 409.4-412(d)(13) by making unsuitable sales of Recons, exercising discretion in non-discretionary accounts, and selling Recons to clients without informing the clients as to the final terms of the Recons.

264. Respondent Oakbridge's dishonest and unethical activities constitute grounds to censure, impose a bar, and/or impose a civil penalty and such conduct is, therefore, subject to the Commissioner's authority under Section 409.4-412.

Multiple Violations of Failure to Timely Update Uniform Application Information Regarding Ownership of Oakbridge and PLMM

265. **THE COMMISSIONER FURTHER CONCLUDES** that Oakbridge and PLMM filed at least 31 filings containing inaccurate or out of date information regarding the ownership of Oakbridge and PLMM.

266. These inaccurate or out of date filings were submitted to the Commissioner over the course of more than three years.

267. As such, Respondents Oakbridge and PLMM failed to timely update their uniform application information to accurately reflect the ownership, supervisory, and control person structure at both Oakbridge and PLMM in violation of Section 409.4-406(b).

268. Respondents Oakbridge's and PLMM's conduct constitutes multiple violations of Section 409.4-406(b) and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making or Causing to be Made False or Misleading Statements

269. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents Oakbridge and PLMM made or caused to be made, in a record that is used in an action or proceeding or filed under the Missouri Securities Act of 2003 ("Act"), a statement that, at the time and in the light of the circumstances under which it is made, was false or misleading in a material respect.

270. The State of Missouri approved Oakbridge's and PLMM's uniform applications for registration with the State of Missouri on January 3, 2012 and January 13, 2011 respectively.

271. Since the dates Missouri approved their applications, Oakbridge and PLMM respectively made 23 and 8 amendments to their applications, disclosing among other things a number of changes in the supervisory structure of the firm.

272. Not until January 6, 2016, in the case of Oakbridge, or May 26, 2015, in the case of PLMM, did anyone at the aforementioned entities make amendments disclosing the true ownership structure at the firms. Specifically, PLMM's Form ADV and Oakbridge's Form BD indicated that Larson and Standley were 50-50 owners of both firms when, in fact, Winter provided initial capital for the purchase of Oakbridge in exchange for a 1/3 ownership interest and, separately, purchased a 1/3 ownership in PLMM from Standley and Larson.

273. At no point did Oakbridge make changes to its response to the question of whether any other person provided contingent funding for Oakbridge when, in fact, Winter provided initial capital for the firm in exchange for a 1/3 ownership interest.

274. Respondents Oakbridge and PLMM made or caused to be made, in a record that is used in an action or proceeding or filed under the Act, a statement that, at the time and in the light of the circumstances under which it is made, false or misleading in a material respect in violation of Section 409.5-505.

275. Respondents Oakbridge's and PLMM's conduct in violation of Section 409.5-505 constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Filing an Application for Registration that was Incomplete in Any Material Respect or Contained a Statement that was False or Misleading with Respect to a Material Fact

276. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents Oakbridge and PLMM filed an application for registration in Missouri, which, as of the effective date of registration was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact.

277. The State of Missouri approved Oakbridge's and PLMM's uniform applications for registration with the State of Missouri on January 3, 2012 and January 13, 2011 respectively.

278. Since the dates Missouri approved their applications, Oakbridge and PLMM respectively made 23 and 8 amendments to their applications, disclosing among other things a number of changes in the supervisory structure of the firm.

279. Not until January 6, 2016, in the case of Oakbridge, or May 26, 2015, in the case of PLMM, did anyone at the aforementioned entities make amendments disclosing the true ownership structure at the firms. Specifically, PLMM's Form ADV and Oakbridge's Form BD indicated that Larson and Standley were 50-50 owners of both firms when, in fact, Winter provided initial capital for the purchase of Oakbridge in exchange for a 1/3 ownership interest and, separately, purchased a 1/3 ownership in PLMM from Standley and Larson.

