



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
PRIORITY MANAGEMENT, LLC; and) Case No.: AP-23-07
MEREDITH VERTREESE,)
)
Respondents.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Enforcement Counsel William F. H. Dunker, alleges that from October 1, 2019 to June 30, 2022, Respondents engaged in acts and practices in violation of Section 409.5-501 of the Missouri Securities Act of 2003 (the “**Act**”) by raising funds for the development of properties in the Kansas City, Missouri metropolitan area through the solicitation and sale of unregistered, non-exempt promissory note securities.
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Section 409.5-501.

CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“**Commissioner**”) has jurisdiction over Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*¹
4. Respondents 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 2022 Cum. Supp. Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondents waive Respondents' rights to a hearing with respect to this matter.
6. Respondents waive any rights that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold 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. Respondents stipulate and agree 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. Respondents 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. Respondents agree 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 Respondents' (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. Respondents agree that they are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section but consent to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purpose of resolving this proceeding and any proceeding that may be brought by to enforce the terms of this Order.

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

I. FINDINGS OF FACT

A. Respondents

12. Priority Management, LLC ("**Priority Management**" or the "**Company**") is a Missouri limited liability company formed in 2008, with an original address of 9927 Locust St., Apt. 4202, Kansas City, Missouri 64131. The Company was registered with the Missouri Secretary of State at the Locust Street address until April 29, 2021, when Priority Management filed a modification with the Secretary of State that updated its registered agent and registered office address to 117 S. Lexington Street, Ste 100, Harrisonville, MO 64701.
13. Meredith Vertreese ("**Vertreese**") is a forty-three-year-old resident of Overland Park,

Kansas. At all times relevant herein, Vertreese resided in Lee's Summit, Missouri. Vertreese is the principal in control of Priority Management.

B. Missouri Resident's Investment

14. In October 2019, Vertreese offered and sold a promissory note security to a then fifty-four-year-old resident of Lee's Summit, Missouri ("**MR**").
15. MR met Vertreese through church, and Vertreese later became MR's realtor when she needed assistance selling her home.
16. Vertreese solicited MR to invest in a real estate development project through Priority Management. As a result of the solicitation, on October 19, 2019, MR invested \$50,000, in the form of a check written out to Priority Management LLC.
17. MR funded her investment by withdrawing the funds from a certificate of deposit ("**CD**"). She incurred a \$900 fee for the early withdrawal of the CD funds. MR sent the funds to Vertreese from her account at Central Bank of the Midwest in Lee's Summit, Missouri, via check number 036, dated October 19, 2019. Check number 036 is labeled "Investment Funds" in the memo field. Vertreese, or an agent acting on her behalf, deposited MR's investment check in the Lee's Summit, Missouri bank account of "Meredith Mason or [a third party] DBA Priority Management" with UMB (the "**Vertreese UMB Account**") on or about October 22, 2019. "Mason" was Vertreese's maiden name.
18. To document the investment, Vertreese sent MR a three-page transactional document titled "NOTE" ("**Note One**") that was pre-signed by Vertreese.
19. The terms of Note One provided for a balloon payment to MR of her entire investment principal along with 20% interest within twelve months or less from the date of the investment, plus an additional \$900 to compensate MR for incurring the early withdrawal fee. Note One also provided that it would be secured by the property purchased with MR's funds; yet there is no evidence that any lien or other encumbrance against the property for the benefit of MR existed. Although Vertreese pre-signed Note One as the borrower on behalf of Priority Management, MR, for reasons unknown, never counter-signed the document.
20. Shortly after gaining access to MR's investment funds, Vertreese executed a nearly identical \$50,000 promissory note with a Missouri-registered real estate investing enterprise called Communities Cares LLC ("**Communities Cares**") (the promissory note hereinafter referred to as the "**Communities Cares-Vertreese Note**"). The Communities Cares-Vertreese Note was identical in its terms to Note One: it promised to pay a return of \$50,000 principal plus 20% interest in a balloon payment within twelve months or less from the date of the investment plus an additional \$900 fee. The Communities Cares-Vertreese Note was executed by Vertreese in her personal capacity, not in the name of Priority Management LLC. Vertreese funded the Communities Cares-Vertreese Note with a \$50,000 check, dated October 23, 2019, to Communities Cares, which had been written against the Vertreese UMB Account.

