



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

GLOBAL PROSPERITY GROUP)	CEASE AND DESIST ORDER
2245 N. Green Valley Parkway)	Order No. CD-99-31
Suite 640)	
Henderson, Nevada 89014; and)	
)	
JOHN CLARK)	
Box 453)	
Steamboat Springs, Colorado 80477-0453,)	
)	
Respondents.)	

John Clark and Global Prosperity Group offered to sell an investment to a Missouri resident. Global purported to offer a financial education program to its investors. Global's financial education program would allegedly aid Global's investors in avoiding federal tax liabilities, preserving personal liberties and learning about "Constitutional principles of Common Law." Global also allowed its "associates" to earn commissions from selling the Global program to others. The investment offered by Respondents was not registered as a security in the State of Missouri. Clark was not registered to sell securities in the State of Missouri. These facts were not disclosed to the Missouri resident.

The Missouri Commissioner of Securities is empowered to issue such orders as are necessary to protect the public interest. Section 409.408, RSMo 1994.

The Commissioner has received a Petition for a Cease and Desist Order and issues the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Global Prosperity Group ("Global") purports to be engaged in the business of assisting individuals in "wealth-building and preservation." Global has a last-known address of 2245 N. Green Valley Parkway, Suite 640, Henderson, Nevada 89014.

2. John Clark purports to be a sales agent for Global and has an address of Box 453, Steamboat Springs, Colorado 80477-0453.
3. As used in this Cease and Desist Order, the term "Respondents" refers to Global and Clark.
4. On or about January 23, 1998, a Missouri resident ("MR") received a packet of information in the mail from Clark concerning an opportunity to become an "associate" of Global. This information stated, among other things, the following:
 - a. The mission of Global was "fostering personal and financial freedom for global change."
 - b. "GPG [Global] presents a comprehensive, three-part financial-education program dealing with all aspects of global economics, international banking and finance, little-known insider secrets of wealth creation, asset preservation, trust creation and utilization, Constitutional principles of Common law, personal freedom and sovereignty."
 - c. "All new Associates. . . are required to meet ~~a one-time ever~~ qualification of seven referred sales, one of which may be your own purchase. . . . With a total of seven sales you become a qualified **Global I** Independent Director. As an Independent Director you may now purchase at the wholesale price and earn a 90% commission on each additional referred or personal sale. You will qualify as a **Global II** and **Global III** Independent Director in a similar manner with a total of seven referred sales." (Emphasis in original).
5. Near the end of January 1998, MR received a telephone call from Clark. During this January 1998 telephone conversation, Clark asked if MR had any questions about the Global material Clark had sent to MR. Clark also gave MR a telephone number that MR could call to obtain additional information about Global.
6. On or about January 29, 1998, MR received a second mailing concerning Global, identical to the information MR received on or about January 23, 1998. This January 29, 1998 mailing also contained Clark's return address and Clark's business card, which gave a telephone number at which pre-recorded information about Global could be obtained.
7. On or about February 24, 1998, Clark telephoned MR and asked if MR had any questions about Global. During this telephone conversation, Clark told MR that Clark would send some additional information to MR.
8. On or about March 10, 1998, MR received another mailing from Clark with new information about Global. The March 10, 1998 materials included information that explained how Global associates could earn commissions from "using the

GPG [Global] turn-key marketing system. . . .”

9. On or about March 10, 1998, MR dialed the telephone number Clark had given to MR to obtain more information about Global. During this pre-recorded message, several purported representatives of Global stated, among other things, the following:
 - a. Global offered a product where the timing was perfect, the product was needed, there was a low start-up, a quick return and the profits would continue.
 - b. Global would give participants the freedom they desired when they retired.
 - c. The financial information given by Global was not available to the general public.
 - d. Global associates would learn how to drastically reduce their taxes and protect their assets.
 - e. The Global program began with an education course, which cost \$1,250 and had a 100% money-back guarantee.
 - f. Global had “offshore information” not available on the domestic market.
 - g. “With GPG [Global] you can make your dreams a reality.” The investor could have a “six-figure income monthly.”
10. On or about January 23, 1998, the Missouri Securities Division received information that indicated that Respondents may have offered unregistered securities in the State of Missouri.
11. A check of the records maintained by the Missouri Commissioner of Securities confirmed no registration or granted exemption for the securities as offered by Respondents in the State of Missouri.
12. A check of the records maintained by the Commissioner confirmed no registration for Clark to sell securities in the State of Missouri.
13. On November 24, 1998, the Securities Division sent a letter of inquiry to Clark. This letter requested information about the above-addressed offer of securities. This November 24, 1998 letter of inquiry also requested that Clark file a claim of exemption from registration or exception from definition for the securities offered by Clark in the State of Missouri. It was requested that a response to this letter be received on or before December 15, 1998.

