



**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
FOR THE STATE OF TENNESSEE**

TENNESSEE SECURITIES DIVISION,)	
)	
Petitioner,)	
)	
v.)	TSD No.: 22-029
)	
UNITED PENTECOSTAL CHURCH)	
DEVELOPMENT FUND, INC., d/b/a)	
UNITED PENTECOSTAL CHURCH)	
LOAN FUND)	
)	
Respondents.)	

CONSENT ORDER

The Securities Division of the Tennessee Department of Commerce and Insurance (“Division”), and United Pentecostal Church Development Fund, Inc., d/b/a United Pentecostal Church Loan Fund (“Respondent”), agree to the entry and execution of this Consent Order in accordance with Tennessee Code Annotated (“Tenn. Code Ann.”) § 48-1-116 of the Tennessee Securities Act of 1980 (“Act”), as amended, and Tenn. Code Ann. §§ 48-1-101 to 48-1-201, subject to the approval of the Commissioner of the Tennessee Department of Commerce and Insurance (“Commissioner”).

I. PARTIES

1. Respondent is a not-for-profit organization. It is organized under the laws of the State of Missouri with its principal office in Weldon Spring, Missouri.
2. The Division is the lawful agent through which the Commissioner discharges the administration of the Act pursuant to Tenn. Code Ann. § 48-1-115.

II. GENERAL STIPULATIONS

3. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and 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. On or about October 20, 2021, Respondent submitted a notice filing for securities seeking an exemption from registration for the securities to be offered as provided for in Tenn. Code Ann. § 48-1-103(a) and Tenn. Comp. R. & Regs. 0780-04-02-.07.

10. As a part of the review of the filing application, it was determined that Respondent engaged in forty (40) sales of securities in Tennessee between 2011 and 2021.

11. Three (3) of those sales were exempt from registration pursuant to an exemption filing made with the Division on March 9th, 2015.

12. Thirteen (13) of those sales were exempted from registration with the Division pursuant to the registration exemption enumerated in Tenn. Code Ann. § 48-1-103(b)(12).

13. The Respondent asserted the self-executing exemption from registration with the Division, pursuant to Tenn. Code Ann. § 48-1-103(b)(4), for the remaining twenty-four (24) sales.

14. The Division informed Respondent that it failed to meet the required conditions of the exemption enumerated in Tenn. Code Ann. § 48-1-103(b)(4) due to general publicly disseminated advertisements maintained on the Respondent's website.

15. Respondent ceased offering or conducting sales of its securities in Tennessee since the commencement of the Division's review of the notice filing currently before the Division.

16. The Respondent was cooperative during the review process and provided the Division with requested records including relevant consent orders issued in other jurisdictions for similar violations.

IV. CONCLUSIONS OF LAW

17. 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).

18. 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.

19. Tenn. Code Ann. § 48-1-104(a) provides that “[i]t 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.”

20. 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[.]

21. Pursuant to Tenn. Code Ann. § 48-1-104(b),

[T]he 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.

22. 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.

23. 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 five thousand dollars (\$5,000). 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: Jacob Strait
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 24, 2022.



Carter Lawrence (Oct 24, 2022 10:34 CDT)
Carter Lawrence, Commissioner
Department of Commerce and Insurance

APPROVED FOR ENTRY AND EXECUTION:

DocuSigned by:

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Authorized Officer for United Pentecostal
Church Development Fund, Inc., d/b/a
United Pentecostal Church Loan Fund


Elizabeth H. Bowling (Oct 12, 2022 16:17 CDT)
Elizabeth H. Bowling
Assistant Commissioner for Securities


Randy Sterns, Esq.
Counsel for Respondents


~~Jacob R. Strait, BPR #032389~~ Anthony Glandorf
~~Associate General Counsel~~ BPR #028135
Chief Counsel
Department of Commerce & Insurance