



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:	)	
	)	
FRESH START CREDIT SERVICES, LLC;	)	
and LOY DENNIS MAXEY,	)	Case No.: AP-21-08
	)	
<i>Respondents.</i>	)	
	)	
Serve: Fresh Start Credit Services, LLC	)	
167 Lamp & Lantern Village #114	)	
Chesterfield, Missouri 63017-8208	)	
	)	
and	)	
	)	
Loy Dennis Maxey	)	
1204 Applerock Drive	)	
O'Fallon, Missouri 63368	)	

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY  
RESTITUTION, CIVIL PENALTIES, COSTS, AND OTHER ADMINISTRATIVE  
RELIEF SHOULD NOT BE IMPOSED**

On June 30, 2021, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State ("the Enforcement Section"), through Enforcement Counsel Steven M. Kretzer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, Costs, and Other Administrative Relief Should Not Be Imposed ("the Petition"). After reviewing the Petition, the Missouri Commissioner of Securities ("the Commissioner") issues the following order:

**I. ALLEGATIONS OF FACT**

The Petition alleges the following facts:

**A. Introduction**

Between January 2017 and June 2018 ("the Relevant Period"), Respondent Loy Dennis Maxey ("Maxey"), on behalf of Respondent Fresh Start Credit Services, LLC ("FSCS") (collectively "Respondents"), sold \$81,000 in securities in the form of promissory notes, investment contracts, and/or other products constituting evidence of indebtedness to three Missouri investors. In the

course of selling these securities, Maxey made substantial material misrepresentations and omissions that induced the three Missouri residents to invest in FSCS. In the course of running FSCS, Maxey misappropriated investor funds for personal use. By engaging in these activities and conduct, Respondents violated Section 409.5-501 of the Missouri Securities Act.<sup>1</sup>

**B. Respondents and Related Parties**

1. FSCS is a Missouri limited liability company formed by Maxey, along with Renee Maxey and Cary Spiegel, on April 20, 2016, with a last known address at 167 Lamp & Lantern Village #114, Chesterfield, Missouri 63017-8208.
2. According to Maxey, FSCS was created to engage in activities including but not limited to helping people with credit issues improve their credit scores and specializing in “debt education”.
3. Maxey is a seventy-one-year old Missouri resident with a last known address at 1204 Applerock Drive, O’Fallon, Missouri 63368. During the Relevant Period, Maxey maintained an address and operated his businesses in the State of Missouri.
4. A check of Maxey’s relevant legal and criminal background revealed the following:
  - a. a 1994 federal conviction in case number 4:92CR169(SNL) for mail fraud in which Maxey served twelve months imprisonment followed by two years of supervised probation;
  - b. a Chapter 7 bankruptcy discharged in the Missouri Eastern District Court, Division 4, St. Louis, Missouri on June 24, 2014;
  - c. a lien in the amount of \$1,706 for unpaid utilities filed in St. Louis County on May 16, 2013;
  - d. a judgment in the amount of \$8,000 filed in St. Louis, Missouri on March 5, 2012;
  - e. a judgment in the amount of \$8,923 in St. Louis County, Missouri on April 20, 2009; and
  - f. a judgment in the amount of \$3,045 filed in St. Louis, Missouri on September 25, 1995.
5. A check of the Central Registration Depository (“CRD”) indicates that during the Relevant Period, while being assigned CRD number 1157974, Maxey never registered as a broker-dealer, agent, investment adviser, or investment adviser representative.

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<sup>1</sup> Unless otherwise noted, all statutory references are to the 2020 Cumulative Supplement of the Revised Statutes of Missouri.

6. Three bank accounts relevant to this matter were associated with Respondents during the Relevant Period as follows:
  - a. an Academy Bank account with account number ending in 6579 belonging to Loy D. Maxey DBA Fresh Start Credit Services (“Academy Account”);
  - b. a Regions Bank account with account number ending in 1008 belonging to Maxey (“Maxey Regions Account”); and
  - c. a Regions Bank account with account number ending in 6955 belonging to FSCS (“FSCS Regions Account”).

