



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
JOEL CANSLER,) Case No. AP-15-31
)
 Respondent.)
)
Serve: Joel Cansler)
 3574 Pennsylvania Ave)
 Kansas City, MO 64111)

CONSENT ORDER

SUMMARY OF THE SECURITIES DIVISION’S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State (“Division”), through Enforcement Counsel Tyler B. McCormick, has alleged that Joel Cansler (“Respondent”) in connection with the offer, sale, or purchase of a security, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaged in an act, practice, or course of business that would operate as a fraud or deceit in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013)¹, and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondent’s alleged violations of Section 409.5-501.

CONSENT TO JURISDICTION

3. Respondent and the Division stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Unless otherwise noted, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

“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

5. Respondent waives Respondent’s rights to a hearing with respect to this matter.
6. Respondent waives any rights that Respondent 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, 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 Division that, should the facts contained herein prove to be false or incomplete, the Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Division 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 Respondent is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent consents 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. Joel Cansler (“Cansler”) is a 60-year-old Missouri resident with an address of 3574 Pennsylvania Ave, Kansas City, Missouri 64111.

13. Go Up, Co (“Go Up”) was a Utah corporation incorporated in February 2013 with the purpose of sharing and selling financial information and services through multi-level marketing. Cansler was the incorporator of Go Up, and sole officer and director. On or May 26, 2014, Go Up’s status as a Utah corporation expired for failure to file a renewal.
14. MOO, Inc (“MOO, Inc”) was a Utah corporation incorporated in April 2013 to sell self-betterment projects through multi-level marketing. Cansler was the president, treasurer, and director of MOO, Inc. The principal place of business for MOO, Inc was 7280 NW 87th St. Ste. 210 Zona Rosa, Kansas City, Missouri 64153. On or about July 28, 2014, MOO, Inc’s status as a Utah corporation expired for failure to file a renewal.
15. As used herein, the term “Respondent” refers to Cansler.
16. At all times relevant to this matter, Cansler, Go Up, and MOO, Inc have never been registered with the State of Missouri as investment advisers, investment adviser representatives, broker-dealers, broker-dealer agents, and/or issuer agents.
17. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and/or sold by Cansler, Go Up, and MOO, Inc.
18. On or around February 10, 2013, Cansler, on behalf of Go Up, spoke with four Missouri residents about an investment opportunity with Go Up.
19. Cansler, on behalf of Go Up, provided investors with an Executive Summary that stated, among other things, the following:
 - a. many people had been attracted to Go Up, and were electing to start their home-based business with Go Up;
 - b. Go Up had been praised as the greatest opportunity to increase the quality of your life;
 - c. Go Up had reached an agreement with Trycera to provide service to its members;
 - d. a large number of experienced networkers already committed to the Company, and that their participation alone was a testament to the underlying strength of the opportunity; and
 - e. Go Up was a carefully conceived company, driven by experienced industry professionals;
20. Cansler, on behalf of Go Up, provided investors with a Go Up Private Placement Memorandum that stated, among other things, the following:
 - a. Go Up was a Nevada Corporation;

- b. Go Up was offering a maximum of 2,000,000 shares, at a price of \$.05 per share;
 - c. the offering would continue until all shares were sold, until the offering was terminated or until April 1, 2013 (unless extended by the Company for up to 30 additional days), whichever occurred first;
 - d. the private placement memorandum had been prepared by Go Up for limited dissemination and solely for use by prospective risk capital investors in evaluating the offering and was limited to accredited investors only;
 - e. the offering was limited to persons who, by virtue of their investment acumen or financial resources, or both, could satisfy the Company that they meet the applicable suitability standards;
 - f. Go Up would deliver stock certificates for the shares directly to the purchaser within 30 days of purchase;
 - g. each prospective investor would be required to complete, execute and deliver a personal or cashier's check, made payable to Go Up;
 - h. many experts in the field shared the opinion that the over-all marketing and compensation plan was without equal in the industry and provides it with a distinct competitive edge;
 - i. in the opinion of management, the Company was poised for a major growth explosion. The opinion was based, in large part, on the number of industry "leaders" who had committed to join the Company and assist in its expansion. The previous business history of those individuals indicated that the Company needed to prepare for rapid expansion;
 - j. reports and marketing materials were available online;
 - k. the Go Up research staff had already spent countless hours sorting out only excellent information; and
 - l. in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the remaining net assets of the Company or the proceeds thereof would be distributed to the holders of the Common Stock according to their respective shares.
21. Cansler, on behalf of Go Up, provided investors with a Go Up Subscription Agreement that stated, among other things, the following:
- a. Go Up was a Nevada Corporation; and

