



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
 )  
THEODORE JAY EDDINGS, ) Case No.: AP-21-13  
 )  
 )  
 Respondent. )  
 )  
Serve: Theodore Jay Eddings )  
 136 N. Fairwood Avenue )  
 Republic, Missouri 65738 )

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

On September 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 Civil Penalties, Disgorgement, 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 April 2017 and October 2018 ("the Relevant Period"), Respondent Theodore Jay Eddings ("Eddings" or "Respondent") sold at least \$50,500 in unregistered, non-exempt investment contracts and promissory notes through two Missouri-based companies he purported to run: Black Oak, LLC ("Purported Entity 1"),<sup>1</sup> and Black Oak Outfitters ("BOO"). The investments were marketed and sold to eight (8) investors in five (5) states, including Missouri. In connection with offering the investments, Eddings made material misstatements or omissions and misappropriated

<sup>1</sup> Black Oak, LLC, is a separately incorporated company in the State of Missouri that has no affiliation nor connection to Eddings. As a result, this petition and any subsequent documents will refer to the company Eddings claimed to own and managed as Entity 1 in an effort to limit mention of the legitimate company.

investor funds. By engaging in these activities and conduct, Respondent violated Sections 409.3-301 and 409.5-501 of the Missouri Securities Act.<sup>2</sup>

## **B. Respondent and Related Parties**

1. Eddings is a thirty-seven-year-old Republic, Missouri resident with the last known address of 136 N. Fairwood Avenue, Republic, Missouri 65738.
2. A check of records maintained by the Commissioner revealed that at all times relevant there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by Eddings.
3. Eddings claimed to be the owner of Purported Entity 1 and BOO.
4. On or about July 28, 2017, Eddings registered BOO with the Missouri Secretary of State as a fictitious name.
5. Eddings’s relevant legal and criminal background checks revealed the following:
  - a. On or about May 17, 2004, Eddings was found guilty of fraudulent use of a credit device in the Circuit Court of Green County, State of Missouri, Case No. 31303CF5063, and ordered to serve two (2) years of probation;
  - b. On or about November 30, 2004, Eddings was found guilty of attempted robbery in the first degree in the Circuit Court of Greene County, State of Missouri, Case No. 31304CF9884, and sentenced to seven (7) years in the Missouri Department of Corrections;
  - c. On or about December 3, 2008, a consent judgment in the amount of \$2,947.80 was entered against Eddings in the Circuit Court of Greene County, State of Missouri, Case No. 0831-CV15625;
  - d. On or about October 19, 2011, a default judgment in the amount of \$4,000.00 was entered against Eddings in the Circuit Court of Greene County, State of Missouri, Case No. 1131-CV12740; and
  - e. On or about May 30, 2017, a default judgment in the amount of \$3,064.82 was entered against Eddings in the Circuit Court of Greene County, State of Missouri, Case No. 1731-AC01673.

## **C. Enforcement Section’s Investigation**

### **Eddings’s Bank Accounts**

6. To facilitate transactions referenced in this matter, Eddings utilized a personal Central

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<sup>2</sup> Unless otherwise noted, all statutory references are to the 2020 Supp. Revised Statutes of Missouri.

Bank Account with account number ending in 3763 (“the Eddings Account”).

7. Examination of records from the Eddings Account revealed the following:
  - a. Eddings opened the account on April 12, 2017, and is listed as the account owner;
  - b. the address referenced on the account by Eddings was 201 E. Hardy St., Republic, Missouri 65738; and
  - c. Eddings claimed to be employed by BOO and listed an email contact that referenced BOO.