21. By the end of October 2021 — more than twelve months following the date of MR’s investment with Priority Management — MR had not received a return of any portion of her invested principal, any interest, or any portion of the \$900 payment, as promised under the terms of Note One.
22. To remedy the default of Note One, Vertreese offered to extend the term of Note One for MR. Vertreese provided MR a short, written agreement to formalize the extension of the term (or maturity) of Note One, which both parties signed via electronically verified signatures on or about November 10, 2021. The extension document (the “**Note One Extension Agreement**”) restated all the original payment terms set forth in Note One and extended the obligation for those payments, including continuing accrued interest at a rate of 20%, until June 30, 2022.
23. To date, MR has not received any of the promised payments, as set forth in Note One and the Note One Extension Agreement.

C. Kansas Resident’s Investment

24. During the Enforcement Section’s investigation, Vertreese disclosed another investor with Priority Management, a resident of Overland Park, Kansas (“**KR**”). Along with this disclosure, Vertreese provided the Enforcement Section with a copy of the relevant transactional document (“**Note Two**”) — a three-page written agreement titled “NOTE” — that memorialized KR’s investment through Priority Management, LLC.
25. KR was introduced to Vertreese by a mutual acquaintance, and Vertreese became KR’s real estate agent when KR was in the market to purchase a home.
26. Vertreese solicited KR to invest in a new construction project through Priority Management when Vertreese and KR were viewing a home in Raytown, Missouri. Vertreese induced KR’s investment by telling her that her funds would earn more interest if KR invested in the new construction project through Priority Management than if she kept the funds in her retirement account. Based on these representations, KR believed that Note Two represented an investment, and that her funds would be used only for the purported construction project.
27. According to the terms of Note Two, KR would receive a return of her \$30,000 principal plus 20% interest in a balloon payment within twelve months or less from the date of KR’s investment. Note Two states an effective date of October 22, 2019, and lists Priority Management as the borrower. Vertreese signed Note Two on behalf of Priority Management. Similar to Note One, Note Two provided that KR’s investment would be secured with property purchased with KR’s \$30,000 investment; yet there is no evidence that any lien or other encumbrance against the property for the benefit of KR existed.
28. After receiving a routing number and account number from Vertreese, KR wired \$30,000 to the Vertreese UMB Account on October 24, 2019.
29. On October 23, 2019, Vertreese, despite having represented to KR that her \$30,000 would be invested in a new construction project, wrote a check against the Vertreese UMB Account to Communities Cares LLC for only \$20,000.

30. A two-page document acknowledged by Vertreese and titled Preliminary Simple Agreement (“**Agreement**”), memorialized the \$20,000 real property development investment Vertreese entered into, on behalf of Priority Management, with Communities Cares and an unregistered Missouri-based enterprise called FixandFlip, LLC. The Agreement does not reference KR or Note Two between KR and Priority Management.
31. According to monthly statements from the Vertreese UMB Account, Vertreese and a third party spent the remaining \$10,000 of KR’s invested funds on various personal expenses.
32. To date, Vertreese, on behalf of Priority Management, has repaid \$25,000 of the \$30,000 KR invested in Note Two.

II. CONCLUSIONS OF LAW

33. **THE COMMISSIONER CONCLUDES** that Note One and Note Two, offered and sold to MR and KR, respectively, by Respondents are securities under Section 409.1-102(28).
34. **THE COMMISSIONER CONCLUDES** that Respondents, in connection with the offer and sale of securities, 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 when Vertreese misrepresented the intended use of investor funds, when Vertreese failed to secure the investor funds as promised in the promissory note securities, when Vertreese executed a promissory note with Communities Cares in her personal capacity rather than executing the note through Priority Management, when Vertreese entered a loan agreement with two other businesses that ran contrary to the representations she made to KR when securing her investment funds, and when Vertreese and a third party misappropriated investor funds for a variety of personal expenses.
35. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
36. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the Enforcement Section of the Missouri Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondents in 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:

37. Respondents, joint and several, shall pay restitution in the amount of \$43,250 to the Missouri Secretary of State’s Investor Restitution Fund. **This amount is due upon execution of this Order by Respondents and shall be made payable to the Missouri Secretary of State’s Investor Restitution Fund,** and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. The Commissioner will take reasonable and necessary actions to distribute such funds to the investors as set forth in Exhibit 1 attached

herein;

38. Respondents, their respective 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 409.5-501; and,
39. Respondents 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 5th DAY OF ~~MAY~~ June, 2023.




JOHN R. ASHCROFT
SECRETARY OF STATE


DOUGLAS M. JACOBY
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION


William F.H. Dunker
Enforcement Counsel

RESPONDENTS:

MEREDITH VERTREESE


Meredith Vertreese

PRIORITY MANAGEMENT

By:


Title: owner

EXHIBIT 1
(AP-23-07/I2022-0028)

IN THE MATTER OF: Priority Management, LLC; and Meredith Vertreese

MR: \$39,318.18

KR: \$3,931.82