- b. no solicitation had been made with respect to the purchase of the shares.
22. Cansler, on behalf of Go Up, purported to evaluate the suitability of the investment for each investor, but failed to ask any investor about their net worth.
23. Cansler, on behalf of Go Up, filled out and signed the Subscription Agreement as approved and accepted prior to providing it to the investors.
24. On or around February 10, 2013, a Butler, Missouri resident (“MR1”) executed a Go Up Subscription Agreement and purchased 500,000 shares of Go Up for \$25,000.
25. On or around February 10, 2013, two Butler, Missouri residents (“MR2” and “MR3”) executed a Go Up Subscription Agreement and purchased 1,000,000 shares of Go Up for \$50,000.
26. On or around February 10, 2013, a Urich, Missouri resident (“MR4”) purchased 500,000 shares of Go Up for \$25,000.
27. On or around February 11, 2013, Cansler, on behalf of Go Up, spoke with a Diamond, Missouri resident (“MR5”) about an investment opportunity with Go Up. MR5 executed a Go Up Subscription Agreement and purchased 500,000 shares of Go Up for \$25,000.
28. Investor funds were deposited into a Go Up bank account at Commerce Bank in Kansas City, Missouri (“Go Up Account”).
29. On March 11, 2013, Cansler withdrew all of the remaining funds from the Go Up Account and deposited the funds into a Liberty Commodities, Inc. bank account at UMB bank (“Liberty Commodities Account”).
30. A review of the bank records for the Liberty Commodities Account revealed, among other things, that:
 - a. on March 11, 2013, a deposit of \$91,813.92 into the Liberty Commodities Account;
 - b. investors’ funds were commingled with other funds in the Liberty Commodities Account, and approximately \$70,000 was used for, among other things, the following:
 - i. cash withdrawals;
 - ii. credit card payments;
 - iii. utility payments;

- iv. payments to stores including, Hy-Vee, Price Chopper, Sam's Club, and Costco; and
 - v. payments to restaurants including, Strouds, Garozzo's, 54th Street Grill, Abuelos, and Bonefish.
31. In or around December 2013, Cansler called a Bethany, Missouri resident ("MR6") to talk about an investment opportunity with MOO, Inc.
 32. On or around December 2, 2013, MR6 purchased 125,000 shares of MOO, Inc for \$6,250.
 33. In or around January 2014, Cansler called two Pinedale, Wyoming residents ("WR1" and "WR2") to talk about an investment opportunity with MOO, Inc and provided WR1 and WR2 with a subscription agreement for MOO, Inc.
 34. On or around January 15, 2014, WR1 and WR2 executed a MOO, Inc Subscription Agreement and purchased 125,000 shares of MOO, Inc for \$6,250 worth of gold coins.
 35. On or around January 29, 2014, Cansler gifted 50,000 shares of MOO, Inc to JK and PK.
 36. On or around January 29, 2014, Cansler gifted 50,000 shares of MOO, Inc to LM.
 37. On or around January 29, 2014, Cansler gifted 200,000 shares of MOO, Inc to KH and BH.
 38. Cansler, on behalf of MOO Inc, offered and sold shares in MOO, Inc without providing investors with a Private Placement Memorandum and/or Subscription Agreement for MOO, Inc.
 39. On or around April 7, 2014, Cansler, on behalf of Go Up and MOO Inc, sent e-mails to investors stating, among other things, the following:
 - a. that over \$90,000 was spent on developing the initial product; and
 - b. that Cansler had no income in 2013.
 40. Public records indicate that Cansler filed a voluntary Chapter 13 bankruptcy petition on August 22, 2002, in the Western District of Missouri.²
 41. On March 25, 2015, Cansler appeared before representatives of the Enforcement Section for an on-the-record interview ("Cansler OTR"). During the Cansler OTR, Cansler stated, among other things, the following:
 - a. Cansler has no experience or background in the securities industry;

² *In re* Cansler, Case No. 02-44526-drd13 (Bank. W.D. Mo. August 22, 2002).

- b. Cansler has never been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or issuer agent;
- c. Go Up and MOO, Inc have never registered securities in Missouri;
- d. Cansler formed MOO, Inc as a clone to Go Up after Go Up fell apart;
- e. Cansler raised \$137,000 from selling shares of Go Up and MOO, Inc;
- f. Cansler presented a private placement memorandum to each of the investors on the day they invested;
- g. at the time Cansler provided the Executive Summary to investors, no one had been attracted to Go Up for their home-based business;
- h. at the time Cansler provided the Executive Summary to investors, there was no written agreement with Trycera;
- i. at the time Cansler provided the Executive Summary to investors, Cansler did not know any experienced networkers that had purportedly committed to Go Up;
- j. while the Go Up Subscription Agreement and Go Up Private Placement Memorandum stated that Go Up was a Nevada corporation, it was in fact a Utah corporation;
- k. the compensation plan talked about in the Go Up Private Placement Memorandum as being without equal in the industry and providing Go Up with a distinct competitive edge could not be implemented because of legal reasons;
- l. at the time Cansler provided the Go Up Private Placement Memorandum to investors, reports and marketing materials were not available online;
- m. Go Up did not have a research staff;
- n. the Go Up offering was not limited to accredited investors;
- o. Go Up and MOO, Inc stock certificates were not delivered within 30 days of the purchase;
- p. when Go Up ceased to exist in March 2013, the remaining assets were not distributed to the shareholders;
- q. while Cansler told investors he had no income in 2013, Cansler "...did spend money out of the business account, kind of an intermingling of funds, if you will, for personal expenses";

