



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:	)	
	)	
HEYL PARTNERS STATION PLAZA, LLC; and	)	
RICHARD HEYL,	)	
	)	
Respondents.	)	AP-15-10
	)	
Serve: Richard Heyl	)	
107 Parkland Avenue	)	
Glendale, Missouri 63122	)	
	)	
Heyl Partners Station Plaza, L.L.C.	)	
Registered Agent: Joan M. Swartz	)	
10024 Office Center Ave, Suite 203	)	
St. Louis, Missouri 63128	)	

**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 Heyl Partners Station Plaza, LLC and Richard Heyl (“Respondents”), offered and sold unregistered, non-exempt securities, and that Heyl Partners Station Plaza, LLC employed an unregistered agent who transacted business in the State of Missouri, in violation of Sections 409.3-301, and 409.4-402, RSMo. (Cum. Supp. 2013), and that this constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2013).
  
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Section 409.3-301, and 409.4-402, RSMo. (Cum. Supp. 2013).

### CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over the Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents 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. 2013), 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. Respondents waive Respondents’ rights to a hearing with respect to this matter.
6. Respondents waive any right that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release 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. Respondents stipulate and agree 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. Respondents and the Enforcement Section stipulate and agree 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. Respondents agree 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 Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions 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. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent 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

FINDINGS OF FACT

12. Richard M. Heyl (“Heyl”) is sixty-three (63) years old and resides at 107 Parkland Avenue, Glendale, Missouri 63122. Heyl was the managing member of Heyl Partners Station Plaza, L.L.C.
13. Heyl Partners Station Plaza, L.L.C. (“Heyl Plaza”) is a Missouri limited liability company formed on April 19, 2004. On March 6, 2006 Heyl Plaza amended the name to Partners Station Plaza, L.L.C. Joan M. Swartz is listed as the registered agent and has a mailing address of 10024 Office Center Ave, Suite 203, St. Louis, Missouri 63128.
14. At all times relevant, a check of the records maintained by the Commissioner of Securities indicate Heyl has not been registered in the State of Missouri as an investment adviser representative, a broker-dealer agent, and/or an issuer agent.
15. At all times relevant, records maintained by the Commissioner of Securities contained no registration, granted exemption or notice filing indicating status as a "federal covered security" for securities offered and/or sold by Heyl or Heyl Plaza.
16. As used herein, the term "Respondents" refers to Heyl and Heyl Plaza.

Missouri Resident

17. In October 2012, the Enforcement Section received a written complaint from a fifty-five (55) year old resident of St. Louis, Missouri (“MR”).
18. MR learned about an investment opportunity involving real estate with Heyl through MR’s tax accountant, who was also Heyl’s accountant.
19. MR was offered a ten percent (10%) interest in ten (10) townhomes located in Kirkwood, Missouri that were owned by Heyl/Heyl Plaza.
20. Heyl told MR that the townhomes were to be sold at a profit, and that these funds would be used to repay investors.
21. Prior to investing, MR received an email from Heyl with information about the Heyl Plaza investment, which also contained the following statement: “Investor Guarantee: If the LLC has not sold any units by April 15, 2006, Managing Member will buy back

investors share(s) for 110% of original investment plus repay any cash calls as long as the assign their ownership to Managing Member.”

22. On May 12, 2004, MR invested forty-nine thousand five hundred dollars (\$49,500) with Heyl via personal check. This amount was for a ten percent (10%) interest in Heyl Plaza.
23. In or about May 2005, after the townhomes had not sold, MR asked for a refund of his investment as per the “Investor Guarantee” but did not receive a refund from Heyl.
24. In March of 2007, MR was notified that Heyl was “closing down” Heyl Plaza. Heyl then offered MR an interest in a development property in the US Virgin Islands called John’s Folly Ocean Villas, LLC (“JFOV”).
25. JFOV is now in foreclosure and, after multiple “capital calls” with Heyl Plaza and a “bridge loan” related to JFOV, MR has lost a total of seventy-nine thousand five hundred dollars (\$79,500) from his investment with Heyl.
26. On August 31, 2009, Heyl and his wife filed a Voluntary Petition for Bankruptcy. On August 30, 2010, Heyl and his wife were granted the Discharge of Debtor, by the United States Bankruptcy Court, Eastern District of Missouri, Eastern Division.
27. MR filed a Complaint for Determination except Debt from Dischargeability – Transaction Induced by Fraud, with the US Bankruptcy Court in regards to Heyl’s bankruptcy. The relief requested by MR was denied and judgment was entered in favor of Heyl. The Order was issued on February 13, 2012.
28. On September 3, 2014, Heyl appeared before the Enforcement Section for an on-the-record examination. During this interview, Heyl stated the following:
  - a. Heyl was previously involved with Heyl Plaza as the Managing Member;
  - b. Heyl Plaza was an investment vehicle to buy townhomes in Kirkwood and then flip the properties;
  - c. Heyl Plaza’s had eight (8) investors which consisted of friends and family, and persons referred to Heyl by the friends and family;
  - d. Heyl created an Operating Agreement and other offering documents for investors in Heyl Plaza;
  - e. Heyl told investors in Heyl Plaza, that Heyl was buying properties to flip them;
  - f. Heyl Plaza had a total of ten (10) properties;

