

2. Shannon K. Burke (“S. Burke”) is a Missouri resident with a last known address of RR 6 Box 6419, Ava, Missouri 65608.
3. As used herein, the term “Respondents” refers to M. Burke and S. Burke.
4. At all times relevant to this matter, M. Burke and/or S. Burke have never been registered with the State of Missouri as investment advisers, investment adviser representatives, broker-dealers, broker-dealer agents, and/or issuer agents.

B. Enforcement Section Investigation

Illinois Resident

5. In or around September 2009, a 38-year-old Granite City, Illinois resident (“IR”) served in the military with M. Burke in St. Louis, Missouri. During this time, M. Burke and/or S. Burke spoke with IR about an investment opportunity. With regard to the investment opportunity, M. Burke and/or S. Burke, among other things:
 - a. told IR that IR’s funds would be used to invest in stocks;
 - b. told IR the investment would triple in months; and
 - c. presented IR with a spreadsheet which purportedly stated the profit another investor was earning as a result of M. Burke’s and S. Burke’s trading abilities and strategies.
6. In or around September 2009, IR invested \$2,000 with M. Burke and/or S. Burke.
7. After IR’s investment, M. Burke was transferred to another military assignment in Texas.
8. IR has asked for the return of IR’s investment.
9. IR has not received a return on IR’s investment, and Respondents have refused to return IR’s investment.

Missouri Resident 1

10. In or before October 2009, M. Burke and S. Burke spoke with a 47-year-old Ferguson, Missouri resident (“MR1”) about an investment opportunity. During this time, MR1 was an Army contracted barber, and had known M. Burke for several years. With regard to the investment opportunity, M. Burke and/or S. Burke, among other things:
 - a. asked MR1 for funds to invest in penny stocks;
 - b. told MR1 the investment would make her wealthy;

- c. presented MR1 with a spreadsheet stating the returns MR1 could expect for the investment; and
 - d. told MR1 that all the other investors were making good returns on their investments.
11. On or around October 1, 2009, MR1 invested \$2,500 with M. Burke and/or S. Burke.
 12. When the investment did not provide any returns, MR1 began to question M. Burke and S. Burke about when MR1 could expect to see a return. S. Burke told MR1 she was busy moving and would locate the pertinent documents regarding the investment. S. Burke subsequently told MR1 that S. Burke could not locate the pertinent documents. Finally, S. Burke told MR1 that the funds were “lost” during stock trading that took place in an E*TRADE account.
 13. A review of the E*TRADE account for M. Burke and S. Burke revealed, among other things, no deposit of \$2,500 on or around October 1, 2009.
 14. On or around February 25, 2010, S. Burke wrote a \$2,500 check to MR1. The check bounced and was stamped RETURN REASON – S REFER TO MAKER.
 15. On or around June 24, 2010, M. Burke and MR1 signed an agreement stating, among other things:

MR1 accepts a Samsung 55 inch LED TV as payment in full for the \$2,500 “received by Michael Burke for the sole purpose of investment into the New York Stock Exchange (NYSE) which was lost due to stock fluxation [sic] in and around December 2009.”

Missouri Resident (MR2)

16. In or around November 2009, a 50-year-old St. Louis, Missouri resident (“MR2”) served in the military with M. Burke in St. Louis, Missouri. During this time, M. Burke spoke with MR2 about an investment opportunity. With regard to the investment opportunity, M. Burke, among other things:
 - a. told MR2 that MR2’s funds would be used to invest in stocks;
 - b. claimed that M. Burke was an experienced day trader; and
 - c. promised MR2 \$100,000 within two months.
17. On or around November 3, 2009, MR2 invested \$5,000 with M. Burke and/or S. Burke.

18. M. Burke and S. Burke had an account at USAA Federal Savings located in San Antonio, Texas (“Burke Account”). A review of the bank records for the Burke Account revealed, among other things:
 - a. M. Burke and S. Burke were the sole signatories on the Burke Account;
 - b. on November 2, 2009, the Burke Account had a balance of \$3,858.95;
 - c. on November 6, 2009, MR2’s \$5,000 check was deposited in the Burke Account;
 - d. investment funds from MR2 were commingled with other funds in the Burke Account and between November 6, 2009, and November 13, 2009, used for, among other things, the following activities:
 - i. cash withdrawals totaling in excess of \$4,500; and
 - ii. payments to restaurants, convenience stores, and utility companies totaling in excess of \$330.
 - e. On November 13, 2009, the Burke Account had a balance of \$197.93.
19. After MR2’s investment, M. Burke was transferred to another military assignment in Texas.
20. MR2 has asked for the return of MR2’s investment.
21. On or around March 16, 2010, S. Burke wrote a \$6,143 check to MR2. The check bounced and was stamped RETURN REASON – D CLOSED ACCOUNT.
22. MR2 has not received a return on MR2’s investment and Respondents have refused to return MR2’s investment.

Additional Findings

23. In connection with the offer and/or sale of securities, M. Burke and/or S. Burke failed to disclose to IR, MR1, and/or MR2, among other things, the following:
 - a. that M. Burke and S. Burke were not registered to offer or sell securities in the State of Missouri;
 - b. the specific risks associated with the investment including, but not limited to, the risks associated with penny stocks;
 - c. financial information to support the promised return on the investments; and
 - d. that investment funds would be comingled with Respondents’ business and/or

personal funds and used to pay personal expenses and make cash withdrawals.

