



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
T.D.F. GLOBAL INVESTMENTS LLC; ) Case No. AP-14-21  
FIRST OPTION, LLC d/b/a FIRST OPTION )  
REALTY; and )  
SYLVESTER A. PHILLIPS d/b/a INNOVATIVE )  
INVESTMENTS, LLC, )  
)  
*Respondents.* )  
)  
Serve: )  
)  
T.D.F. Global Investments LLC )  
c/o Rosalyn Tolliver )  
3433 Humphrey Street, Apartment A )  
Saint Louis, Missouri 63118 )  
)  
First Option, LLC d/b/a First Option Realty )  
12268 Prinster Drive )  
St. Louis, Missouri 63146 )  
)  
Sylvester A. Phillips d/b/a Innovative )  
Investments, LLC )  
12268 Prinster Drive )  
St. Louis, Missouri 63146 )

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY  
RESTITUTION, CIVIL PENALTIES, AND COSTS SHOULD NOT BE IMPOSED**

On December 18, 2014, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Assistant Commissioner Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed.

## **I. FACTUAL BACKGROUND**

The petition alleges the following facts:

### **A. Respondents and Related Parties**

1. T.D.F. Global Investments LLC (“TDF”) is a Missouri Limited Liability Company formed on January 10, 2008, and currently located at 3224 Locust, Suite 101, St. Louis, Missouri 63103. The registered agent for TDF is Rosalyn Tolliver with an address of 3433 Humphrey Street, Apt A, St. Louis, Missouri 63118.
2. First Option, LLC, is a Missouri Limited Liability Company formed on March 8, 2001, and currently located at 12268 Prinster Drive, St. Louis, Missouri 63146. The registered agent for First Option, LLC is Sylvester Phillips with an address of 12268 Prinster Drive, St. Louis, Missouri 63146.<sup>1</sup> First Option, LLC does business as First Option Realty (hereinafter First Option, LLC and First Option Realty will be referred to as “First Option”).
3. Sylvester Phillips (“Phillips”) is a Missouri resident with an address of 12268 Prinster Drive, St. Louis, Missouri 63146. Phillips does business as Innovative Investments, LLC (“Innovative Investments”). Phillips purportedly registered Innovative Investments as a Cook Islands foreign company prior to November 6, 2008. The address of Innovative Investments is purported to be 4 Solomon’s Arcade, Charlestown, Nevis, West Indies.
4. Rosalyn Tolliver (Tolliver”) is a Missouri resident with an address of 3433 Humphrey Street, Apt A, St. Louis, Missouri 63118. Tolliver purported to be a representative of TDF.
5. Darius Lane (“Lane”) resides in Baltimore, Maryland, and Lane purported to be a representative of TDF.
6. A. Green & Associates, Inc. is an inactive Florida corporation with a last known address of 701 Brickell Avenue, Miami, Florida 33131. The corporation was originally registered on February 18, 2005, and administratively dissolved on September 24, 2010. The last registered agent was Lydia E. Green, 5451 SW 185<sup>th</sup> Terrace, Miramar, Florida, 33029.
7. Adrian M. Green (“Green”) is reported to be the President, Secretary, and Treasurer of A. Green & Associates, Inc. Mr. Green’s last known address is 5451 SW 185<sup>th</sup> Terrace, Miramar, Florida 33029.
8. As used herein, the term “Respondents” refers to TDF, First Option, and Phillips.

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<sup>1</sup> The Articles of Organization were amended on July 7, 2003, and, the Petition alleges, intended, in part, to change the registered agent to Katharyn B. Davis, 1505 S. Big Bend Blvd., St. Louis, Missouri 63117. However, that registered agent change is not reflected on the current registration.

9. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter; Respondents were not registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or issuer agent in the State of Missouri.
10. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by any of the Respondents.