**Arizona Resident (“AZR”)**

8. In June 2017, Eddings began communicating with a sixty-nine-year-old Tempe, Arizona resident, AZR.
9. The communications between Eddings and AZR were conducted using the messenger chat feature on Facebook.
10. While communicating about a future deer hunt being offered by Eddings, Eddings related to AZR that he would permit AZR and AZR’s adult son the opportunity to hunt in Missouri for free if AZR would invest \$15,000 in BOO.
11. Eddings sent AZR a document entitled “Loan Agreement” that included the following representations:
  - a. A \$75,000 profit for scheduled hunts in 2016;
  - b. Beginning July 4, 2017, the promise to remit 70% of future profits of BOO to AZR until the \$15,000 principal was repaid in full; and
  - c. No interest would be added into the remittance amount, although AZR and his son would continue to receive free hunts in consideration for AZR’s investment.
12. Eddings executed the document and had it notarized on July 10, 2017.
13. Eddings deposited \$15,000 received from AZR July 12, 2017, into the Eddings Account.
14. AZR received neither repayment of the principal amount of \$15,000 nor any percentages of profits derived from hunts, let alone the 70% promised by the Loan Agreement.
15. AZR died on August 23, 2020.
16. Prior to AZR’s death, AZR reported to the Enforcement Section that AZR stumbled across BOO online via Facebook and confirmed the content of the “Loan Agreement” and

circumstances leading up to the investment.

17. AZR further confirmed that AZR provided Eddings with a cashier's check at the time of the investment.
18. An analysis of the Eddings Account revealed that between July 12 and July 24, 2017, Eddings exhausted AZR's entire \$15,000 investment through ATM withdrawals, payments toward Eddings's personal utility bills, and a variety of retail purchases from, among other businesses, a rental company, a design company, local restaurants, and an agricultural company. None of the money raised from AZR appear to have been used to facilitate the purported business of hunting by BOO.

**Tennessee Resident ("TR")**

19. In November 2017, Eddings began corresponding with a then thirty-nine-year-old Tennessee resident, TR, utilizing the same Facebook messenger application described above regarding conversations with AZR.
20. TR discovered Eddings via a Facebook page that touted Purported Entity 1 as an opportunity to hunt wild game, including deer and turkey, in Missouri.
21. During online interactions in November 2017, Eddings asked TR to invest in Purported Entity 1.
22. Eddings provided TR a document entitled "Black Oak Partnership Agreement" ("the Agreement") that included the following terms:
  - a. the Agreement purported to establish a partnership between Eddings and TR;
  - b. Purported Entity 1 was to become a jointly owned company under the Agreement;
  - c. Eddings would own 75% of Purported Entity 1 and TR would own the remaining 25%;
  - d. TR would pay \$6,000 for TR's 25% share of Purported Entity 1;
  - e. TR would be entitled to all profits earned by Purported Entity 1 after execution of the Agreement;
  - f. the Agreement purported to include giving the same share percentage to TR in any subsidiary companies spawned from Purported Entity 1; and
  - g. TR was to have no managerial obligations, or any responsibilities for the day-to-day operations of Purported Entity 1.
23. Eddings executed his portion of the Agreement on November 27, 2017.

24. On November 30, 2017, TR executed TR's portion of the Agreement and remitted a check in the amount of \$6,000 to Eddings.
25. On December 4, 2017, Eddings deposited the TR check into the Eddings Account.
26. An analysis of the Eddings Account revealed that between December 8 and December 27, 2017, Eddings exhausted TR's entire \$6,000 investment through ATM withdrawals, local restaurants, online purchases, salon services and hotel stays. Additionally, Eddings used TR's investment funds to purchase cruise tickets, pay his personal cell phone bill, and make payments to a local veterinary facility.
27. None of the money raised from TR appears to have been used to facilitate the business of Purported Entity 1.
28. To date, TR has not received any return of TR's principal investment nor any portion of profits generated from the business of Purported Entity 1.

**Alabama Residents 1, 2, & 3 ("ALR1", "ALR2", & "ALR3")**

29. In July 2017, Eddings began corresponding with a then forty-five-year-old Alabama resident, ALR1, utilizing the same Facebook messenger application described above regarding conversations with AZR and TR.
30. ALR1 discovered Eddings via a Facebook page touting Purported Entity 1.
31. On July 31, 2017, ALR1 scheduled and paid \$1,875 for a deer hunt with Purported Entity 1.
32. Subsequently, Eddings did lead ALR1 on the deer hunt referenced in paragraph 31 in the State of Missouri.
33. After the hunt, Eddings reached out to ALR1 via telephone and solicited an investment from ALR1 into Purported Entity 1.
34. Eddings pitched an arrangement for ALR1 to invest \$6,000 wherein ALR1 would have a lease of land operated by Purported Entity 1 along with a percentage from all paid hunts on the property. The lease would permit ALR1 the ability to hunt on the land anytime at ALR1's discretion.
35. ALR1 thought the arrangement was a great idea and recruited two other Alabama residents, ALR2 and ALR3, to join him in the investment.
36. ALR1, ALR2 and ALR3 each contributed \$2,000 toward the investment and ALR1 issued a single \$6,000 check to Eddings, which Eddings deposited into the Eddings Account on December 22, 2017.