**C. Enforcement Section’s Investigation**

**Missouri Resident 1 (“MR1”)**

7. On October 28, 2020, the Enforcement Section received a complaint and documents from a then sixty-two-year-old St. Louis, Missouri resident, MR1.
8. Maxey initially approached MR1 in April 2018 at MR1’s office located in St. Louis, Missouri.
9. MR1 knew Maxey through another business associate (“Associate”).
10. During the April 2018 meeting, Maxey supplied MR1 with a brochure entitled “Private Lenders Handbook” and explained the business model behind FSCS explaining that it was designed to provide capital to borrowers involved in real estate who have bad credit.
11. On April 20, 2018, MR1 signed a \$25,000 promissory note (“MR1’s Note”) with FSCS. In MR1’s Note, FSCS was listed as borrower. The note was executed in St. Louis, Missouri by Maxey and MR1.
12. At the time of execution of MR1’s Note, MR1 was fifty-nine years old.
13. Maxey told MR1 that MR1 would receive eight (8) quarterly interest payments over the course of two (2) years. At maturity, MR1’s \$25,000 principal amount was to be returned.
14. MR1’s Note included the provision that interest on the note was set at “10% APR (annual)”.
15. Maxey made no disclosures to MR1 prior to or at the time of the sale of MR1’s Note concerning Maxey’s past criminal history, liens against him or his property, nor any prior judgments against him as described in Paragraph 4.
16. On April 20, 2018, the Academy Account recorded a deposit of \$25,000 in the form of a personal check from MR1.

17. Between July 27, 2018, and August 5, 2019, Respondents utilized all three bank accounts referenced in Paragraph 6 to make interest payments to MR1 totaling \$3,375.
18. MR1 received only five (5) of the promised eight (8) interest payments.<sup>2</sup>
19. In April 2020, Maxey requested that MR1 agree to extend the maturity date of MR1's Note. However, MR1 declined and requested Maxey return MR1's \$25,000 principal.
20. MR1 did not receive the \$25,000 principal back from Maxey at the date of maturity, which according to the plain language of MR1's Note was "April 2020".
21. In an interview with the Enforcement Section, Maxey admitted defaulting on MR1's Note and that while he desired to repay MR1, he did not have the funds to make such repayment.
22. MR1 expected \$30,000 in return for MR1's Note and to date has only received \$3,375, making his current loss on the investment \$26,625.

#### **Missouri Resident 2 ("MR2")**

23. On November 13, 2020, the Enforcement Section received a complaint and documents from a then thirty-nine-year-old St. Louis, Missouri resident, MR2.
24. Sometime in 2017, MR2 met Maxey at a financial seminar at a local business where Maxey had been a presenter. Maxey introduced himself as the owner of FSCS and provided MR2 his contact information.
25. While facing financial difficulty in early 2018, MR2 contacted Maxey.
26. Maxey arranged an introduction to Associate (the same individual referenced in Paragraph 9) as a potential lender to MR2.
27. On January 5, 2018, MR2 and Associate executed a \$60,000 promissory note secured by MR2's residence ("MR2's Secured Note") facilitated by Maxey.
28. MR2's Secured Note listed MR2 as borrower and Associate as Payee. Per the terms of the note, MR2 would pay \$600 per month with the entire \$60,000 principal amount to be repaid December 5, 2019.
29. Maxey claimed that \$4,000 of MR2's Secured Note was paid to Associate and designated as processing fees for the sale of MR2's Secured Note.

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<sup>2</sup> While the terms of MR1's Note provided for 10% interest paid per year in four quarterly payments which would have equaled \$625 per payment, Respondents curiously made two payments of \$650, one payment of \$825 and two payments of \$625.