**B. Enforcement Section Investigation**

11. In or around October 2008, Phillips approached a fifty-seven (57) year-old St. Louis, Missouri resident (“MR1”) and stated that Phillips was involved in a “major investment” and wanted to offer this investment to long-term real estate customers. According to MR1, Phillips told MR1 and MR1’s spouse (“MR2”), among other things, the following:
  - a. the investment was “on the up and up”;
  - b. Phillips had been involved in several of these investments and there was no risk;
  - c. the investment was “sure and legitimate,” and the returns on the investment were guaranteed;
  - d. investors were to invest at least fifty thousand dollars (\$50,000); and
  - e. within thirty (30) days after the investment, MR1 and MR2 would receive approximately one million dollars (\$1,000,000).
12. On November 6, 2008, Phillips, doing business as Innovative Investments, and MR1 executed a Letter of Commitment that stated, in part:
  - a. MR1 was to participate in a short-term investment that involved platform trading;
  - b. MR1 was to deposit fifty thousand dollars (\$50,000) with Innovative Investments;
  - c. MR1 would be paid from a deal that was already trading;
  - d. Innovative Investments would deposit a return on MR1’s funds of “\$1,500,000.00 (one million and five hundred thousand dollars)” into MR1’s bank account; and
  - e. the return on MR1’s investment would be paid out “thirty days from time of deposit.”

13. On November 6, 2008, MR1 invested fifty thousand dollars (\$50,000). MR1 made two (2) checks payable to Phillips in the amounts of forty-two thousand dollars (\$42,000) and eight thousand dollars (\$8,000) for this investment through Phillips and Innovative.
14. As of October 2014, MR1 had not received a return on MR1's funds and MR1 had not received a refund of MR1's fifty thousand dollar (\$50,000) investment.

**Phillips OTR**

15. On August 12, 2014, Phillips appeared before representatives of the Enforcement Section for an on-the-record examination ("Phillips OTR"). During the Phillips OTR, Phillips stated, among other things, the following:
  - a. Phillips had been introduced to Lane and Tolliver, who were working on a "multi-billion-dollar" construction project located in Kyrgyzstan through TDF, Lane and Tolliver's company;
  - b. Phillips did not know where Kyrgyzstan was located;
  - c. Lane provided Phillips with a "two-page form that talked about bank guarantees";
  - d. Phillips "trusted the information that [Phillips] was given" by Lane. Lane never "gave me any reason to doubt his credibility . . . it was more of a handshake and belief in [Lane] rather than going back and researching the idea of the overall investment";
  - e. Phillips understood that funds invested through TDF would be sent on to Green, who would purchase the "financial instrument that would allow us to make a return";
  - f. Phillips was to solicit investors for the project and would make a commission from these sales;
  - g. Phillips formed Innovative Investments to invest money through TDF in platform trading through Green;
  - h. Phillips talked to different people about the investment and "we pooled money together and invested in it";
  - i. to facilitate the solicitation of these investments, Tolliver added Phillips as a signatory to TDF's bank account at Bank of America in St. Louis ("TDF Account");
  - j. Phillips never talked with or met Green;
  - k. "The way it was explained to me, that banks trade with other banks all the time, and when they do this, there's a profit margin, and that profit margin allows you

to do humanitarian projects, you know, construction projects or whatever. And there's a yield that investors can make by doing that. . .";

- l. the money that was placed into the investment was to triple in twelve (12) months;
- m. the investment "just sounded like a way to make a good commission. So... I brought it back to St. Louis [Missouri] and talked to some other people about it.";
- n. Phillips talked to MR1 and three (3) Kansas residents ("KR1", "KR2" and "KR3") about investing with Green through TDF;
- o. Phillips received fifty thousand dollars (\$50,000) from MR1, and one hundred fifty thousand dollars (\$150,000) from KR1 and KR2<sup>2</sup> for the investment with Green through TDF. KR3 sent forty thousand dollars (\$40,000) directly to Green for the investment (MR2 did not invest);
- p. investors "wired" these funds to the TDF Account in St. Louis and Phillips immediately wired these funds to Green. "[T]he day that I received the money...I sent it out. So it never sat in my bank account for [any] period of time";
- q. "So I never at [any] point had any control of the money except long enough to wire it to Dr. Green"<sup>3</sup>;
- r. "I never made a dime off of any of this";
- s. First Option had "nothing to do with" the investment through TDF;
- t. subsequently, Phillips stated that Phillips received MR1's funds by check, and Phillips did not deposit MR1's funds in the TDF Account, but deposited MR1's funds in First Option Realty's account at U.S. Bank ("First Option Account")<sup>4</sup> and Phillips' personal bank account at U.S. Bank ("Phillips Account")<sup>5</sup>;
- u. when shown First Option Account bank statements that reflected that on November 3, 2008, the First Option Account totaled eighty-eight cents (\$.88), Phillips admitted that:
  - i. on November 7, 2008, Phillips completed a deposit ticket totaling forty-two thousand dollars (\$42,000) for investment funds received from MR1, deposited twenty-nine thousand dollars (\$29,000) in the First Option

