



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
ASSEMBLIES OF GOD LOAN FUND,)
) Case No.: AP-17-28
Respondent.)

CONSENT ORDER

SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement Sandra J. McDowell, has alleged that Assemblies of God Loan Fund (“AGLF” or “Respondent”) employed and/or associated with agents who transacted business in Missouri on behalf of AGLF without those agents being registered or exempt from registration in Missouri in violation of Section 409.4-402(d), RSMo. (2016).¹ This constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section.

CONSENT TO JURISDICTION

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

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

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

WAIVER AND EXCEPTION

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

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent 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 party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section 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.
12. This Order is not intended to subject Respondent to disqualification under the laws of the United States or any state or territory, or under the rules or regulations of any securities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal securities registration exemptions or safe harbor provisions.

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

I. FINDINGS OF FACT

13. AGLF is a Missouri-based 501(c)(3) non-profit issuer of church extension funds. AGLF contracts for services of investment consultants through AG Financial Solutions (“AGFS”), the management company for AGLF and the endorsed financial services provider of the General Council of the Assemblies of God.
14. AGFS is located at 3900 South Overland Avenue, Springfield, Missouri 65807. Under the terms of its Management Agreement with AGLF, AGFS oversees all of AGLF’s day-to-day management, and has the responsibility and authority to conduct all operations related to the offering and sale of AGLF’s investment certificates, AGLF’s investment activities, and the origination and underwriting of AGLF’s loans.
15. From at least 2013 and to the present (the “Relevant Period”), and on the advice of its former outside counsel, AGFS investment consultants have marketed and sold AGLF investment certificates pursuant to the issuer-agent exemption from registration with the Missouri Commissioner of Securities found in Section 409.4-402(b)(3).
16. During the Relevant Period:
 - a. two AGFS investment consultants marketed and sold AGLF investment certificates in Missouri, and were compensated for the same, in 2013;
 - b. three AGFS investment consultants marketed and sold AGLF investment certificates in Missouri, and were compensated for the same, in 2014;
 - c. two AGFS investment consultants marketed and sold AGLF investment certificates in Missouri, and were compensated for the same, in 2015;
 - d. two AGFS investment consultants marketed and sold AGLF investment certificates in Missouri, and were compensated for the same, in 2016; and
 - e. two AGFS investment consultants marketed and sold AGLF investment certificates in Missouri, and were compensated for the same, in 2017.
17. The investments consultants’ compensation referenced above primarily consisted of a fixed salary, and also included the possibility of earning a bonus based not on the dollar amount, value or size of certificates purchased by Missouri investors, but instead based indirectly on the number of certificate applications completed by a consultant.
18. After examination of certain books and records of AGLF and AGFS by the Enforcement Section, and after consultation with the same concerning certain components of the AGLF investment consultant compensation plan and the registration exemption referenced above for the investment consultants, AGLF now desires to register in Missouri all investment consultants who offer and sell AGLF investment certificates.

II. CONCLUSIONS OF LAW

19. The Commissioner finds Respondent employed and/or associated with agents who transacted business in the state of Missouri on behalf of Respondent without being registered in the state of Missouri, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
20. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent and this matter and that the following Order is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by Chapter 409.

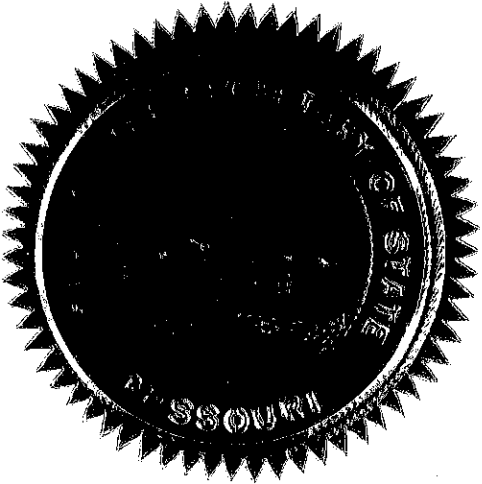
III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

21. Respondent, its agents, employees and servants, and all other persons participating in the above-described activities with knowledge of this order are permanently enjoined and restrained from engaging in violations of Section 409.4-402(d).
22. Within 30 days of the effective date of this Consent Order, Respondent shall register in Missouri all agents of Respondent who offer or sell investment certificates on behalf of Respondent.
23. Respondent shall pay \$5,000 to the Missouri Secretary of State's Investor Education and Protection Fund within 30 days of the effective date of this Consent Order. This payment shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be sent to the Securities Division at 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65101.
24. Respondent shall pay \$5,000 as the costs of this investigation. This payment shall be sent within 30 days of the effective date of this Consent Order. This payment shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund and shall be sent to the Securities Division at 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65101.
25. Respondent shall pay its 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 31st DAY OF OCTOBER, 2017.




JOHN R. ASHCROFT
SECRETARY OF STATE



DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:


THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION



Sandra J. McDowell
Director of Enforcement
Counsel for Petitioner

RESPONDENT:

ASSEMBLIES OF GOD LOAN FUND

By 

Donald P. Johns, Vice President