30. MR2 did not need \$36,000 of the \$60,000 amount loaned to MR2. When MR2 alerted Maxey to this fact, Maxey offered to take the \$36,000 from MR2 in order to invest the funds and make the \$600 monthly payments to Associate on MR2's behalf.
31. Maxey further informed MR2 that he would invest the \$36,000 into an investment account yielding enough profits to make the \$600 monthly payments to Associate. Maxey further claimed the investment would yield 12% interest per year.
32. When asked by the Enforcement Section about MR2's Secured Note, Maxey admitted he asked MR2 to sign over the \$36,000 via an executed promissory note between Maxey and MR2 (the "MR2 Promissory Note").
33. Neither Maxey nor MR2 were able to provide a copy of the MR2 Promissory Note to the Enforcement Section.
34. Shortly after the MR2 Promissory Note was executed, and in response to queries from MR2 regarding the status of MR2's investments, Maxey documented the MR2 Promissory Note agreement on FSCS letterhead as evidence of the indebtedness. Maxey's recitation at that point contained the following terms:  
  
*The loan activity for 2018 is as follows:*  
*Original Amount \$60,000*  
*Loan fees, legal and appraisal total \$4,000*  
*Net dispersed \$56,000*  
*Total amount on account with Fresh Start Credit Services \$36,000*  
*Monthly interest payment \$600*  
*Interest paid for 2018 \$7,200*  
*Rate is 12% APR*
35. Maxey admitted to the Enforcement Section that the MR2 Promissory Note was written to mature in two years and that at the conclusion of two years, the principal amount of \$36,000 was to be repaid to MR2, but that Maxey fell on hard times financially and could not afford to repay MR2, despite his desire to do so.
36. Despite Maxey's claim that the \$36,000 would be invested in a manner sufficient to make the \$600 per month payment on MR2's Secured Note, at 12% APR, the \$36,000 would only net \$4,320 annually or \$360 per month. This amount is significantly less than the \$600 per month required to keep the payments current on MR2's Secured Note, let alone generate any interest for MR2.
37. Maxey made no disclosures to MR2 prior to or at the time of the sale of MR2's Secured Note concerning Maxey's past criminal history, liens against him or his property, nor any prior judgments against him as described in Paragraph 4.

38. On January 5, 2018, the same date MR2 received \$56,000 on MR2's Secured Note, MR2 wired \$36,000 to Maxey from MR2's account at Central Bank.<sup>3</sup>
39. Between April 6, 2018,<sup>4</sup> and December 19, 2018, Respondents utilized two of the three bank accounts referenced in Paragraph 6 to make interest payments to Associate for MR2's Secured Note totaling \$5,512.11 via nine wire transfers representing the \$600 monthly payments due to Associate pursuant to the terms of MR2's Secured Note.
40. In January 2019, Associate contacted MR2 informing MR2 that Respondents had ceased making the \$600 monthly payment on MR2's Secured Note.
41. Maxey admitted to the Enforcement Section that he stopped paying Associate the \$600 monthly payment.
42. Upon notification that the \$600 monthly payments had ceased, MR2 contacted Maxey who told MR2 that the money was tied up in a "construction project" and Maxey could not currently make the payments. MR2 was never consulted about moving MR2's investment money into a "construction project".
43. As a result of the nonpayment by Maxey toward MR2's Secured Note in January 2019, MR2 requested Maxey return MR2's \$36,000 principal. Maxey informed MR2 that his business was no longer operational and he was unable to return her funds.
44. MR2 did not receive the principal amount of \$36,000 back from Maxey upon demand, nor did MR2 receive the purported 12% APR.
45. MR2's current loss on the investment is \$40,320.

### **Missouri Resident 3 ("MR3")**

46. On December 9, 2020, the Enforcement Section received a complaint and documents from a then sixty-five-year-old St. Louis, Missouri resident, MR3.
47. MR3 met Maxey through MR3's spouse who previously utilized Maxey's services to secure an automobile loan.
48. On or about January 24, 2017, Maxey recruited MR3 to work for Respondents as Vice President of Fresh Start Credit Services.

