



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
PIF FINANCIAL SERVICES, LLC, et al.,) Case No. AP-12-32
)
Respondents.)
)
Serve: Matthew H. Hearne)
Attorney of Record for Garlanda Kitchen)
7711 Bonhomme, Suite 330)
St. Louis, Missouri 63105)

CONSENT ORDER AS TO RESPONDENT GARLANDA KITCHEN

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 Garlanda Kitchen (“G. Kitchen” or “Respondent”), materially aided the sale of unregistered securities in the State of Missouri in violation of Section 409.3-301, RSMo. (Cum. Supp. 2011), and materially aided the making of untrue statements and omissions of material fact to investors in violation of Section 409.5-501, RSMo. (Cum. Supp. 2011) and that this conduct 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 violation 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 right to a hearing with respect to this matter.
6. Respondent waives any right 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 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. 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. PIF Financial Services, LLC ("PIF"), is a Missouri limited liability company that was formed on September 12, 2008, and has an address of 1555 Kisker Road, Saint Peters, Missouri 63304. Michael Kitchen ("Kitchen") is the registered agent of PIF with an address of 60 Gailwood Drive, Saint Peters, Missouri 63376.
13. Premier Mortgage Solutions, LLC ("PM Solutions"), is a Missouri limited liability company that was formed on March 2, 2005, and has an address of 5 Novella Drive, Saint Peters, Missouri 63376. Cheryl Gourley is the registered agent of PM Solutions with an address of 60 Gailwood Drive, Suite A, Saint Peters, Missouri 63376.
14. Kitchen was an organizer of PIF and PM Solutions and purports to be the president of PIF. Kitchen has an address of 220 Walden Court, Eureka, Missouri 63025-1130.
15. Daniel P. Hance, Sr. ("Hance") was an organizer of PIF. Hance has an address of 1968 Graystone Drive, Saint Charles, Missouri 63303. A check of records maintained by the Missouri Department of Insurance, Financial Institutions & Professional Registration ("DIFP") indicates that Hance holds an active Missouri insurance producer license, DIFP number 0101956.
16. Brian Whitney ("Whitney") was an organizer of PIF. Whitney has an address of 220 Walden Court, Eureka, Missouri 63025.
17. Dion Monroe ("Monroe") purported to be an agent of PIF. Monroe has an address of 16124 West 83rd Terrace, Lenexa, Kansas 66219.
18. Shannon R. Ingram ("Ingram") purported to be an agent of PIF. Ingram has an address of 9106 West 78th Street, Overland Park, Kansas 66204-2503.
19. G. Kitchen is Kitchen's wife and purported to be a representative of PM Solutions. G. Kitchen has an address of 1052 Grand Teton Apt #7, Saint Peters, Missouri 63376.
20. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no record of registration as a broker-dealer agent, investment adviser representative or issuer agent for Kitchen, Hance, Monroe, or Ingram.
21. A check of the records maintained by the Commissioner indicates that at all times relevant, there was no registration, granted exemption or notice filing indicating status as a "federal covered security" for any securities issued by PIF and/or Kitchen.
22. As used herein, the term "Respondent" refers to G. Kitchen.

23. From August 2008 through May 2010, approximately ten (10) individuals invested in excess of one million dollars (\$1,000,000) with Kitchen and PIF, and executed joint venture agreements with Kitchen and PIF. Upon information and belief, none of the investors had any control over the joint venture, the funds acquired by the joint venture, or what products the joint venture would purchase.
24. From February to October 2012, representatives of the Enforcement Section spoke to, and received information from Kitchen. A review of this information revealed, among other things, the following:
 - a. Kitchen was the owner of PIF;
 - b. Kitchen received money from other individuals for the purpose of making money;
 - c. these individuals signed joint venture agreements;
 - d. Kitchen pooled the money from other individuals with Kitchen's own money to make an investment that was controlled by a third party;
 - e. Kitchen sent a money order to the third party for the investment;
 - f. the third party invested in, among other things, an oil rig and a gold mine;
 - g. Kitchen had not received any return or refund from the investment with the third party.
25. On November 21, 2012, G. Kitchen spoke to representatives of the Enforcement Section and on November 26, 2012, G. Kitchen appeared before representatives of the Enforcement Section for an on-the-record examination ("G. Kitchen OTR"). During these interviews, G. Kitchen stated, among other things, the following:
 - a. G. Kitchen and Kitchen are husband and wife and are currently separated;
 - b. G. Kitchen and Kitchen operated mortgage businesses together until 2008, when the last of these mortgage businesses was sold;
 - c. G. Kitchen opened the PM Solutions Bank Account in May 2008;
 - d. G. Kitchen had signatory authority over the PM Solutions Bank Account;
 - e. Kitchen handled all of the finances for PM Solutions and G. Kitchen wrote checks from the PM Solutions Bank Account as directed by Kitchen;
 - f. G. Kitchen did not review the statements from the PM Solutions Bank Account;