37. An analysis of the Eddings Account revealed that between December 22, 2017, and January 5, 2018, Eddings exhausted the Alabama residents' entire \$6,000 investment through ATM withdrawals, meals and drink expenses at local restaurants, online purchases and salon services. Additionally, Eddings used the investment funds to pay for certain personal expenses, including entertainment, cell phone bills, insurance premiums and cable television bills.
38. None of the \$6,000 raised from the Alabama residents appears to have been used to facilitate the business of Purported Entity 1.
39. To date, the Alabama residents never received return of their \$6,000 principal investment nor any portion of profits generated from the business of Purported Entity 1.

#### **Louisiana Resident ("LR")**

40. In August 2017, Eddings began corresponding with a then forty-one-year-old Louisiana resident, LR, utilizing the same Facebook messenger application described above regarding conversations with AZR, TR, and ALR1.
41. LR discovered Eddings via a Facebook page touting Purported Entity 1.
42. During the fall of 2017, LR scheduled and paid Eddings for a deer hunt with Purported Entity 1.
43. After the hunt, Eddings sent a chat message to LR on December 23, 2017, asking LR to invest in Purported Entity 1. Eddings's message read "Looking for a business partner if you're feeling crazy, lol."
44. Eddings initially offered LR a thirty-five percent (35%) interest in all profits from future hunts conducted by Purported Entity 1 in consideration for a \$15,000 investment in Purported Entity 1. LR did not respond to this offer.
45. Eddings then offered LR a sixty percent (60%) interest in all profits from future hunts conducted by Purported Entity 1 in consideration for a \$25,000 investment in Purported Entity 1. According to the terms of the offer, Eddings would reduce LR's interest in Purported Entity 1's profits from sixty to fifty percent (50%) once LR received distributions totaling his initial investment of \$25,000.
46. LR informed Eddings that he could only invest \$20,000 and they agreed upon this principal amount.
47. LR retained an attorney who drafted a promissory note to memorialize a \$20,000 investment ("the LR Note") with terms similar to those referenced in paragraph 45.
48. A draft of the LR Note was exchanged on December 28, 2017, between Eddings and LR.

49. In the LR Note, Eddings is identified as “Maker” and LR is identified as “Creditor”. Eddings executed the LR Note representing that he was executing it as an individual and as organizer of Purported Entity 1 by signing his name on lines above these titles.
50. The LR Note states that it is “payable in consecutive quarterly installments of principal, consisting of one half of the deposits for all future hunts received in the previous quarter, commencing on April 15, 2018, and continuing on the 15<sup>th</sup> day of the first of each succeeding quarter until \$20,000 had been paid on account of principal.”
51. The LR Note further stated that out of consideration of the note bearing zero interest, Eddings would grant LR fifty percent (50%) ownership interest in Purported Entity 1.
52. As part of their agreement, Eddings agreed to register Purported Entity 1 as an LLC with the State of Missouri.
53. Though Eddings had previously registered BOO as a fictitious business name, Eddings never registered Purported Entity 1 as an LLC in the State of Missouri.<sup>3</sup>
54. According to the terms of the LR Note, Eddings agreed to pay LR late fees of ten percent (10%) on any installment payment made more than ten (10) days late with a cap of \$250.
55. On December 9, 2017, Eddings executed his portion of the LR Note.
56. On January 3, 2018, LR executed LR’s portion of the LR Note and provided \$20,000 to Eddings.
57. On that same day, Eddings deposited the \$20,000 into the Eddings Account.
58. To date, LR never received any return of the \$20,000 principal nor any portion of the promised late fees for delinquent payments.
59. An analysis of the Eddings Account revealed that between January 3, 2018, and February 8, 2018, Eddings exhausted LR’s entire \$20,000 investment through ATM withdrawals, meal and drink expenses at local restaurants, online purchases and other retail purchases. Additionally, Eddings used the investment funds to pay for certain personal expenses, including entertainment, cell phone bills and insurance premiums.