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<sup>2</sup> Bank records indicate that Phillips received another fifty thousand dollars (\$50,000) from KR2, see paragraph number 16(b) below.

<sup>3</sup> Green purported to have a doctorate of divinity.

<sup>4</sup> The First Option Account is located in St. Louis, Missouri.

<sup>5</sup> The Phillips Account is located in St. Louis, Missouri.

- Account, and took the remaining thirteen thousand dollars (\$13,000) out in cash;
- ii. from the remaining investment funds in the First Option Account, Phillips sent wires and wrote checks to, among others, the following:
    - A. Visa;
    - B. Milex/Mr. Transmission;
    - C. Desiree D. Tolliver;
    - D. mortgage payments on Phillips's personal residence;
    - E. payments to Phillips's mother; and
    - F. checks to Phillips for cash;
  - iii. on November 30, 2008, the First Option Account had an ending balance of four hundred fifty-three dollars and two cents (\$453.02);
  - v. when shown Phillips Account bank statements, Phillips admitted that:
    - i. on November 7, 2008, Phillips deposited MR1's second investment check totaling eight thousand dollars (\$8,000) into the Phillips Account; and
    - ii. from MR1's second investment check, Phillips, among other things:
      - A. wrote a check to Phillips's mother; and
      - B. took out over five thousand three hundred dollars (\$5,300) in cash;
  - w. Phillips "kept the money" MR1 gave to Phillips for the investment;
  - x. "if you consider it theft, it's theft. . .";
  - y. Phillips wired the other investors' funds to Green;
  - z. "We should have never invested with these guys, and we should have [done] more due diligence on ... Green";
  - aa. "we found out later that ...Green was deceiving everybody";
  - bb. In 2009 and 2011, Phillips sent e-mails to other individuals regarding deals Phillips was trying to "put together." Phillips stated in one e-mail that he had "four pending contracts." When asked about these e-mails, Phillips stated that he was "brokering stuff" trying to connect people to "make a commission." Phillips

stated that “I got a guy who invested in some mineral rights out in Utah...it just never panned out in terms of my commission”;

- cc. MR1 contacted Phillips by e-mail in 2011 and asked about the investment. Phillips told MR1 that the people Phillips invested with were in Kenya and would be “closing...tomorrow and [I] hope to have...[the] funds very soon....I also have a new contract on a mountain deal that’s 40 million. I make a half a point on that deal...”; and
  - dd. Phillips had never been registered to sell securities in the State of Missouri.
16. A review of the TDF Account bank records revealed the following:
- a. Phillips and Tolliver were signatories on the TDF Account;
  - b. on February 18, 2009, the TDF Account received two (2) wire transfers; one from KR1 for one hundred fifty thousand dollars (\$150,000), and one from KR2 for fifty thousand dollars (\$50,000); and
  - c. on February 19, 2009, the TDF Account wired two hundred thousand dollars (\$200,000) to an account in the name of A. Green & Associates, Inc. at a Regions Bank location in Hoover, Alabama.
17. Between at least 2000 and 2007, in the 17<sup>th</sup> Judicial Circuit Court in Broward County Florida, Green was convicted of several felonies including Grand Theft, Organized Fraud, and Loan Broker Fraud.
18. On July 22, 2014, Phillips filed a voluntary petition for Chapter 7 Bankruptcy in the United States Bankruptcy Court, Eastern District of Missouri, Case No. 14-45751 (“Phillips Bankruptcy”). Phillips did not list any of the investors as creditors in the Phillips’ Bankruptcy petition.