280. At no point did Oakbridge make changes to its response to the question of whether any other person provided contingent funding for Oakbridge when, in fact, Winter provided initial capital for the firm in exchange for a 1/3 ownership interest.

281. Respondents Oakbridge and PLMM filed applications for registration in this state under the Act within the previous ten years, which, as of the effective date of registration or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact in violation of Section 409.4-412(d)(1).

282. Respondents Oakbridge's and PLMM's conduct in violation of Section 409.4-412(d)(1) constitutes grounds to censure, impose a bar, and/or impose a civil penalty and such conduct is, therefore, subject to the Commissioner's authority under Section 409.4-412.

Multiple Violations of Willful Failure to Comply with the Missouri Securities Act

283. **THE COMMISSIONER FURTHER CONCLUDES** that Respondents Oakbridge and PLMM willfully violated or willfully failed to comply with the Act.

284. The State of Missouri approved Oakbridge's and PLMM's uniform applications for registration with the State of Missouri on January 3, 2012 and January 13, 2011 respectively.

285. Since the dates Missouri approved their applications, Oakbridge and PLMM respectively made 23 and 8 amendments to their applications, disclosing any number of changes in the supervisory structure of the firm, among other things.

286. Not until January 6, 2016, in the case of Oakbridge, or May 26, 2015, in the case of PLMM, did anyone at the aforementioned entities make amendments disclosing the true ownership structure at the firms. Specifically, PLMM's Form ADV and Oakbridge's Form BD indicated that Larson and Standley were 50-50 owners of both firms, when, in fact, Winter provided initial capital for the purchase of Oakbridge in exchange for a 1/3 ownership interest and, separately, purchased a 1/3 ownership in PLMM from Standley and Larson.

287. At no point did Oakbridge make changes to the question of whether any other person provided contingent funding for Oakbridge when, in fact, Winter provided initial capital for the firm in exchange for a 1/3 ownership interest.

288. Respondents willfully filed applications for registration in this state under the Act that were materially incomplete in violation of Section 409.4-412(d)(2).

289. Respondents Oakbridge's and PLMM's conduct in violation of Section 409.4-412(d)(1) constitutes grounds to censure, impose a bar, and/or impose a civil penalty and such conduct is, therefore, subject to the Commissioner's authority under Section 409.4-412.

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, Sale, or Purchase of a Security Regarding the Creation of Church Bond Market Values and Corresponding Statements

290. **THE COMMISSIONER FURTHER CONCLUDES** that in connection with the offer, sale or purchase of a security, Respondent Oakbridge made an untrue statement of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by generating valuations for the church bonds Oakbridge clients owned for which there was no secondary market and, therefore, no market price, and then generating supplemental statements or updates that purported to show the overall value of the clients's portfolio.

291. Generating valuations and supplemental statements or updates was a concerted and conscious effort to lull Oakbridge clients into staying at Oakbridge by giving the clients a false sense of comfort that their portfolios were worth more than RBC was reporting when, in fact, there was no secondary market for the bonds and, therefore, no market price for the bonds.

292. At the time Respondent Oakbridge engaged in this conduct, at least one Oakbridge client who owned church bonds was more than 60 years old and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B).

293. Respondent Oakbridge made an untrue statement of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in violation of Section 409.5-501.

294. Respondent Oakbridge's conduct in violation of Section 409.5-501 constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Sections 409.6-604.

Multiple Violations of Dishonest and Unethical Practice Regarding the Creation of Church Bond Market Values and Corresponding Statements

295. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent Oakbridge engaged in dishonest and unethical practices in the securities business in the State of Missouri by, among other things, over the course of more than a year, the following:

a. Creating valuations for church bonds held in Oakbridge client accounts that did not reflect the market price for the bonds;

b. Generating supplemental statements or updates that informed Oakbridge clients of the valuation Respondent assigned to the bonds and the overall value of the client account, which was higher than the RBC statement because it included the artificial valuation of the church bonds; and

c. Lulling Oakbridge clients as to the true value of the church bonds.

