



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
ADAM MARC GULIN, CRD No. 1271827) Case No. AP-17-12
)
Respondent.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State ("Securities Division"), through the Director of Enforcement Sandra J. McDowell, has alleged that Adam Gulin ("Gulin" or "Respondent") offered and sold unregistered, non-exempt securities to two elderly people in violation of Section 409.3-301, RSMo. (2016)¹ and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to the Respondent's alleged violations of Section 409.3-301.

CONSENT TO JURISDICTION

3. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities ("Commissioner") has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

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

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

WAIVER AND EXCEPTION

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

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in connection with litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that Respondent is not the prevailing parties in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Securities Division, but consents to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

COMMISSIONER'S FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondent

12. Gulin is a Missouri-registered investment adviser representative with Safe Harbor Financial Planning Group, LLC from June 15, 2012, to present and Central Registration Depository (“CRD”) number 1271827. From November 18, 2009, through June 14, 2012, Gulin was a Missouri-registered investment adviser representative with REAPP Investment Management Services, LLC. Gulin’s last known office address is 5913 Woodson, Suite 208, Mission, Kansas 66202. Gulin has a last known residential address of 5406 West 50th Street, Roeland Park, Kansas 66205.

B. Third Parties

13. Larry K. McMeans (“McMeans”) is a 70-year-old Kansas resident with a last known address of 4501 West 126th Street, Leawood, Kansas 66209.
14. At all times relevant to this matter, McMeans has never been registered with the State of Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, and/or issuer agent.
15. Safe Harbor Financial Planning Group, LLC (“Safe Harbor”) is a Missouri-registered investment advisory firm with an address of 5913 Woodson, Suite 208, Mission, Kansas 66202. Safe Harbor has CRD number 164471. According to CRD, Safe Harbor was registered in Missouri on June 14, 2012. Gulin is listed as Managing Member and Chief Compliance Officer of Safe Harbor.
16. REAPP Investment Management Services, LLC (“REAPP”) was a Missouri-registered investment advisory firm from November 16, 2009, through December 31, 2013, with CRD number 146257. REAPP had a last known principal office address of 13417 South Harris Road, Greenwood, Missouri 64034.
17. Renegade Investment Properties, Inc. (“Renegade”) is a corporation for profit formed by McMeans on August 30, 2011, in the State of Tennessee, with a principal office listed as 618 Royal Oaks Place, Nashville, Tennessee 37205. On August 9, 2014, the corporation was administratively dissolved.

C. Enforcement Section Investigation

18. On December 14, 2011, a Missouri married couple, who were both over sixty years of age (“collectively known as, MR”), entered into an Investment Advisory Agreement (“IA Agreement”) with Gulin, through Gulin’s investment advisory firm, REAPP.

19. On the same date, December 14, 2011, MR was provided a brochure, dated November 10, 2011, describing the qualifications and business practices of Gulin's investment advisory firm, REAPP.
20. Sometime approximately in the fall of 2011, Gulin was introduced to McMeans by Gulin's landlord.
21. Thereafter, in or around December 2011, Gulin advised MR of an investment opportunity in the form of a short-term loan to McMeans and Renegade. In connection with negotiating the terms of this Order, Gulin represented to the Securities Division that at the request of MR, Gulin provided MR's contact information to McMeans, who then contacted MR.
22. Gulin accepted as accurate the information provided by McMeans regarding the opportunity and failed to conduct fully his own independent due diligence or investigation regarding the information. In connection with negotiating the terms of this Order, Gulin contends that he was not aware that the opportunity proposed by McMeans constituted a security and thus was not aware that his conduct related to the offer and sale of an unregistered security.
23. Shortly after speaking to McMeans, MR met with McMeans at Gulin's business office. Gulin did not attend that meeting. During the meeting, McMeans told MR about plans to purchase and develop a golf resort in Crab Orchard, Tennessee called Renegade Mountain.
24. MR understood their investment was to provide funding in the form of a short-term loan to cover the underwriting fees associated with obtaining a \$30,000,000 loan for the Renegade Mountain development.
25. On December 15, 2011, by check made payable to Renegade Investment Properties Inc., MR invested \$50,000 in Renegade.
26. On the same date, December 15, 2011, MR received from McMeans a Promissory Note ("Note") in the amount of \$50,000 signed by McMeans.
27. On January 19, 2012, MR invested an additional \$50,000 in Renegade.
28. On January 20, 2012, MR received a second Note in the amount of \$50,000 signed by McMeans.
29. The Notes stated, among other things, the following:
 - a. the Note would bear interest at the fixed rate of twenty percent (20%); and
 - b. all principal, interest and other amounts shall be paid within 10 days of loan funding or within 120 days of December 15, 2011, whichever occurs first.

