



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
Maurice P. Liberman, )  
) Case No. AP-16-22  
)  
                                  *Respondent.* )  
)  
Serve: Maurice P. Liberman )  
          2 Waverton Place, Suite 225 )  
          St. Louis, MO. 63124 )

**CONSENT ORDER**

**SUMMARY OF ENFORCEMENT SECTION’S ALLEGATIONS**

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement John R. Phillips, has alleged that Maurice P. Liberman (“Liberman,” or “Respondent”) offered and sold unregistered, non-exempt securities; transacted business in the State of Missouri without being registered or exempt from registration; 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 Sections 409.3-301, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2013)<sup>1</sup>, and that this constitutes grounds to issue an order pursuant to Section 409.6-604.
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Sections 409.3-301, 409.4-402, and 409.5-501.

**CONSENT TO JURISDICTION**

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

3. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondent and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, et seq.
4. Respondent 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.”

#### WAIVER AND EXCEPTION

5. Respondent waives Respondent’s right to a hearing with respect to this matter.
6. Respondent waives any right 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 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. Respondent and the Enforcement Section 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 connection with litigation, arbitration, or other legal proceeding 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 neither admits nor denies the allegations made by the Enforcement Section, but 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

1. Liberman is a Missouri resident with an address of 2 Waverton Place, Suite 225, St. Louis, Missouri, 63124.
2. At all times relevant, Liberman was not registered in the State of Missouri as a broker-dealer agent, investment adviser representative, and/or issuer agent.
3. At all times relevant, there was no registration, granted exemption or notice filing indicating status as a "federal covered security" for any securities offered or sold by Liberman.
4. In or around 2002, Liberman met a fifty-seven (57) year old St. Louis resident ("MR"). From 2002 to 2010, Liberman solicited MR to invest in "penny stock"<sup>2</sup> companies such as Environmental Service Professionals, Inc. ("EVSP"), in which Liberman held investments.
5. Liberman told MR, among other things, that the companies in which MR was investing, including EVSP, offered registered securities, about which Liberman had information indicating the stock was about to appreciate significantly in value, and that MR would make a substantial amount of money.
6. Between June 22, 2010, and July 21, 2010, MR invested \$5,000 with Liberman. In exchange, Liberman wrote MR a note detailing how MR's \$5,000 investment would be converted into EVSP stock. However, no stock in EVSP was purchased by Liberman or received by MR.
7. A check of Liberman's bank records from June 29, 2010 to July 28, 2010 revealed, among other things, at least some investment funds from MR were commingled with other funds in Liberman's personal bank account and used for, among other things, to pay:
  - a. \$447 to Tradewinds on July 5, 2010;

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<sup>2</sup> According to the SEC, "Penny stock" generally refers to stock issued by very small companies that trades for less than \$5 per share, and may be highly speculative and illiquid. Penny stocks also are generally quoted over-the-counter, such as on the OTC Bulletin Board, or OTC Link LLC, formerly known as Pink OTC Markets, Inc.

- b. \$1,000 transferred to another Liberman account on July 16, 2010;
  - c. payments to other banks in excess of \$2,000; and
  - d. in excess of \$460 to restaurants, super markets, and utilities.
6. Prior to the offer and/or sale of securities, Liberman failed to inform MR, among other things:
- a. specific information concerning how EVSP would achieve a good return for MR;
  - b. how MR would make a substantial amount of money by investing in EVSP;
  - c. that Liberman was not licensed to sell securities in Missouri; and
  - d. that MR's funds would be commingled with Liberman's personal funds and used to pay personal expenses and/or to deposit in other personal bank accounts controlled by Liberman.

## II. CONCLUSIONS OF LAW

12. The Commissioner finds Respondent offered and sold unregistered, non-exempt securities; transacted business in the State of Missouri without being registered or exempt from registration in violation of Sections 409.3-301 and 409.4-402; 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 in violation of Section 409.5-501; 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 constitutes grounds to issue an order pursuant to Section 409.6-604.
13. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents and 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.

## III. ORDER

**NOW, THEREFORE,** it is hereby Ordered that:

- 1. Respondent, his 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 409.3-301, 409.4-402, and 409.5-501
- 2. Respondent is ordered to pay \$1800.00 in restitution. Restitution shall be made in 18 equal monthly payments of \$100.00, beginning 30 days from the execution of this

Consent Order and recurring monthly thereafter. All 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 as stated on the attached Exhibit A.

3. Respondent is ordered to pay a \$10,000 civil penalty. This payment shall be suspended for 18 months, but shall become due immediately upon the sooner of (1) Respondent's 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 Respondent has violated the Missouri Securities Act. Such immediately due payments shall be in addition to all other penalties then available under the law.
4. After 2 years from the date of this Consent Order, provided Respondent has complied with all terms of this Consent Order, all suspended payments referenced in paragraph 3 above are waived.
5. Upon Respondent's failure to comply with the terms of this Consent Order, all remaining payments shall become immediately due and payable upon operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law.
6. 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 10<sup>TH</sup> DAY OF MAY, 2016.



JASON KANDER  
SECRETARY OF STATE

*Andrew M. Hartnett*

ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES

Consented to by:

THE ENFORCEMENT SECTION OF THE  
MISSOURI SECURITIES DIVISION

*John Phillips*

John Phillips  
Director of Enforcement

*Wanda P. Lamm*

RESPONDENT

Approved as to Form:

*John Charron*

John Charron  
Attorney for Respondent