



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
WEAVERLAND FINANCIAL AID OF)
MISSOURI, INC.) Case No. AP-19-15
)
Respondent.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Steven Reed, has alleged that Weaverland Financial Aid of Missouri, Inc. (“Respondent WFAM”), violated Section 409.3-301, RSMo. (2016)¹, by offering and selling unregistered, non-exempt securities in and/or from the State of Missouri. This violation constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent WFAM and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent WFAM’s violations of Section 409.3-301.

CONSENT TO JURISDICTION

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

“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

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

5. Respondent WFAM waives Respondent WFAM's rights to a hearing with respect to this matter.
6. Respondent WFAM waives any rights that Respondent WFAM may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent WFAM specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent WFAM 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 WFAM and the Enforcement Section stipulate and agree to the issuance of this Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent WFAM 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 WFAM's (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent WFAM agrees that Respondent WFAM are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent WFAM neither admit nor deny the allegations made by the Enforcement Section, but consents solely for the purpose of this matter only and not for any other matter, 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 Order.

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

I. FINDINGS OF FACT

12. Weaverland Financial Aid of Missouri, Inc., of 235 West Grand Avenue, Memphis, Missouri 63555, is a non-profit religious organization that issues securities to fund a low-interest loan pool to offer young persons or families affiliated with the Mennonite communities access to lending. Karlin S. High of 235 West Grand Avenue, Memphis, Missouri, 63555, is the registered service agent of Respondent WFAM.

13. Respondent WFAM is not a registered broker-dealer.
14. On or about June 2019, the Enforcement Section opened an investigation on Respondent WFAM after receiving a referral from the Registration Department stating that Respondent WFAM was selling unregistered, non-exempt securities in Missouri beginning in November 4, 2017.
15. Respondent WFAM has previously obtained an exemption from registration order under Section 409-2.201(7), RSMo, from the Securities Division which expired on November 4, 2017.
16. A Prospectus issued by Respondent WFAM details the terms of the 2018 issuance entitled “\$6,000,000 Offering of Unsecured Investments Agreements / Prospectus”, states:
 - a. The purpose of this Prospectus is to furnish certain information concerning the \$6,000,000.00 offering of unsecured investment agreements (the “Securities”) being made by Weaverland Financial Aid of Missouri, Inc. (the “Company”), a nonprofit corporation organized under the laws of the State of Missouri. The Securities are issuable in denominations of \$500 or multiples thereof. There is no present public market for the Securities and it is not expected that a trading market will develop after completion of the Offering. The minimum investment in Securities is \$1,000. The Offering will commence on the date of this Prospectus and will terminate one (1) year after the date of the Prospectus. The company may decide to engage in another offering within 6 months following the completion of this Offering. Such action may limit an investor’s ability to transfer any Securities, all set forth in this Prospectus.
 - b. Current Interest Rate is 3.0%
 - c. Minimum Maturity Period is Demand Plus 60 Days
 - d. Offering Price – 100% of Principal Amount
 - e. The Securities are unsecured obligations of the company. Principal and interest repayment on the Securities, therefore, is dependent solely upon the financial condition of the Company. No sinking fund or trust indenture will be established by the Company to provide for repayment of the principal amount of the Securities, and no Company assets have been or will be pledged as security for repayment of principal, etc.
 - f. The Company has been in the business of creating loans since 2008. In most years the Company has sought and obtained a security registration exemption for the State of Missouri pursuant to section 409-2.201(7) RSMo. For the years 2017 and 2018 the Company inadvertently did not seek an exemption. The Company continued to conduct business in a similar manner of operations and the same documentation was utilized throughout that period. The Company is at risk for

possible administrative action or lawsuits with respect to not seeking an exemption with the State. The exemption will be sought in 2019.

17. Additional documents, such as a form Subscription Agreement and a form Investment Agreement, were executed between Respondent WFAM and investors.
18. From November 1, 2017 through June 18, 2019, a total of 207 Missouri residents invested \$2,449,901.40 in the securities issued by Respondent WFAM.
19. No exemption was sought upon expiration of the previous exemption on November 4, 2017, and Respondent WFAM nevertheless and without any intention of violating any regulations, continued to conduct activities as if such an exemption had been sought and obtained.
20. Respondent WFAM conducted such activities under the assumption that it had obtained an exemption in a similar manner as had been done for several years prior.
21. No material changes occurred with regard to its manner of operations and the same documentation was utilized throughout the period of time subsequent to November 4, 2017 with respect to such operations.
22. Respondent WFAM failed to renew its annual registration as a religious and/or charitable person, and in failing to do so, issued numerous unregistered, non-exempt securities from November 4, 2017 to the present.

II. CONCLUSIONS OF LAW

23. Section 409-2.201(7), RSMo, provides that securities issued by religious or charitable person(s) must be done pursuant to the appropriate rule issued by the Commissioner.
24. 15 CSR 30-54.070 (2014) provides the filing requirements to qualify as an issuer of not-for-profit securities, as well as details regarding filing deadlines and attendant fees. These filings, and thus the exemption, were not effective for securities issued from November 4, 2017 to present.
25. The Commissioner finds Respondent WFAM offered and sold unregistered, non-exempt securities, in violation of Section 409.3-301 in Missouri.
26. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent WFAM and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent WFAM 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, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby ordered that:

27. Respondent WFAM, its agents, employees and servants, and all other persons participating in the above-described alleged violations with knowledge of this order are permanently enjoined and restrained from engaging in violations of Section 409.3-301;
28. Respondent WFAM shall pay a civil penalty of \$5,000. This payment shall be suspended for two (2) years, and 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 WFAM has violated the Missouri Securities Act. This amount shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the State of Missouri. 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. If, after two years from the date of this Consent Order, neither of those conditions has occurred, the Commissioner waives Respondent WFAM's payment of the suspended penalty;
29. Respondent WFAM shall pay \$2,000 to the Missouri Secretary of State's Investor Education and Protection Fund within thirty (30) days of this Order, and shall be made payable to the Missouri Secretary of State's Investor and Protection Fund and sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
30. Respondent WFAM shall pay \$500 toward the cost of this investigation within thirty (30) days of this Order, and made payable to the Missouri Securities Division and shall be sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101; and
31. Respondent WFAM shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

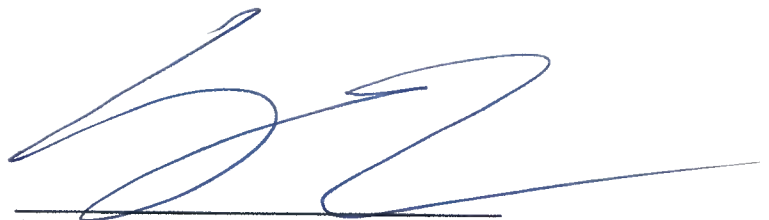
WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 18th DAY OF SEPTEMBER, 2019.



JOHN R. ASHCROFT
SECRETARY OF STATE


DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

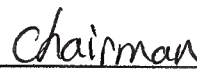


Steven C. Reed
Director of Enforcement

RESPONDENT

WEAVERLAND FINANCIAL AID OF
MISSOURI, INC.


By


Title


ATTORNEY FOR WEAVERLAND
FINANCIAL AID OF MISSOURI, INC.