- g. MR and one other investor in Heyl Plaza were referred to Heyl by Heyl's accountant;
- h. MR invested forty-nine thousand dollars (\$49,500) with Heyl in Heyl Plaza;
- i. Heyl told investors the worst-case scenario would still be a twenty-five percent (25%) return on their investment;
- j. Heyl was involved in another company called Madaford Gardens LLC, which originally had ten to twelve (10-12) investors, but had only (8) investors at the end. The investors in Madaford Gardens LLC lost all of their money;
- k. Heyl was involved in a third company that also sought investors called John's Folly Ocean Villas, LLC ("JFOV");
- l. JFOV was a development property in the U.S. Virgin Islands, which had approximately twenty to twenty-four (20-24) investors;
- m. MR has an interest in JFOV, after "swapping out" MR's interest in Heyl Plaza after Heyl Plaza had financial issues;
- n. The condo market began to crash in 2005 but all of Heyl's real estate projects had been successful until about 2007 – 2008;
- o. In 2007, some of the loans Heyl Plaza had were coming up for renewal and the banks refused to renew that type of note due to the "credit freeze" that was going on at that time;
- p. The bankers said Heyl had to reduce the loan principal five to ten percent (5-10%). Heyl paid down the principle with almost a million dollars (\$1,000,000) of Heyl's personal money and the bank renewed the loans;
- q. Then in 2008, the same banks decided not to renew the loans;
- r. Heyl ran out of money and started using the funds from his 401K and IRA in an attempt to save the businesses;
- s. Then in 2009, Heyl contacted an attorney and made the decision to file for Chapter 7 Bankruptcy;
- t. No investors in Heyl Plaza received any money after Heyl filed for bankruptcy; and
- u. Heyl's bankruptcy case involved/named all of his companies; Heyl Plaza, Madaford Gardens LLC, and JFOV.

## CONCLUSIONS OF LAW

29. The Commissioner finds Respondents offered and sold unregistered, non-exempt securities, and Respondent Heyl Plaza employed an unregistered agent who transacted business in the State of Missouri, and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604 RSMo. (Cum. Supp. 2013).
30. The Commissioner, after consideration of the stipulations set forth above and on the consent of Respondents and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondents 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. 2013).

## ORDER

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

1. Respondents, their 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, employing unregistered agents, omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and in engaging in an act, practice, or course of business that would operate as a fraud or deceit in violation of Sections 409.3-301, and 409.4-402, RSMo. (Cum. Supp. 2013).
2. Respondent Heyl shall be permanently barred from associating with and/or acting as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative and/or issuer agent in the State of Missouri.
3. Respondents shall each pay a civil penalty of Fifty Thousand Dollars (\$50,000). These payments shall be suspended, provided Respondents comply with the terms of this Consent Order and do not violate the Missouri Securities Act for a period of two (2) years from the date of this Consent Order.
4. Respondents are jointly and severally ordered to pay Five Thousand Dollars (\$5,000) as the cost of this investigation. This payment shall be suspended, provided Respondents comply with the terms of this Consent Order and do not violate the Missouri Securities Act for a period of two (2) years from the date of this Consent Order.
5. Upon Respondents' failure to comply with the terms of this Consent Order, the suspended payments in paragraphs 3 and 4 above shall become immediately payable

under operation of law, and such immediately due payments shall be in addition to all other penalties then available under the law. The Commissioner may take all available actions to enforce this Consent Order. Upon Respondents' satisfaction of the terms referenced above and Respondents' compliance with the terms of this Consent Order for a period of two (2) years from the date of this Consent Order, the suspended payment in paragraphs 3 and 4 above shall be fully waived.

6. Respondents 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 23<sup>rd</sup> DAY OF April, 2015.



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

M. S. Hosmer

Mary S. Hosmer  
Assistant Commissioner of Securities

HEYL PARTNERS STATION PLAZA, LLC

BY: R. M. Heyl

NAME: RICHARD M. HEYL

TITLE: MANAGING MEMBER

R. M. Heyl

Richard Heyl