

execution of this Consent Order by the Commissioner. Entry and execution of this Consent Order by the Commissioner shall occur when the Commissioner signs and dates this Consent Order.

4. It is expressly understood that this Consent Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

5. This Consent Order is executed by the Commissioner, the Division, and the Respondent to avoid further administrative action with respect to the findings of fact described herein. Should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

6. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

7. The Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for acts or omissions addressed specifically in this Consent Order, violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this Consent Order, or acts or omissions addressed specifically herein that result from the execution of this Consent Order.

8. The Respondent waives all further procedural steps and all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition

of discipline contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

III. FINDINGS OF FACT

9. The Respondent is not, and was not at any time relevant, registered with the Division to issue securities in Tennessee.

10. Between August 28, 2017, and May 4, 2020, the Respondent sold fourteen (14) unregistered securities to Tennessee investors with the investments totaling nine hundred twenty-nine thousand dollars (\$929,000).

11. On or about May 19, 2020, the Division became aware of the Respondent's sale of unregistered securities in Tennessee and commenced an investigation of the Respondent for possible violations of the Act.

12. The Respondent was cooperative during the investigation and asserted the self-executing exemption from registration with the Division, pursuant to Tenn. Code Ann. § 48-1-103(b)(4).

13. The Division informed the Respondent that it failed to meet the required conditions of the exemption enumerated in Tenn. Code Ann. § 48-1-103(b)(4) due to sales material and general publicly disseminated advertisements maintained on the Respondent's website, www.afweb.org/financial.

14. The Respondent immediately restricted access to its website from Tennessee investors upon learning that it did not qualify for the exemption.

IV. CONCLUSIONS OF LAW

15. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

16. Tenn. Code Ann. § 48-1-116 sets forth that the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of the Act upon a finding that such order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

17. Tenn. Code Ann. § 48-1-104 provides that it is unlawful for any person to sell any security in this state unless: (1) it is registered under this part; (2) the security or transaction is exempted under Tenn. Code Ann. § 48-1-103; or (3) the security is a covered security.

18. Tenn. Code Ann. § 48-1-103(b) provides that the following transactions are exempted:

...

- (4) Any transaction involving the sale of securities of an issuer by or on behalf of such issuer or an affiliate of such issuer if all of the following conditions are met:
 - (A) The aggregate number of persons in this state purchasing such securities from the issuer and all affiliates of the issuer pursuant to this subdivision (b)(4) during the twelve-month period ending on the date of such sale shall not exceed fifteen (15) persons, exclusive of persons who acquire such securities in transactions which are not subject to this part or which are otherwise exempt from registration under this section or which have been registered pursuant to § 48-1-105 or § 48-1-106;
 - (B) Such securities are not offered for sale by means of publicly disseminated advertisements or sales literature; and

- (C) All purchasers in this state have purchased such securities with the intent of holding such securities for investment for their own accounts and without the intent of participating directly or indirectly in a distribution of such securities. Any person who holds such securities for a period of two (2) years or more from the date such securities have been fully paid for by such person shall be presumed to have purchased such securities for investment[.]

19. Pursuant to Tenn. Code Ann. § 48-1-104, the Commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation, or in an amount not to exceed twenty thousand dollars (\$20,000) per violation if an individual who is a designated adult is a victim.

20. The Findings of Fact detailed in paragraphs nine (9) through fourteen (14) prove that the Respondent violated Tenn. Code Ann. § 48-1-104 by selling securities in this state that were not registered with the Division, and without any applicable exemption under Tenn. Code Ann. § 48-1-103.

21. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of investors.

V. ORDER

NOW, THEREFORE, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Act and the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent agrees to the entry and execution of this Consent Order to settle this matter as evidenced by the Respondent's signature.

IT IS ORDERED, pursuant to Tenn. Code Ann. § 48-1-116, that the Respondent shall:

1. **COMPLY** with the Act, as amended, and all rules promulgated thereunder; and
2. **PAY A CIVIL PENALTY** to the State of Tennessee of four thousand dollars (\$4,000). The payment of such civil penalty shall be made by check payable to the Tennessee Department of Commerce and Insurance. Page one (1) of this Consent Order must accompany the payment for reference. Payment shall be remitted within thirty (30) days after the entry and execution of this Consent Order, as evidenced by the Commissioner's signature, and mailed to the attention of:

**State of Tennessee
Department of Commerce and Insurance
Attn: Garron Amos
Davy Crockett Tower
500 James Robertson Parkway
Nashville, Tennessee 37243**

3. The Respondent's failure to comply with the terms of this Consent Order, including the manner and method of payment of the civil penalty described above, shall result in further administrative disciplinary action, which may include the assessment of additional civil penalties.

4. **IT IS FURTHER ORDERED** that this Consent Order represents the complete and final resolution of and discharge of all administrative and civil claims, demands, actions, and causes of action by the Commissioner against the Respondent for violations of the Act with respect to the transactions involved in the above-referenced facts. However, excluded from and not covered by this paragraph, are any claims by the Division arising from or relating to the enforcement of the Consent Order provisions contained herein.

5. This Consent Order is in the public interest and the best interests of the Parties. It represents a settlement of the controversy between the Parties and is for settlement purposes only.


By the signatures affixed below, or in two (2) or more counterparts, the Respondent affirmatively

states the following: the Respondent freely agrees to the entry and execution of this Consent Order; the Respondent waives the right to a hearing on, or a review of, the matters, the Findings of Fact, and the Conclusions of Law underlying this Consent Order or the enforcement of this Consent Order; and the Respondent encountered no threats or promises of any kind by the Commissioner, the Division, or any agent or representative thereof.

6. By signing this Consent Order, the Commissioner, Division, and the Respondent affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement as set forth in this Consent Order, are binding upon them.

7. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

ENTERED AND EXECUTED October 1, 2020.


Hodgen M. Minda (Oct 1, 2020 16:07 CDT)

Hodgen Minda, Commissioner
Department of Commerce and Insurance

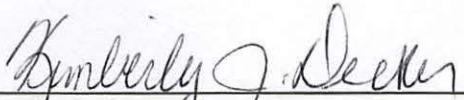
APPROVED FOR ENTRY AND EXECUTION:



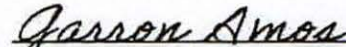
Name: Floyd L. Miller
Title: Operations Officer
On behalf of Anabaptist Financial


EB (06/11/2020 09:42 CDT)

Elizabeth Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance



Kimberly J. Decker
Attorney for Anabaptist Financial



Garron Amos, BPR #035924
Associate General Counsel
Department of Commerce and Insurance