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<sup>3</sup> For reasons yet unknown, Maxey directed MR2 to wire the \$36,000 to a now-defunct company called Harvey L. Bender & Associates, Inc. ("Bender"). Following the death of the proprietor of Bender in July 2014, Maxey became the President and sole member listed on the Board of Directors. Someone fraudulently attempted to have the business listed in Ronald Neeter's name through filings at the Missouri Secretary of State. However, upon notification from Ronald Neeter that he was not, in fact, an officer of Bender, the Missouri Secretary of State removed him from the business filings.

<sup>4</sup> Despite the \$36,000 wire in January 2018, Maxey did not initiate the \$600 per month payments to Associate until April 2018, shortly before he secured MR1's Note.

49. Maxey made no disclosures to MR3 concerning Maxey's past criminal history, liens against him or his property, nor any prior judgments against him as described in Paragraph 4 at any point.
50. MR3 executed a one-year employment contract in the form of a Partnership Agreement with Maxey promising an annual salary of \$60,000 with provisions to work from home and on the road.
51. In addition to the Partnership Agreement, Maxey convinced MR3 to invest \$20,000 in FSCS on January 24, 2017.
52. On January 24, 2017, MR3 wired the Academy Account \$20,000 as a result of the investment opportunity from Maxey.
53. Despite promises by Maxey to compensate MR3 \$2,500 bi-weekly for MR3's services, Maxey only paid between \$500 and \$1,000 per month in the first three months.
54. Discovering issues related to Maxey's poor management of FSCS in addition to the above-described salary issues, MR3 resigned after three months and demanded her \$20,000 investment be returned.
55. Maxey told MR3 that he no longer had MR3's \$20,000 and could not repay MR3.
56. When confronted by MR3 about the Missouri Securities Division investigation into Respondents, Maxey denied being subject to an ongoing investigation and further denied to MR3 that he was a convicted felon.
57. When interviewed by the Enforcement Section, Maxey admitted owing MR3 \$20,000 but felt he could not in light of his financial difficulties.
58. MR3's current loss on the investment is \$20,000.

#### **Maxey's Response to the Enforcement Section**

59. In response to inquiries by the Enforcement Section concerning documentation of the MR1 and MR2 investments, Maxey admitted that he signed promissory notes with MR1 and MR2 and stated he deposited the money from those notes into the business account of FSCS.
60. Maxey initially claimed to the Enforcement Section that he used the money for everyday operational expenses of FSCS.
61. Maxey provided a copy of only the MR1 Note to the Enforcement Section.
62. In response to requests by the Enforcement Section concerning MR2's \$36,000 investment, Maxey admitted making the agreed upon \$600 monthly payments to Associate using

portions of the \$36,000 investment but that when the COVID-19 pandemic hit, Respondents “no longer had funds available” to make the monthly payments to Associate.

63. Maxey admitted to the Enforcement Section in a subsequent interview that while all the money from the investments made by MR1, MR2, and MR3 went into the FSCS accounts, he ultimately used the money for personal living expenses such as utility bills and mortgage payments; this despite his earlier claim that the money had been used for everyday operational expenses of FSCS and despite his representations to MR1, MR2, and MR3 that their money would be used for FSCS.
64. Maxey told the Enforcement Section that he paid himself an annual salary from FSCS in an amount between \$40,000 and \$50,000.
65. Maxey admitted to the Enforcement Section that he never disclosed any of his relevant legal and criminal history as outlined in Paragraph 4 to MR1, MR2, or MR3.