**Missouri Resident (“MR”)**

60. In July 2018, Eddings began corresponding with a then sixty-three-year-old Missouri resident, MR, utilizing the same Facebook messenger application described above regarding conversations with AZR, TR, ALR1, and LR.
61. MR discovered Eddings via a Facebook page touting Purported Entity 1.

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<sup>3</sup> Eddings could not register Purported Entity 1 as an LLC in Missouri as the name utilized by Purported Entity 1 was already registered by separate non-affiliated individuals.

62. In July, 2018, Eddings asked MR to invest in Purported Entity 1 through an investment contract after MR had scheduled and paid for a deer hunt.
63. On July 12, 2018, MR signed the proposed investment contract (“the MR Contract”).
64. The MR Contract memorialized an investment in Purported Entity 1 of \$3,500.
65. According to the terms of the MR Contract, in consideration for the \$3,500 investment, MR was to receive fifty percent (50%) of profits from Purported Entity 1 deer hunts for two (2) consecutive seasons.
66. On July 12, 2018, Eddings also executed his portion of the MR Contract.
67. On July 12, 2018, MR gave Eddings \$3,500 and Eddings deposited \$3,500 into the Eddings Account.
68. Contrary to promises made in the MR Contract, MR never received a return of MR’s principal investment or any percentages from the business of Purported Entity 1.
69. An analysis of the Eddings Account revealed that between July 12 and July 23, 2018, Eddings exhausted MR’s entire \$3,500 investment through ATM withdrawals, meal and drink expenses at local restaurants and salon services. Additionally, Eddings used the investment funds to pay for certain personal expenses, including utility bills and insurance premiums.

#### **Additional Findings**

70. Eddings misled investors MR and LR when they asked for the return of their principal investments by claiming that his mother was gravely ill, in hospice care and would soon die.
71. Eddings further misled LR by telling LR that Eddings was attending a funeral for his mother shortly after he told LR that she was in hospice care.
72. Eddings misled LR by claiming that Eddings was forced to file bankruptcy when no bankruptcy filing by Eddings was ever discovered.
73. Eddings misled LR by claiming that Eddings would be selling Purported Entity 1 in order to repay LR when in reality Purported Entity 1 did not exist.
74. Eddings misled MR by claiming that Eddings was immersed in a bitter divorce and custody battle with Eddings’s wife while no Petition for Dissolution was ever discovered.
75. Eddings misled MR and LR by claiming Eddings’s attorney would be returning their principal investments. However, no attorney for Eddings ever contacted MR and LR, let alone made arrangements to repay their principal investments.



76. Eddings admitted to the Republic Police Department in Republic, Missouri the following:
- a. Eddings's mother was never in hospice care;
  - b. Eddings told police officers that he did not keep receipts related to purchases for his businesses and that he would review bank records for tax purposes. Regardless, Eddings's bank records do not show any business related purchases in the time periods he was spending investor money;
  - c. Eddings told police officers that he used investor funds to purchase hunting blinds, food for hunters, beds, pots and pans, and other items needed to conduct hunts by Purported Entity 1 when no evidence supporting any such purchases was uncovered; and
  - d. Eddings admitted he had not been employed since 2016.
77. Eddings never disclosed to any investors Eddings's criminal history.
78. Eddings never disclosed to any investors Eddings's civil judgments rendered against him.
79. Eddings misappropriated investor money by using investor money to make personal retail purchases, purchase spa services, make utility payments, and to purchase a vacation to Mexico from Galveston, Texas via a cruise.

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

### **COUNT I – Five Violations of Section 409.3-301**

80. **THE COMMISSIONER DETERMINES** that Respondent offered and sold unregistered, non-exempt securities in the form of a promissory note, partnership agreement, investment contract and evidence of indebtedness.
81. At the time Respondent engaged in the conduct set forth above, two investors (AZR and MR) were more than sixty-years-old and were elderly persons, as that term is defined under Section 409.6-604(d)(3)(B).
82. Respondent's violations of Section 409.3-301 constitute an illegal act, practice, or course of business subject to the Commissioner's authority under Section 409.6-604.

