



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
YIFEI LU,) AP-20-19
)
Respondent.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Securities Enforcement Counsel Steven Kretzer, has alleged that Yifei Lu (“**Respondent**”), violated Sections 409.4-403(a) and 409.4-404(a) of the Missouri Securities Act¹, by transacting business as an unregistered investment adviser and acting as an unregistered investment adviser representative, respectively. These violations constitute grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to Respondent’s alleged violations of Sections 409.4-403(a), and 409.4-404(a).

CONSENT TO JURISDICTION

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“**the Commissioner**”) has jurisdiction over 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:

“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 2020 Cumulative Supplement to the Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondent waives his right to a hearing with respect to this matter.
6. Respondent waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be false or incomplete, 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 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 agrees that he 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 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 Consent Order.

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

I. FINDINGS OF FACT

12. Respondent is a thirty-one year-old Union City, California resident with the address of 33159 8th Street, Union City, California 94587-2130.
13. Respondent never registered as an investment adviser or investment adviser representative in the State of Missouri.

A. Enforcement Section's Investigation

14. On July 3, 2020, the Enforcement Section received a complaint from a twenty-eight year-old St. Louis, Missouri resident ("MR") relating his experience with Respondent.
15. MR initially met Respondent on September 10, 2018, in a public chatroom where Respondent touted his personal success in the United States stock market and advertised stock selection advice. Respondent promised multiple stock tips with the potential for high profit.
16. When MR engaged Respondent in the chatroom and expressed interest to acquire Respondent's advice, Respondent instructed MR to move their conversation from the public chatroom to private messaging.
17. Once contact between Respondent and MR was re-established via private messaging, Respondent proceeded to request MR pay a fee of \$300 in advance of receiving Respondent's investment advice. Respondent instructed MR to deposit the requested funds electronically into an online account.
18. The \$300 fee was paid by MR on September 10, 2018.
19. Once Respondent received the payment, Respondent engaged in providing MR specific investment advice according to his positions in different stocks.
20. MR was invited to join as a client of Respondent on a public online group messaging site.
21. Respondent recommended several stock purchases to MR.
22. At no time prior to or at the time MR received the recommendations did Respondent disclose to MR that Respondent was not registered or exempt from registration as an investment adviser or investment adviser representative in the State of Missouri.

II. CONCLUSIONS OF LAW

23. The Commissioner finds that Respondent acted as an unregistered investment adviser, in the State of Missouri, in violation of Section 409.4-403(a) and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
24. The Commissioner finds that Respondent acted as an unregistered investment adviser representative, in the State of Missouri, in violation of Section 409.4-404(a) and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604.
25. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents 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.

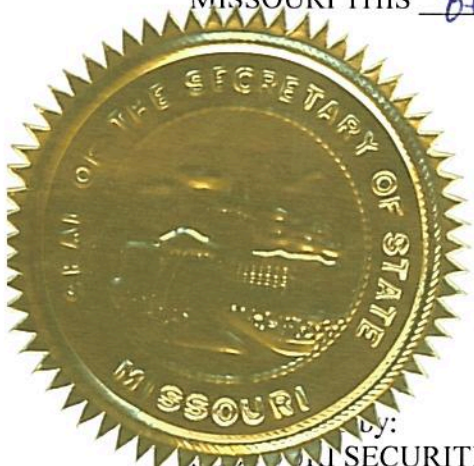
III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

26. Respondent, his 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 Sections 409.4-403(a) and 409.4-404(a).
27. Respondent shall pay restitution in the amount of \$300 Respondent agrees to pay this amount in full by March 5, 2021. This amount shall be made payable to the **Missouri Secretary of State's Investor Restitution Fund**, and the Commissioner will take reasonable and necessary actions to distribute such funds to MR. This amount shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
28. Respondent shall pay to the Missouri Secretary of State's Investor Education and Protection Fund the sum of \$500 for costs of the investigation of this matter by March 5, 2021. This shall be payable to the **Missouri Secretary of State's Investor Education and Protection Fund**. This amount shall be sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
29. Respondent shall pay his own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 8th DAY OF MARCH, 2021.



JOHN R. ASHCROFT
SECRETARY OF STATE

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

MISSOURI SECURITIES DIVISION

STEVEN M. KRETZER
Securities Enforcement Counsel
YIFEI LU
Pro Se