- r. Cansler did not spend over \$90,000 on developing the initial product and plans, as some of that went to pay for Cansler's living expenses;
 - s. Cansler "was paid no specific paychecks, but there were personal bills paid out of the company account";
 - t. Cansler never provided an accurate accounting of expenses to investors;
 - u. Cansler never told investors that he spent over half of the money invested in Go Up and MOO, Inc on personal expenses;
 - v. none of the investors have received a return on their investment;
 - w. "I realized that, hey, this multi-level marketing industry is not what I thought it was. I learned that a lot of people that get involved lose money and it's not helping people...It turns out a lot of those people put money in and don't get anything back. It was only like - - he was telling me only like 15 to 20 percent, a lot of times, make money on the deal and 75 to 85 don't, and that I didn't realize"; and
 - x. Cansler came to learn that only a select few actually make any money in multi-level marketing.
42. In connection with the offer or sale of securities, Cansler, on behalf of Go Up and MOO, Inc, failed to disclose to investors, among other things, the following:
- a. that the MOO, Inc stock offered and sold was unregistered;
 - b. that Cansler was not registered as an issuer agent;
 - c. the specific risks associated with the MOO, Inc investment including, but not limited to, the risk associated with MOO, Inc's business and/or industry;
 - d. that Cansler had filed for bankruptcy;
 - e. the financial condition of Cansler;
 - f. accurate financial information about Go Up and MOO, Inc;
 - g. that some shareholders did not pay for their shares;
 - h. that investor funds would be commingled with Cansler's personal funds and used to pay personal expenses; and
 - i. that over half of the investors' funds would be spent on Cansler's personal expenses.

II. CONCLUSIONS OF LAW

43. The Commissioners also concludes that Respondent omitted to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not misleading, and engaged in an act, practice, or course of business that would operate as a fraud or deceit in violation of Section 409.5-501 and that this violation constitutes grounds to issue an order pursuant to Section 409.6-604.
44. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Division, finds and concludes that the Commissioner has jurisdiction over Respondent 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:

1. Respondent, Respondent's agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are permanently enjoined and restrained from offering or selling any securities in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State, omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and in engaging in an act, practice, or course of business that would operate as a fraud or deceit in violation of Section 409.5-501;
2. Respondent is ordered to pay \$55,000 in restitution. This amount will be paid in 55 equal monthly installments of \$1,000 each. The first installment will be due on April 15, 2016, and all remaining installments shall be due on the 15th of each month with the last installment due on October 15, 2020. Such payments shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Restitution Fund. These payments will be distributed by that Fund to the investors in the amounts identified in Exhibit A. If Respondent fails to make any payment described in this paragraph, the full amount remaining shall be immediately due and payable after 30 days notice to cure, and if any amount remains unpaid after such 30 day cure period, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo;
3. Respondent is ordered to pay \$5,000 as the cost of this investigation. This amount will be paid in 5 equal monthly installments of \$1,000 each. The first installment will be due on November 15, 2015, and all remaining installments shall be due on the 15th of each month with the last installment due on March 15, 2016. Such payments shall be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. If Respondent fails to make any payment described in this paragraph, the full amount

remaining shall be immediately due and payable after 30 days notice to cure, and if any amount remains unpaid after such 30 day cure period, the Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo;

4. Respondent shall pay \$30,000 to the Missouri Secretary of State's Investor Education and Protection Fund for violations of the Missouri Securities Act. Respondent's payment of this amount is hereby suspended but shall become due immediately upon the sooner of (1) Respondent's noncompliance with the terms of this Order or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondent has violated the Missouri Securities Act. Such immediately due payment shall be in addition to all other penalties then available under the law. If, after a period of five (5) years, Respondent has not failed to comply with the terms of this Order, the suspended payment shall be fully and finally waived;
5. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo; and
6. Respondent shall pay Respondent's 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 19TH DAY OF NOVEMBER, 2015.




JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

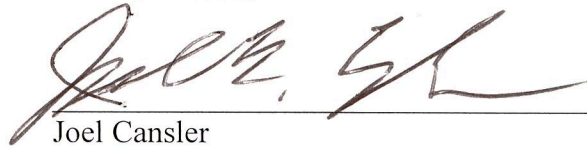
Consented to by:

THE MISSOURI SECURITIES DIVISION



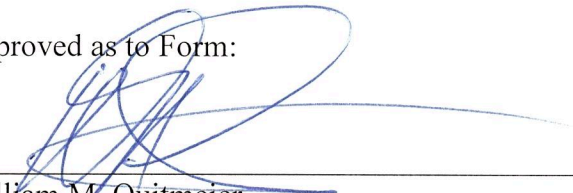
Tyler B. McCormick
Enforcement Counsel

RESPONDENT



Joel Cansler

Approved as to Form:



William M. Quitmeier
Attorney for Respondent