

State of Missouri  
Office of Secretary of State

Case No. AP-09-41

IN THE MATTER OF:

KENNETH NEELY, CRD#1586038

*Respondent.*

Serve: Kenneth Neely  
320 Turnberry Place Apt. C  
St. Peters, Missouri 63376

**FINAL ORDER TO CEASE AND DESIST AND ORDER IMPOSING CIVIL  
PENALTIES AND AWARDING COSTS**

On January 29, 2010, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), by and through Assistant Commissioner Mary S. Hosmer, submitted a Petition for Final Order and Order Imposing Civil Penalties and Costs (the "Petition"). After reviewing the Petition, the Commissioner issues the following findings of facts, conclusion of law, and order:

**PROCEDURAL BACKGROUND**

1. On October 22, 2009, the Enforcement Section, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should not be Imposed in the above-styled matter.
2. On November 4, 2009, the Commissioner issued an Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (the "C&D Order") against the Respondent Kenneth Neely.
3. On November 16, 2009, Respondent Kenneth Neely was served by certified mail with this notice and a copy of the Order. Respondent Kenneth Neely's signature, reflecting receipt of this certified mail, is dated November 16, 2009.
4. The Respondent did not request a hearing in this matter or otherwise contact or communicate with the Commissioner.
5. In the Petition, the Enforcement Section requested a Final Order to Cease and Desist in this matter.
6. In the Petition, the Enforcement Section requested that the Commissioner issue an order requiring Respondent Kenneth Neely to pay costs of the investigation in this matter in the amount of five thousand six hundred dollars (\$5,600).
7. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Kenneth Neely for multiple violations of Section 409.3-301, RSMo. (Cum Supp. 2009).
8. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Kenneth Neely for multiple violations of Section 409.4-402(a), RSMo. (Cum Supp. 2009).
9. In the Petition, the Enforcement Section requested that the Commissioner issue an order imposing a civil penalty of ten thousand dollars (\$10,000) against Respondent Kenneth Neely for multiple violations of Section 409.5-501, RSMo. (Cum Supp. 2009).

**FINDINGS OF FACT**

10. The Commissioner adopts and incorporates the Findings of Facts, paragraphs 1-47, in the C&D Order.

**CONCLUSIONS OF LAW**

11. The Commissioner adopts and incorporates the Conclusions of Law, paragraphs 58-80, in the C&D Order.
12. This Order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003.

**ORDER**

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

- A. The Cease and Desist Order entered in Case Number AP-09-41 on November 4, 2009, is **FINAL**.

- B. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Kenneth Neely shall pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) to the State of Missouri for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Kenneth Neely shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- C. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Kenneth Neely shall pay a civil penalty in the amount of two thousand dollars (\$2,000) to the State of Missouri for multiple violations of Section 409.4-402, RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Kenneth Neely shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- D. Pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2009), Respondent Kenneth Neely shall pay a civil penalty in the amount of seven thousand five hundred dollars (\$7,500) to the State of Missouri for multiple violations of Section 409.5-501(2), RSMo. (Cum. Supp. 2009). This amount shall be made payable to the State of Missouri and paid within thirty (30) days of the date of this Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. Respondent Kenneth Neely shall deliver this payment to the Securities Division, 600 W. Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.
- E. Pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2009), Respondent Kenneth Neely shall pay, within thirty (30) days from the date of this Order, the additional sum of five thousand six hundred dollars (\$5,600) as reimbursement for costs of the investigation and administration of this matter. This amount shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund. Respondent shall deliver this payment to the Securities Division, 600 West Main Street, PO Box 1276, Jefferson City, Missouri 65102.
- F. Pursuant to Section 409.6-604(f), RSMo. (Cum. Supp. 2009), this matter shall be referred to the Missouri Attorney General's Office to collect the penalties and costs described in this Order, as necessary.
- G. Respondents shall pay their own costs and attorney's fees with respect to this matter.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 17<sup>TH</sup> DAY OF FEBRUARY, 2010.

ROBIN CARNAHAN  
SECRETARY OF STATE

(Signed/Sealed)  
MATTHEW D. KITZI  
COMMISSIONER OF SECURITIES

**CERTIFICATE OF SERVICE**

I hereby certify that on this 17th day of February, 2010, copies of the foregoing Order in the above-styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Kenneth Neely  
320 Turnberry Place Apt. C  
St. Peters, Missouri 63376

**And hand delivered to:**

Mary S. Hosmer  
Assistant Commissioner  
Securities Division

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John Hale, Specialist