296. Respondent Oakbridge was registered as a broker-dealer in the State of Missouri at the time these activities occurred.

297. Respondent Oakbridge generated valuations for church bonds held in client accounts that did not reflect market prices of the bonds, generated supplemental statements or updates conveying those artificial valuations, and lulled Oakbridge clients as to the true value of the church bonds and the clients' portfolios in violation of Section 409.4-412(d)(13).

298. Respondent Oakbridge's dishonest and unethical activities constitute grounds to censure, impose a bar, and/or impose a civil penalty and such conduct is, therefore, subject to the Commissioner's authority under Section 409.4-412.

299. 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).

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 violating or materially aiding in any violation of:

A. Section 409.4-406 by failing to promptly file a correcting amendment if the information or record contained in an application filed under Section 409.4-406(a) is or becomes inaccurate or incomplete in a material respect;

B. Section 409.5-501 by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is

made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person;

C. Section 409.5-505 by making or causing to be made, in a record that is used in an action or proceeding or filed under the Act, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, to omitting to state a material fact necessary to make the statement made, in light of the circumstances under which it was made, not false or misleading;

D. Section 409.4-412(d)(9) by failing to reasonably supervise an agent, investment adviser representative, or other individual, if the agent, investment adviser representative, or other person was subject to the person's supervision and committed a violation of the Act;

E. Section 409.4-412(d)(13) by engaging in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business;

F. Section 409.4-412(d)(1) by filing an application for registration in this state under this Act which, as of the effective date of registration or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact; and

G. Section 409.4-412(d)(2) by willfully violating or willfully failing to comply with this Act.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $20,000 for more than one violation of Section 409.4-406. This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $20,000 for more than one violation of Section 409.5-501. This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $20,000 for more than one violation of Section 409.5-

505. This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $50,000 for more than one violation of Section 409.4-412(d)(1). This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $50,000 for more than one violation of Section 409.4-412(d)(2). This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), each Respondent shall pay a civil penalty in the amount of $50,000 for more than one violation of Section 409.4-412(d)(9). This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondent Oakbridge shall pay a civil penalty in the amount of $50,000 for more than one violation of Section 409.4-412(d)(13). This amount shall be made payable to the State of Missouri and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days from the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(d), Respondents shall jointly and severally pay restitution in the amount of $203,079.17 for multiple violations of Section 409.5-501 plus eight percent interest from the dates of the violations in accordance with Section 409-6.604(d)(2). The current amount of restitution plus interest due is $314,772.48. This amount shall be paid within 30 days from the date of this Final Order and shall be made payable to the Missouri Secretary of State's Investor Restitution Fund. Respondents shall deliver, or cause to be delivered, this payment to the Securities Division at 600 West Main, P.O. Box 1276,

Jefferson City, Missouri, 65102. The Commissioner will take reasonable and necessary actions to distribute all such funds to the investors.

IT IS FURTHER ORDERED that, in accordance with Section 409.6-604(e), Respondents shall jointly and severally pay $25,332.13 in actual costs for the investigation into, and the proceedings associated with, this matter. This amount shall be made payable to the Investor Education and Protection Fund, and shall be sent to the Missouri Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days of the date of this Final Order.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS FIRST DAY OF JUNE, 2018.

JOHN R. ASHCROFT
SECRETARY OF STATE

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of June, 2018, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution, Civil Penalties, and Costs in the above styled case was **mailed by certified U.S. mail to:**

Oakbridge Financial Services, Inc.
910 South Kirkwood Road, Suite 19
Kirkwood, Missouri 63122

Private Label Money Management, Inc.
910 South Kirkwood Road, Suite 190
Kirkwood, Missouri 63122

and by hand-delivery to:

Desiree J. Vitale
Enforcement Counsel
Missouri Securities Division

Laurie Dawson
Securities Office Manager