- g. Kitchen told G. Kitchen, among other things, that:
 - i. PIF investor funds were wired and/or deposited into the PM Solutions Bank Account because the funds could not be “commingled;”
 - ii. the money from investors in PIF would be pooled and these funds would be invested with “traders;” and
 - iii. “the less you know [about PIF] the better [off] you are;”
 - h. G. Kitchen did not know who these PIF traders were;
 - i. G. Kitchen did not talk to investors about the Trading Programs;
 - j. G. Kitchen did not know the amount of money that was wired and/or deposited into the PM Solutions Bank Account from PIF investors;
 - k. G. Kitchen knew that Kitchen was writing checks on the PM Solutions Bank Account and signing G. Kitchen’s name to these checks;
 - l. G. Kitchen identified numerous checks that were signed “Garlanda Kitchen” that G. Kitchen had not signed. G. Kitchen identified the handwriting on these checks as Kitchen’s handwriting;
 - m. G. Kitchen and/or Kitchen wrote checks from the PM Solutions Bank Account to Hance and Monroe;
 - n. Kitchen directed G. Kitchen to wire the funds from the PM Solutions Bank Account to other entities;
 - o. G. Kitchen believed that these entities were to invest funds for PIF;
 - p. at least some of the funds from the PM Solutions Bank Account were used to buy cars for Kitchen, G. Kitchen, and Kitchen’s son;
 - q. at least some of the funds from the PM Solutions Bank Account were used to pay for rent on the Kitchens’ home located in St. Peters, Missouri; and
 - r. twenty thousand dollars (\$20,000) was paid to Kitchen’s sister and brother-in-law who were experiencing financial difficulties.
26. A review of the bank records revealed that investors wired and/or deposited in excess of four hundred thousand dollars (\$400,000) into the PIF Bank Account. Kitchen used these investor funds, among other things, to:

- a. wire one hundred twenty thousand dollars (\$120,000) to a title company in California;
 - b. purchase or lease personal vehicles in excess of fifty thousand dollars (\$50,000);
 - c. obtain cash in excess of thirty-five thousand dollars (\$35,000);
 - d. purchase pet supplies in excess of ten thousand dollars (\$10,000); and
 - e. pay in excess of forty thousand dollars (\$40,000) for entertainment, meals, department stores and other personal expenses of Kitchen, that, upon information and belief, appear to be unrelated to trading in private placements.
27. A review of the bank records revealed that investors in the Trading Programs deposited and/or wired in excess of four hundred thousand dollars (\$400,000) into the PM Bank Account. Investor funds from the PM Solutions Bank Account were used by Kitchen and/or G. Kitchen, among other things, to:
- a. pay ninety thousand dollars (\$90,000) to PIF;
 - b. pay in excess of sixty-five thousand dollars (\$65,000) to Monroe;
 - c. pay in excess of forty thousand dollars (\$40,000) to Hance;
 - d. pay rent on the Kitchens' home and businesses in excess of twenty-five thousand dollars (\$25,000);
 - e. pay twenty thousand dollars (\$20,000) to Kitchen's sister and brother-in-law;
 - f. pay in excess of eight thousand dollars (\$8,000) for automobiles; and
 - g. pay cash withdrawals and other expenses in excess of one hundred thousand dollars (\$100,000), that, upon information and belief, appear to be unrelated to trading in private placements. This amount included checks payable to G. Kitchen in excess of seventy thousand dollars (\$70,000).
28. G. Kitchen, through her attorney, has supplied a statement of G. Kitchen's income, expenses, and property that indicate that G. Kitchen is unable to pay penalties, costs, or restitution in this matter.

II. CONCLUSIONS OF LAW

29. The Commissioner finds Respondent G. Kitchen materially aided the sale of unregistered securities in violation of Section 409.3-301, RSMo. (Cum. Supp. 2011), and materially aided PIF's and Kitchen's untrue statements and omissions in violation of Section 409.5-501, RSMo. (Cum. Supp. 2011) and that this conduct constitutes grounds to issue an order pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2011).
30. 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 G. Kitchen, her 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 materially aiding in the sale of unregistered securities in violation of Section 409.3-301, RSMo. (Cum. Supp. 2011) and from materially aiding Respondent PIF's and Respondent Kitchen's untrue statements and omissions in violation of Section 409.5-501, RSMo. (Cum. Supp. 2011).
2. Respondent shall pay a civil penalty of ten thousand dollars (\$10,000) for materially aiding Respondent PIF's, and Respondent Kitchen's violations of Section 409.3-301, RSMo. (Cum. Supp. 2011). This payment will be suspended provided that Respondent complies with the terms of this 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).
3. Respondent shall pay a civil penalty of ten thousand dollars (\$10,000) for materially aiding Respondent PIF's, and Respondent Kitchen's violations of Section 409.5-501, RSMo. (Cum. Supp. 2011). This payment will be suspended provided that Respondent complies with the terms of this 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).

4. Respondent shall pay two thousand dollars (\$2,000) as the cost of this investigation. This payment will be suspended provided that Respondent complies with the terms of this 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).
5. Respondent shall pay her 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 29TH DAY OF JULY, 2013.



JASON KANDER
SECRETARY OF STATE

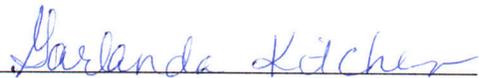
A handwritten signature in blue ink that reads "Andrew M. Hartnett".

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES

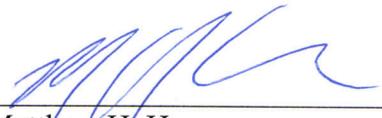
Consented to by:
THE ENFORCEMENT SECTION OF THE
MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink that reads "Mary S. Hosmer".

Mary S. Hosmer
Assistant Commissioner of Securities


Garlanda Kitchen, Respondent

Approved as to Form:


Matthew H. Hearne
Attorney for Respondent G. Kitchen