## **II. COMMISSIONER’S DETERMINATION AND FINDING**

### **Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities**

19. The **COMMISSIONER DETERMINES** that Respondents Phillips and TDF offered and sold a security:
- a. “Sale” and “offer to sell” are defined in Section 409.1-102 (26), RSMo. (Cum. Supp. 2013). Respondent Phillips on behalf of Respondent TDF solicited MR1, KR1, KR2, and KR3 in Missouri to invest in a short-term investment involving platform trading and received investment funds from MR1, KR1, and KR3 in Missouri bank accounts. This activity constitutes the offer and sale of securities;

- b. “investment contract” is enumerated in the list of items that are securities in Section 409.1-102(28), RSMo. (Cum. Supp. 2013). The investments Respondents offered and/or sold to MR1, KR1, and KR2 and offered to KR3 are investment contracts, in that:
  - i. the individuals were to invest funds with Respondents;
  - ii. the individuals’ funds were to be used in a platform trading investment;
  - iii. the individuals’ funds were to be interwoven with the funds of the person offering the investment, a third party or other investors; and
  - iv. the individuals expected a profit primarily from the efforts of a person other than the investor and not from the individuals own efforts.
  
- 20. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by Respondents Phillips and TDF.
  
- 21. Respondents Phillips and TDF offered and/or sold securities in Missouri without these securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2013), or (3) registered under the Missouri Securities Act of 2003.
  
- 22. Respondent First Option materially aided Respondents Phillips and TDF in the sale of unregistered securities to MR1 by, among other things:
  - a. receiving funds into the First Option Account from MR1 for the investment with TDF;
  - b. allowing Phillips to withdraw MR1’s investment funds in cash from the First Option Account; and/or
  - c. allowing Phillips to use MR1’s investment funds in the First Option Account for the payment of Phillips’s personal expenses.
  
- 23. Respondents Phillips and TDF offered and sold unregistered securities in violation of Section 409.3-301, RSMo. (Cum. Supp. 2013), Respondent First Option materially aided this offer and sale and Respondents engaged in an illegal act, practice, or course of business and such conduct is therefore subject to the Commissioner’s authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).



**Multiple Violations of Transacting Business as an Unregistered Agent**

24. The **COMMISSIONER FURTHER DETERMINES** that Respondent Phillips offered and sold securities to MR1, KR1, KR2 and KR3 in Missouri. These activities constitute transacting business in the State of Missouri.
25. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter; Respondent Phillips was not registered as a securities agent in the State of Missouri.
26. Respondent Phillips offered and/or sold securities to investors in Missouri without being registered or exempt from registration as an agent in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

**Multiple Violations of Employing an Unregistered Agent**

27. The **COMMISSIONER FURTHER DETERMINES** that Respondent TDF employed Respondent Phillips, who offered and sold securities on behalf of TDF. These activities constitute transacting business in the State of Missouri.
28. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent TDF had no registration or granted exemption for any agents of TDF to transact business in the State of Missouri.
29. Respondent TDF employed an unregistered agent who transacted business in the State of Missouri in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

**Multiple Violations of Engaging in an Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit Upon Another Person in Connection with the Offer or Sale of a Security**

30. The **COMMISSIONER FURTHER DETERMINES** that, in connection with the offer, sale or purchase of a security, Respondent Phillips on behalf of Respondent TDF engaged in an act, practice, or course of business that would operate as a fraud or deceit upon MR1, KR1, KR2 and/or KR3 by, among other things:
  - a. telling MR1 that there was no risk with the investment when this was not true;
  - b. telling MR1 that the investment was “sure and legitimate” when this was not true;
  - c. telling MR1 that the returns on the investment were guaranteed, when this was not true;