## **II. COMMISSIONER’S DETERMINATIONS AND FINDINGS**

### **Three Violations of Section 409.5-501**

66. **THE COMMISSIONER DETERMINES** that the promissory notes of MR1 and MR2 along with the \$20,000 investment by MR3 are securities under Section 409.1-102(28) which defines securities as, among other things, “notes”, evidence of indebtedness”, “participation in a profit-sharing agreement”, and an “investment contract.”
67. **THE COMMISSIONER FURTHER DETERMINES** that Respondents, in connection with the offer and sale of each of the three (3) securities: (i) employed a device, scheme, or artifice to defraud, (ii) made untrue statements of material fact or omitted to a state material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, and (iii) engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person, in violation of Section 409.5-501 to wit:
  - a. omitting to disclose Maxey’s material legal and criminal history;
  - b. misleading investors by claiming their money would be used for specific purposes and then using it for other purposes;
  - c. misleading MR2 by telling MR2 that the \$36,000 would be invested in a manner that purportedly would provide MR2 interest and make payments of \$600 to Associate;
  - d. misleading MR3 by denying Maxey had any criminal history; and
  - e. misappropriating investor funds by using the money for personal expenses such as utility bills and mortgage payments.



68. At the time Respondents engaged in the conduct set forth above, one (1) investor was more than sixty-years-old and was an elderly person, as that term is defined under Section 409.6-604(d)(3)(B).
69. Respondents' violations of Section 409.5-501 constitute engagement in an illegal act, practice, or course of business subject to the Commissioner's authority under Section 409.6-604.
70. An 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).

### **III. 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 409.5-501, by, in connection with the offer or sale of securities, employing a device, scheme or artifice to defraud, 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.

### **IV. STATEMENT**

Pursuant to Section 409.6-604(d), the Commissioner will determine whether to grant the Enforcement Section's requests for:

- A. \$90,000 against Respondents, jointly and severally, for three (3) violations of Section 409.5-501, when one (1) of these violations was committed against an elderly person, in a final order, unless Respondents request a hearing and show cause why the penalties should not be imposed;
- B. an order to pay restitution in the amount of \$86,945 against Respondents, jointly and severally, plus annual interest at a rate of eight percent (8%) from the dates of the violations, for any loss, including the amount of any actual damages that may have been caused by the Respondents' conduct;
- C. an award of the costs of the investigation against Respondents in this proceeding, jointly and severally, awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made; and
- D. an order providing such other relief as he deems just.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 2nd DAY OF JULY, 2021.

JOHN R. ASHCROFT  
SECRETARY OF STATE



  
DAVID M. MINNICK  
COMMISSIONER OF SECURITIES



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

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Chesterfield, Missouri 63017-8208	)	
	)	
and	)	
	)	
Loy Dennis Maxey	)	
1204 Applerock Drive	)	
O'Fallon, Missouri 63368	)	

**NOTICE**

**TO: Respondents and any unnamed representatives aggrieved by this Order:**

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo, and 15 CSR 30-55.020. Any requests for hearing before the Commissioner must contain:

- a. a brief statement of the facts;
- b. a summary of the factual and legal issues involved;
- c. a request for relief;
- d. suggestions in support of the relief sought, including the relevant statutes;
- e. the name of the party requesting the hearing; and
- f. the name of the attorney representing the party, if any.

Within fifteen (15) days after receipt of a request in a record from a person or persons subject

to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

**David M. Minnick, Commissioner of Securities**  
**Office of the Secretary of State, Missouri Secretary of State**  
**600 West Main Street, Room 229**  
**Jefferson City, Missouri 65102**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 2<sup>nd</sup> day of July, 2021, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Civil Penalties, Restitution, Costs, and Other Administrative Relief Should Not Be Imposed in the above styled case was **mailed by certified U.S. mail to:**

Fresh Start Credit Services, LLC  
167 Lamp & Lantern Village #114  
Chesterfield, Missouri 63017-8208

and

Loy Dennis Maxey  
1204 Applerock Drive  
O'Fallon, Missouri 63368

**And hand delivered to:**

Steven M. Kretzer  
Enforcement Counsel

  
\_\_\_\_\_  
Spencer Martin  
Chief Counsel, Missouri Securities Division