



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
PAUL A. SCHNEIDER,)	Case No. AP-13-12
)	
<i>Respondent.</i>)	
)	
Serve: Paul A. Schneider at:)	
c/o Bradley P. Schneider)	
Green Jacobson, P.C.)	
7733 Forsyth Blvd., Suite 700)	
Clayton, Missouri 63105)	

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 Assistant Commissioner Mary S. Hosmer, has alleged that Paul A. Schneider ("Schneider" or "Respondent"), offered and/or sold unregistered, non-exempt securities, in violation of Section 409.3-301, RSMo. (Cum. Supp. 2011), and that this constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2011).
2. Respondent and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondent's alleged violations of Section 409.3-301, RSMo. (Cum. Supp. 2011).

CONSENT TO JURISDICTION

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), RSMo. (Cum. Supp. 2011), 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 rights to a hearing with respect to this matter.
6. Respondent waives any rights 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, 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 stipulates and agrees 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 position in defense of litigation or in defense of other legal proceedings 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

12. International Liars Poker Association, Inc. ("ILPA") was incorporated in Missouri on November 8, 2007. ILPA was administratively dissolved on May 3, 2010.
13. Schneider was an officer of ILPA and has a mailing address of 5 Deacon Drive, St. Louis, Missouri 63131. At all times relevant, Schneider was the CEO of another online gaming company, MVP Network, Inc. ("MVP").
14. William Harrington ("Harrington") was a director of ILPA.
15. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, there was no registration, no granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by ILPA.
16. In or around 2008, Harrington approached a St. Charles, Missouri resident ("MR") regarding an investment in ILPA. MR received an ILPA private offering memorandum ("Investment Summary") dated December 1, 2008, providing, among other things:
 - a. ILPA was offering up to 1 million shares of common stock at \$1/share;
 - b. ILPA was formed to "develop, sell, market and promote participation in online virtual Liars Poker tournaments, and other online multiplayer games";
 - c. ILPA was in partnership licensing negotiations with, among others, AB-InBev, Purina, and the Home Depot; and
 - d. Schneider was listed as CEO and Co-Founder of ILPA.
17. In or around January 2009, Harrington opened a bank account in the name of ILPA at Regions Bank in St. Louis, Missouri ("ILPA Account").
18. On January 14, 2009, MR issued a check for ten thousand dollars (\$10,000) to ILPA for the purchase of ten thousand (10,000) shares of ILPA stock.
19. MR did not receive an ILPA stock certificate.
20. MR's funds were deposited into the ILPA Account. A review of the ILPA Account revealed that MR's investment funds were used for, among other things:
 - a. two (2) payments to MVP totaling in excess of seven thousand five hundred dollars (\$7,500); and

- b. payment to Harrington of one thousand dollars (\$1,000) for “independent contractor fee.”
- 21. Upon information and belief, MR was the sole investor in ILPA.
- 22. To date, MR has not received the return of MR’s principal investment from ILPA, Schneider or Harrington.

II. CONCLUSIONS OF LAW

- 23. The Commissioner finds Respondent offered and/or sold unregistered, non-exempt securities, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604 RSMo. (Cum. Supp. 2011).
- 24. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent 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, RSMo. (Cum. Supp. 2011).

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

- 1. Respondent, Respondent’s 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 offering and selling unregistered, non-exempt securities, in violation of Sections 409.3-301, RSMo. (Cum. Supp. 2011).
- 2. Respondent will not offer or sell securities as an issuer or issuer agent in the State of Missouri.
- 3. Respondent agrees not to offer or sell any non-publicly-traded securities in the State of Missouri for a period of ten (10) years.
- 4. Respondent will cooperate with any investigation or action the Enforcement Section may take against other individuals involved in the sale of securities in ILPA.
- 5. Respondent is ordered to pay seven thousand dollars (\$7,000) in restitution. This payment shall be sent within ninety (90) days of the effective date of this Consent Order 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. This payment will be distributed by that Fund to the investor as identified in Exhibit A.
- 6. Respondent shall pay to the Missouri Secretary of State’s Investor Education and Protection Fund the sum of twenty-five thousand dollars (\$25,000). This payment will be

suspended provided that Respondent complies with the terms of this Consent Order, and provided that Respondent does not violate the securities act for a period of three (3) years. The suspended payment shall, for three (3) years from the execution of this document, become immediately payable, under operation of law, upon Respondent's failure to comply with the terms of this order, and such immediately due payment shall be in addition to all other penalties then available under the law. The Commissioner may refer this matter for enforcement as provided in Sections 409.6-603 and 409.6-604, RSMo. (Cum. Supp. 2011).

7. Respondent is ordered to pay one thousand dollars (\$1,000) as the cost of this investigation. This amount shall be sent within ninety (90) days of the effective date of this Consent Order 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 Education and Protection Fund. The Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund.

8. Respondent 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 23rd DAY OF MAY, 2013.



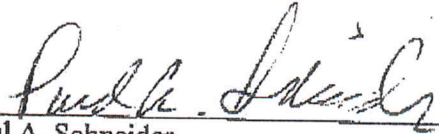
JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

Mary S. Hosmer
Mary S. Hosmer
Assistant Commissioner of Securities



Paul A. Schneider
Respondent

Approved as to Form:



Bradley P. Schneider
Green Jacobson, P.C.
Attorney for Respondent