30. Gulin represented to the Enforcement Section that he did not receive compensation of any form from McMeans, Renegade, or any other source that was in any way related to the investment.
31. On July 1, 2012, MR signed an Investment Advisory Agreement with Gulin and Safe Harbor. Gulin did not play any role in the negotiation and/or execution of documents related to MR's relationship with McMeans and Renegade and did not participate in any meeting or communications between MR and McMeans until sometime after the principal and interest payments due under the Notes were not made.
32. In late 2013, early 2014, after principal and interest payments due under the Notes were not made, MR met with McMeans at MR's home. Gulin attended that meeting at MR's request. McMeans told MR that there was difficulty with the sale of the Renegade Mountain property. This was the first time MR was told about any foreclosure process for the Renegade Mountain property.
33. On October 31, 2014, MR met with McMeans and demanded repayment. McMeans told MR that he [McMeans] had spent all the monies and had nothing to repay MR.
34. On November 10, 2014, MR sent a certified letter to McMeans. The letter requested a repayment schedule for the \$100,000 invested by MR.
35. In a letter from McMeans to MR dated May 2, 2015, McMeans states, among other things, the following:
 - a. MR's loan was to be "repaid within a short amount of time";
 - b. McMeans indicated a "new source of funds" through contacts in New York; and
 - c. McMeans provided a "funding schedule" for repayment of MR's monies.
36. To date, the Enforcement Section has no evidence that MR's investment has been returned.
37. Gulin confirmed in a September 21, 2016, telephone call with the Securities Division that MR was an advisory client of Gulin's as of July 1, 2012, when MR signed an Investment Advisory Agreement with Gulin and Safe Harbor.
38. Prior to being contacted by the Enforcement Section, Gulin had voluntarily agreed to make payments in an amount of \$1,000 per month.

II. CONCLUSIONS OF LAW

39. The Commissioner finds Respondent offered and sold unregistered, non-exempt securities to two elderly people in violation of Section 409.3-301, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
40. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

41. Respondent, his agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this Order are permanently enjoined and restrained from violating Section 409.3-301.
42. Respondent shall pay restitution in the amount of \$18,000. Respondent shall provide the Enforcement Section with proof of any and all payments Respondent has already made to the investors related to this matter by August 1, 2017. Upon receipt of evidence acceptable to the Securities Division, Respondent shall receive a credit of \$5,000 against this restitution amount. The remaining amount of \$13,000 shall be paid in monthly installments of \$1,000 for a period of 13 months. Respondent's monthly restitution payments shall be due the first day of each month beginning August 1, 2017, and ending with the last payment on August 1, 2018. These payments shall be made payable to the Missouri Secretary of State's Investor Restitution Fund and sent to the Missouri Securities Division at 600 West Main Street, Jefferson City, Missouri 65101. The Commissioner will take reasonable and necessary actions to distribute such funds to the investors.
43. Respondent shall pay \$1,000 as the cost of this investigation. This amount shall be suspended provided Respondent complies with the terms of this Consent Order and does not violate the Missouri Securities Act for a period of five years from the date of execution of this Consent Order. This suspended amount shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Consent Order, or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction, that Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law. The payment shall be made payable to the Missouri Investor Education and Protection Fund and sent to the Missouri Securities Division at 600 West Main Street, Jefferson City, Missouri 65101.

44. If Respondent fails to make any payments described in the above paragraphs, the full amounts remaining shall be immediately due and payable after 30 days' notice to cure, and if any amount remains unpaid after such 30-day cure period, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604.
45. After five years from the date of this Consent Order, provided Respondent has complied with all terms of this Consent Order, suspended payments referenced above shall be waived.
46. Respondent shall pay his own costs and attorney's fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 7th DAY OF July, 2017.




John R. Ashcroft
SECRETARY OF STATE



David Minnick
COMMISSIONER OF SECURITIES

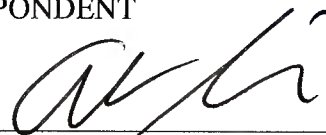
Consented to by:

THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION




Saundra J. McDowell
Director of Enforcement
Counsel for Petitioner

RESPONDENT



Adam Marc Gulin

Approved as to Form:



Richard H. Kuhlman
Bryan Cave, LLP
Attorney for Respondent