II. COMMISSIONER'S DETERMINATION AND FINDING

Multiple Violations of Transacting Business as an Unregistered Agent

24. The **COMMISSIONER DETERMINES** that M. Burke and S. Burke offered and/or sold securities to investors in Missouri by, among other things offering and/or selling penny stocks to investors, including IR, MR1, and/or MR2.
25. These activities constitute transacting business as an agent in the State of Missouri under Section 409.1-102(1), RSMo. (Cum. Supp. 2013).
26. At all times relevant, M. Burke and S. Burke were not registered as agents in the State of Missouri.
27. M. Burke and S. Burke transacted business in Missouri by offering and/or selling securities without being registered or exempt from registration as an agent in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013).
28. M. Burke's and S. Burke's conduct in violation of 409.4-402(a), RSMo. (Cum. Supp. 2013) constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

Multiple Violations of Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security

29. The **COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of a security as described above, M. Burke and S. Burke omitted to state to investors, including IR, MR1, and/or MR2, material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Such statements and material omissions included, but were not limited to, the following:
 - a. telling IR that (1) IR's funds would be used to invest in stocks; (2) IR's investment would triple within a matter of months; and/or (3) presenting IR with a spreadsheet purporting to state the profit another investor was earning as a result of M. Burke's and S. Burke's trading abilities and strategies. These statements, in light of the circumstances under which they were made, were misleading statements because M. Burke and/or S. Burke misrepresented or omitted to disclose the following material facts that could impact this return and the viability of IR's investment:
 - i. that M. Burke and S. Burke were not registered to offer or sell securities in

- the State of Missouri;
 - ii. the specific risks associated with the investment including, but not limited to, the risks associated with penny stocks; and
 - iii. financial information to support the promised return on the investment.
- b. telling MR1 that (1) MR1's funds would be used to invest in penny stocks; (2) the investment would make MR1 wealthy; (3) all the other investors were making good returns on their investments; and/or (4) presenting a spreadsheet to MR1 stating the returns MR1 could expect for the investment. These statements, in light of the circumstances under which they were made, were misleading statements because M. Burke and S. Burke misrepresented or omitted to disclose the following material facts that could impact this return and the viability of MR1's investment:
- i. that M. Burke and S. Burke were not registered to offer or sell securities in the State of Missouri;
 - ii. the specific risks associated with the investment including, but not limited to, the risks associated with penny stocks; and
 - iii. financial information to support the promised return on the investment.
- c. telling MR2 that (1) MR2's funds would be used to invest in stocks; (2) M. Burke was an experienced day trader; and/or (3) promising MR2 \$100,000 within two months. These statements, in light of the circumstances under which they were made, were misleading statements because M. Burke and S. Burke misrepresented or omitted to disclose the following material facts that could impact this return and the viability of MR2's investment:
- i. that M. Burke and S. Burke were not registered to offer or sell securities in the State of Missouri;
 - ii. the specific risks associated with the investment including, but not limited to, the risks associated with penny stocks;
 - iii. financial information to support the promised return on the investment; and
 - iv. that investment funds would be commingled with Respondents' business and/or personal funds and used to pay personal expenses and make cash withdrawals.
30. Respondents 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 upon another person, in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013).

31. Respondents' conduct in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013), constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).
32. This 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), RSMo. (Cum. Supp. 2013).

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 409.4-402(a), RSMo. (Cum. Supp. 2013), by transacting business as an unregistered agent;
- B. Section 409.5-501, RSMo. (Cum. Supp. 2013), by, in connection with the offer or sale of securities, 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), RSMo. (Cum. Supp. 2013), the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$10,000 civil penalty against each Respondent for more than one violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013);
- B. \$10,000 civil penalty against each Respondent for more than one violation of Section 409.5-501, RSMo. (Cum. Supp. 2013);
- C. An order against Respondents to pay restitution for any loss, including the amount of any actual damages that may have been caused by the conduct, and interest at the rate of 8% per year from the date of the violation causing the loss and/or to disgorge any profits arising from the violation of Sections 409.4-402 and 409.5-501, RSMo. (Cum. Supp. 2013), in a final order, unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed; and

- D. An order against Respondents to pay the costs of the investigation in this proceeding, after a review of evidence of the amount submitted by the Enforcement Section.

SO ORDERED:

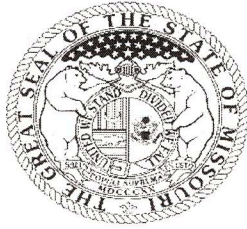
WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS TWENTY-EIGHTH DAY OF SEPTEMBER, 2015.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
MICHAEL J. BURKE; and)
SHANNON K. BURKE,)
)
Respondents.)
)
Serve: Michael J. Burke)
412 NW 23rd St.)
Grand Prairie, Texas 75050)
)
and)
)
Shannon K. Burke)
RR 6 Box 6419)
Ava, Missouri 65608)

Case No. AP-15-32

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. (Cum. Supp. 2013), and 15 CSR 30-55.020.

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:

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

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of September, 2015, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed in the above styled case was **mailed by certified U.S. mail to:**

Michael J. Burke
412 NW 23rd St.
Grand Prairie, Texas 75050

and

Shannon K. Burke
RR 6 Box 6419
Ava, Missouri 65608

and by hand-delivery to:

Tyler McCormick
Securities Enforcement Counsel
Missouri Securities Division



Marsha Presley
Securities Office Manager