- d. telling MR1 that within thirty (30) days the investors would receive approximately one million dollars (\$1,500,000), when this was not true;
  - e. telling MR1 that the investment was a short-term investment that involved platform trading, when this was not true;
  - f. failing to conduct due diligence of the offering;
  - g. failing to conduct due diligence of Green;
  - h. sending KR1's and KR2's investment funds to Green, a convicted felon;
  - i. soliciting KR3 to send investment funds to Green, a convicted felon;
  - j. offering and/or selling securities that were not registered or exempt from registration in the State of Missouri;
  - k. offering and/or selling securities when Phillips was not registered to offer or sell securities in the State of Missouri;
  - l. receiving MR1's investment funds in the First Option Account that was not associated with the offering;
  - m. commingling MR1's investor funds with First Option's funds and/or Phillips's personal funds;
  - n. using MR1's investment funds for Phillips's own benefit; and/or
  - o. lulling MR1 in order to obtain additional investment funds and/or avoid or delay detection by sending an e-mail to MR1 in 2011, which stated, among other things, that the investment would be "closing...tomorrow and [I] hope to have...[the] funds very soon" without disclosing that Phillips had not invested MR1's funds.
31. Respondents TDF and Phillips engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in violation of Section 409.5-501, RSMo. (Cum. Supp. 2013), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2013).

### **III. ORDER**

**NOW THEREFORE**, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from:

- A. violating or materially aiding in any violation of Section 409.3-301, RSMo. (Cum. Supp. 2013), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2013), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. violating or materially aiding in any violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013), by transacting business as an unregistered agent;
- C. violating or materially aiding in any violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013), by employing an unregistered agent; and
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2013), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

### **IV. STATEMENT**

Pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2013), the **Commissioner hereby states** that he will determine whether to grant the Enforcement Section's requests for:

- A. a civil penalty of ten thousand dollars (\$10,000) against each Respondent for more than one violation of Section 409.3-301, RSMo. (Cum. Supp. 2013);
- B. a civil penalty of ten thousand dollars (\$10,000) against Respondent Phillips for more than one violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2013);
- C. a civil penalty of ten thousand dollars (\$10,000) against Respondent TDF for more than one violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2013);
- D. a civil penalty of ten thousand dollars (\$10,000) against Respondent Phillips for more than one violation of Section 409.5-501, RSMo. (Cum. Supp. 2013);
- E. a civil penalty of ten thousand dollars (\$10,000) against Respondent TDF for more than one violation of Section 409.5-501, RSMo. (Cum. Supp. 2013).
- F. an order to pay restitution for any loss, including the amount of any actual damages that may have been caused by the Respondents' conduct, and interest from the date of the

violation causing the loss or disgorge any profits arising from any violation of Sections 409.3-301, 409.4-401, 409.4-402, 409.4-403, 409.4-404, 409.5-501, RSMo. (Cum. Supp. 2013).

- G. an award of the costs of the investigation against Respondents in this proceeding, after a review of evidence of the amount submitted by the Enforcement Section.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI, THIS EIGHTEENTH DAY OF DECEMBER, 2014.



JASON KANDER  
SECRETARY OF STATE

*Andrew M. Hartnett*

ANDREW M. HARTNETT  
COMMISSIONER OF SECURITIES



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

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12268 Prinster Drive )  
St. Louis, Missouri 63146 )

**NOTICE**

**TO: Respondents and any unnamed representatives aggrieved by this Order:**

You may request a hearing in this matter within 30 days from the date of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2013).

Within 15 days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

**Andrew M. Hartnett, Commissioner of Securities**  
**Office of the Secretary of State, Missouri**  
**600 West Main Street, Room 229**  
**Jefferson City, Missouri, 65102**

CERTIFICATE OF SERVICE

I hereby certify that on this 18<sup>th</sup> day of December, 2014, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Disgorgement, Civil Penalties, and Costs Should Not Be Imposed, and a copy of the 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 case was **mailed by Certified U.S. mail to:**

T.D.F. Global Investments LLC  
c/o Rosalyn Tolliver  
3433 Humphrey Street, Apt A  
St. Louis, Missouri, 63118.

First Option, LLC d/b/a First Option Realty  
12268 Prinster Drive  
St. Louis, Missouri 63146

and

Sylvester A. Phillips d/b/a Innovative  
Investments, LLC  
12268 Prinster Drive  
St. Louis, Missouri 63146

Hand delivered to:

Tyler McCormick  
Enforcement Counsel  
Missouri Securities Division

  
Marsha Presley, Securities Office Manager