### **COUNT II - Fifteen Violations of Section 409.5-501**

83. **THE COMMISSIONER FURTHER DETERMINES** that Respondent, in connection with the offer and sale of the investment contracts and promissory notes in this matter: (i) employed a device, scheme, or artifice to defraud in five instances, (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 in at least five

instances 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 at least five instances, all of which were in violation of Sections 409.5-501(1), 409.5-501(2) and 409.5-501(3), to wit:

- a. touting the success of Purported Entity 1 and BOO in each of the five investments in order to give investors a false sense of security and induce them into their investments;
  - b. misrepresenting the fact that Purported Entity 1 was owned and controlled by Eddings;
  - c. omitting to disclose Eddings's criminal history in all of his correspondence in the course of securing the five investments;
  - d. omitting to disclose Eddings's civil judgments in all of his correspondence in the course of securing the five investments;
  - e. misrepresenting to investors claims that Eddings's mother was ill and in hospice care in order to assuage or put off their inquiries concerning repayment of their investments;
  - f. misrepresenting the state of his marriage to investors in order to assuage or put off their inquiries concerning repayment of their investments; and
  - g. misappropriating investor funds for his own personal use and benefit by taking investor money and making retail purchases, restaurant purchases, purchasing spa services and vacations, and making personal utility payments.
84. At the time Respondent engaged in the conduct set forth above, two investors (AZR and MR) were more than sixty-years-old and were elderly persons, as that term is defined under Section 409.6-604(d)(3)(B).
85. Respondent's 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.
86. 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 Respondent, his 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 409.3-301, by offering or selling any securities, as defined by Section 409.1-102(28), in the State of Missouri unless those securities are registered with the Securities

Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301; and

- B. 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, the Commissioner states that he will determine whether to grant the Enforcement Section's requests for:

- A. An order to pay civil penalties of \$155,000 for five (5) violations of Section 409.3-301 where two of those violations involved an elderly person as defined by Section 409.6-604, in a final order, unless Respondent requests a hearing and shows cause why the penalties should not be imposed;
- B. An order to pay civil penalties of \$465,000 against Respondent for fifteen (15) violations of Section 409.5-501, where six (6) of those violations involved an elderly person as defined by Section 409.6-604, in a final order, unless Respondent requests a hearing and shows cause why the penalties should not be imposed;
- C. an order to pay restitution in the amount of \$53,500 against Respondent, plus annual interest at a rate of eight percent (8%) from the date of the violations, for any loss, including the amount of any actual damages that may have been caused by the Respondent's conduct;
- D. an order awarding the costs of the investigation against Respondent in this proceeding, awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondent requests a hearing and shows cause why an award should not be made; and
- E. an order providing such other relief as he deems just.

All of the preceding relief is sought on behalf of the persons injured by the acts and practices of Respondent that constitute violations of the Missouri Securities Act.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 7<sup>th</sup> DAY OF OCTOBER, 2021.

JOHN R. ASHCROFT  
SECRETARY OF STATE

  
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DAVID M. MINNICK  
COMMISSIONER OF SECURITIES





STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

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)  
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Respondent. )  
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Serve: Theodore Jay Eddings )  
136 N. Fairwood Avenue )  
Republic, Missouri 65738 )

**NOTICE**

**TO: Respondent 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**

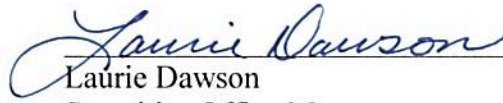
CERTIFICATE OF SERVICE

I hereby certify that on this 1<sup>st</sup> day of October, 2021, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Civil Penalties, Restitution, and Costs Should Not Be Imposed in the above styled case was **mailed via certified U.S. mail to:**

Theodore Jay Eddings  
136 N. Fairwood Avenue  
Republic, Missouri 65738

**And hand delivered to:**

Steven M. Kretzer  
Enforcement Counsel  
Missouri Securities Division

  
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Laurie Dawson  
Securities Office Manager