14. This November 24, 1998 letter was received and signed for by Clark on November 30, 1998. To date, no response to the November 24, 1998 letter has been received.
15. On February 1, 1998, a second letter identical to the November 24, 1998 letter was sent to Clark. It was requested that a response to this letter be received on or before February 15, 1998.
16. On February 16, 1999, the Division received a letter from Clark. In this letter Clark stated, among other things, that Clark was "no more a seller of securities than a bookstore clerk."
17. On February 17, 1999, the Division sent a letter of inquiry to Global. This letter requested information about the above-addressed offer of securities. This letter also requested that Global file a claim of exemption from registration or exception from definition for the securities offered by Global in the State of Missouri. It was requested that a response to this letter be received on or before March 10, 1999.
18. These February 17, 1999 letters of inquiry were returned to the Division on March 19, 1999, stamped "Attempted-not known."
19. To date, Respondents have not filed a claim of exemption from registration or exception from the definition of a security upon which Respondents relied in offering unregistered securities in the State of Missouri.
20. On February 10, 1998, the Director of the South Dakota Division of Securities issued a Cease and Desist Order against Global. In that Order Global was ordered to cease and desist from the offer and sale of unregistered business opportunities in South Dakota.
21. On April 3, 1998, the North Dakota Securities Commissioner issued a Cease and Desist Order against Global, among others, in which Global was ordered to cease and desist from the offer and sale of unregistered investments in North Dakota.
22. In connection with the offer of the above-mentioned securities to a Missouri resident, Respondents omitted to state the following material facts:
 - a. Clark was not registered to sell securities in the State of Missouri.
 - b. The Global investments were not registered as securities in the State of Missouri.
23. This Order is in the public interest.

CONCLUSIONS OF LAW

1. The Global investments offered by Respondents in the State of Missouri constitute investment contracts.
2. A security is defined as “. . . any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; **investment contract**; limited partnership interest; voting-trust certificate; certificate of deposit for a security; [or] certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease[.]” (Emphasis in original). Section 409.401, RSMo Cumulative Supp. 1998.

The Global investments offered by Respondents constitute securities.

3. It is unlawful for any person to transact business in this state as an agent unless he is registered as an agent under Sections 409.101 to 409.419. Section 409.201(a), RSMo Cumulative Supp. 1998.

Clark’s conduct described in the Section entitled “Findings of Fact” constitutes a violation of Section 409.201(a), RSMo Cumulative Supp. 1998.

4. “It is unlawful for any person to offer or sell any security in this state unless (1) it is registered under this act; (2) the security or transaction is exempted under section 409.402; or (3) it is a federal covered security.” Section 409.301, RSMo Cumulative Supp. 1998.

Respondents’ offer of unregistered securities, as described in the above “Findings of Fact,” constitutes a violation of Section 409.301, RSMo 1994.

5. “It is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly
 - (1) to employ any devise, scheme, or artifice to defraud,
 - (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or
 - (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.” Section 409.101,

RSMo 1994.

Respondents' omissions of material facts in connection with the offer of securities, as described in the above "Findings of Fact," constitute violations of Section 409.101, RSMo 1994.

6. **The Commissioner may, if he believes from the evidence satisfactory to him that a person is engaged or about to engage in any fraudulent or illegal practice or transaction, issue an order prohibiting such person from engaging in or continuing such fraudulent or illegal practice. Section 409.408(b), RSMo 1994.**

Transacting business as an unregistered agent constitutes an illegal practice under the statute.

Selling unregistered securities constitutes an illegal practice under the statute.

Omitting to state a material fact in connection with the offer or sale of securities constitutes an illegal practice under the statute.

7. **"[T]he burden of proving an exemption or an exception from a definition is upon the person claiming it." Section 409.402(f), RSMo 1994.**

Respondents have failed to sufficiently prove an exemption from registration or an exception from the definition of a security.

8. **Sufficient evidence exists to conclude that Respondents have engaged in willful violations of Sections 409.101, RSMo 1994, and 409.201 and 409.301 , RSMo Cumulative Supp. 1998.**
9. **Sufficient evidence exists to conclude that Respondents will continue such fraudulent and illegal practices.**

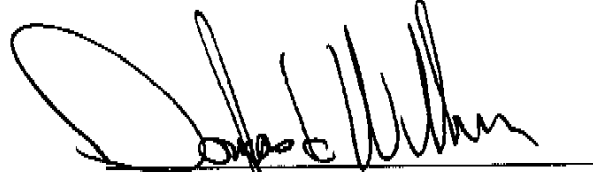
NOW, THEREFORE, the Commissioner of Securities Orders that Global Prosperity Group and John Clark, their agents, employees and servants CEASE AND DESIST the offer and sale of securities in violation of Sections 409.101, RSMo 1994, and 409.201 and 409.301, RSMo Cumulative Supp. 1998.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 11th DAY OF May, 1999.



REBECCA MCDOWELL COOK
SECRETARY OF STATE



DOUGLAS F. WILBURN
COMMISSIONER OF SECURITIES

NOTICE:

Respondents and any unnamed representatives aggrieved by this Order may request a hearing in this matter. Any request for a hearing should be sent, in writing to Douglas F. Wilburn, Commissioner of Securities, Office of the Secretary of State, Missouri State Information Center, Room 229, 600 West Main Street, Jefferson City, Missouri, 65102, within thirty (30) days of the receipt of this Order. Section 409.412(a), RSMo 1994 and MO 15 CSR 30-55.020.