



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
JAD-LJD Investments, L.L.C.; and )  
JAMES DEVOTO, )  
)  
*Respondents.* )  
)  
Serve: JAD-LJD Investments, L.L.C. )  
c/o Michael Kuhn )  
7733 Forsyth Blvd. )  
St. Louis, Missouri 63105 )  
)  
James Devoto )  
c/o Michael Kuhn )  
7733 Forsyth Blvd. )  
St. Louis, Missouri 63105 )

Case No. AP-15-40

**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 JAD-LJD Investments, L.L.C. and James Devoto (“Respondents”) transacted business in the State of Missouri without being registered or exempt from registration and that JAD-LJD Investments, L.L.C. employed or associated with an unregistered individual who transacted business in the State of Missouri, in violation of Sections 409.4-403 and 409.4-404 RSMo (Cum. Supp. 2013),<sup>1</sup> and that this constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo.
2. Respondents and the Division desire to settle the allegations and the matters raised by the Division relating to the Respondents’ alleged violations of Section 409.4-403 and 409.4-

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

404, as well as all other violations that could have, but have not been, specifically alleged herein.

CONSENT TO JURISDICTION

3. Respondents and the Division 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.*
4. Respondents and the Division 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.”

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 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. Respondents 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. 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 Respondents 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 Division, but consent to entry of 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. JAD-LJD Investments, L.L.C. ("JAD-LJD Investments") is a Missouri limited liability company with a mailing address of 4413 Western Pacific Rd., Arnold, Missouri 63010. A stated purpose of JAD-LJD Investments is to acquire, own, hold, and manage investments.
13. James Devoto ("Devoto") is a 76-year-old Missouri resident with a mailing address of 4413 Western Pacific Rd., Arnold, Missouri 63010. Devoto is the managing member of JAD-LJD Investments.
14. At all times relevant to this matter, Respondents have never been registered with the State of Missouri as an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, or issuer agent.
15. Respondents disclosed to the Division, among other things, the following:
  - a. Respondents helped set up TD Ameritrade accounts for at least 20 clients;
  - b. Respondents provided investment advice and managed the TD Ameritrade accounts for these clients; and
  - c. Respondents received compensation for the investment advice and management they provided to these clients.

II. CONCLUSIONS OF LAW

16. The Commissioner concludes that Respondents transacted business in the State of Missouri without being registered or exempt from registration and that JAD-LJD Investments, L.L.C. employed or associated with an unregistered individual, in violation of Sections 409.4-403 and 409.4-404, and that these violations constitute grounds to issue an order pursuant to Section 409.6-604.
17. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the 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:

1. Respondents, their 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 violating Sections 409.4-403 and 409.4-404;
2. Respondents, jointly and severally, are ordered to pay \$35,000 to the Investor Education and Protection Fund for violations of the Missouri Securities Act. Respondents are ordered to pay \$20,000 as follows: \$10,000 on November 30, 2015, and \$10,000 in 50 equal monthly installments of \$200 each. The first monthly installment of \$200 will be due on December 15, 2015, and all remaining installments shall be due on the 15th of each month with the last installment due on January 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 Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund. If Respondents fail 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. Respondents' payment of the remaining \$15,000 is hereby suspended but shall become due immediately upon the sooner of (1) Respondents' noncompliance with the terms of this Consent Order or (2) a finding, after notice and opportunity for a hearing, by the Commissioner or a court of competent jurisdiction that Respondents have violated the Missouri Securities Act. Such immediately due payment shall be in addition to all other penalties then available under the law. Upon Respondents' satisfaction of the terms referenced above and Respondents' compliance with the terms of this Consent Order, the suspended payment described in this paragraph shall be fully and finally waived; and
4. 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 16 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  
Tyler B. McCormick  
Enforcement Counsel

RESPONDENTS

JAD-LJD Investments, L.L.C.

BY: James Devoto

NAME: JAMES DEVOTO

TITLE: MG. MEMBER

James Devoto  
James Devoto

Approved as to Form:

Michael J. Kuhn  
Michael J. Kuhn  
Attorney for Respondents