

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division No. 86463
RANDALL A. FINER,)	
607 S Lincoln Street)	SUMMARY ORDER TO
Lake Mills, IA 50450,)	CEASE AND DESIST
)	
Respondent)	

On February 4, 2015, Securities Administrator Rosanne Mead submitted a statement of charges requesting a summary cease and desist order.

NOW THEREFORE, the Iowa Insurance Commissioner, pursuant to Iowa Code §502.604 and in consideration of the statement of charges filed in this matter, does hereby make the following findings of fact, conclusions of law and summary order:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers and enforces Iowa Code chapter 502 relating to the regulation of securities. Rosanne Mead has been designated by the Commissioner as Securities Administrator (the Administrator) to administer the Iowa Uniform Securities Act, Iowa Code, chapter 502 through the Securities Bureau of the Iowa Insurance Division (the Division).

2. Randall A. Finer (Respondent) is an individual with a last-known mailing address of 607 S. Lincoln St., Lake Mills, IA 50450.

II. FINDINGS OF FACT

3. During the period of January 1, 2013 through September 2014, Respondent received funds and assets from at least six investors and possibly nine additional persons for the purpose of investing their funds in stocks, commodities, options or other similar investments.

4. The Respondent delivered notes for these funds and assets to the investors in the state of Iowa as evidence of investment contracts in which his ability to return principal and interest was derived primarily from his efforts in “day trading”, “investing in the Dow” and “investing in Standard & Poor’s.”

5. On or about September 22, 2014, the Division became aware that Respondent was contacting individuals and asking them to deliver funds to him for investment purposes. (Affidavit of Jamie Johnson, Exhibit A.)

6. Respondent has never been registered as a broker-dealer, securities agent, investment adviser or an investment adviser representative with the Division.

7. The National Futures Association is designated by federal law as the self-regulatory organization that administers registration of persons and organizations that intend to do business as futures professionals. Respondent is not registered with the National Futures Association in any capacity.

8. The Division has no record of a registration, a request for an exemption from registration or notice of federal covered preemption of the securities offered or sold by Respondent.

9. The Division contacted Respondent by letter dated January 8, 2015 (Exhibit B) and requested that Respondent appear at the offices of the Division for an interview. Respondent refused to appear in a letter received January 21, 2015 (Exhibit C). Respondent's reply included a page titled "promissory note." (Exhibit C, page 2).

10. Among other things, Respondent told potential investors in connection with his offers and sales, that he was engaged in one or more of the following: "day trading" or "investing in the Dow" or "investing in the S & P 500" or "NASDAQ" or "trading the markets." Respondent told potential investors that the money given to him would be used for one of those purposes.

11. Respondent provided at least three investors with a document titled "promissory note" (See Exhibit 1 to Exhibit A) which is similar but not identical to Exhibit C.

12. Respondent received funds and assets from at least six investors and possibly nine additional persons for the purpose of investing their funds in stocks, commodities, options or other similar investments. As detailed in Exhibit A, Affidavit of Jamie Johnson, the amounts are as follows:

Investors One through Six	\$163,930.00
Probable Investors Seven through Twelve	\$235,500.00
Possible Investors Thirteen through Fifteen	\$55,000.00
Total	\$454,430.00

13. A part of the investment strategy with Respondent by Investor Eight, the investor delivered silver coins to the Respondent that were valued at approximately \$20,000.00. Respondent represented to Investor Eight that the silver coins were to be used as collateral.

14. Respondent did not invest all of the monies received from the investors as he promised.

15. Respondent deposited the funds in a checking account at a bank that was titled in his name only.

16. Respondent did transfer some funds to various broker-dealers, clearing firms or futures commission merchants.

17. Respondent used funds from the account referenced in paragraph 15 to pay personal expenses and to deposit and withdraw cash.

III. VIOLATIONS OF IOWA UNIFORM SECURITIES ACT

COUNT ONE – Unregistered Securities

18. Paragraphs 1- 17 are incorporated herein by reference.

19. Respondent has offered and sold, and has materially aided others in the offer and sale of unregistered “promissory notes” as investment contracts as part of what he calls a “day trading” program.

20. These investments are securities within the definition of Iowa Code section 502.102(28).

21. The securities were not registered with the Administrator as required by Iowa Code §§ 502.303, 502.304 or 502.304A.

22. Respondent has not made any claim of exemptions from registration in Iowa Code §§ 502.201 or 502.202.

23. Respondent has not made any claim that the securities are federal covered under of preemption provisions in Iowa Code § 502.302.

24. Respondent has violated Iowa Code § 502.301, by offering and selling unregistered, non-exempt and non-federally covered securities in Iowa and should be ordered to cease and desist.

25. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code Chapter 502.

COUNT TWO - UNREGISTERED AGENT

26. Paragraphs 1-25 are incorporated herein by reference.

27. Respondent is not registered as a securities agent in the state of Iowa.

28. Respondent has acted in a way that requires registration as a securities agent.

29. Respondent has violated Iowa Code § 502.402, and should be ordered to cease and desist from acting as a securities agent.

30. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT THREE – UNTRUE STATEMENTS OF MATERIAL FACTS

31. Paragraphs 1 - 30 are incorporated herein by reference.

32. In connection with the offer and sales of securities, Respondent made untrue statements of material facts including, but not limited to, the following:

- a. That investment funds would be used exclusively for day trading;
- b. That Respondent had the necessary training and experience to guarantee a return of 20% and more on day trading; and
- c. That Respondent would take no commissions or fees on the investments other than those profits in the account in excess of the 20% return.

33. Respondent has violated Iowa Code § 502.501 by making untrue statements of material facts.

34. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT FOUR - OMISSION OF MATERIAL FACTS

35. Paragraphs 1-34 are incorporated herein by reference.

36. Respondent omitted material facts in the sale of securities including:

- a. The information that demonstrated Respondent did not possess the necessary training and experience to guarantee a return of 20% and more on day trading;
- b. The information that Respondent would commingle investors' funds in his personal checking account and use investor funds to pay personal expenses;
- c. The information that Respondent was not registered to sell securities in the state of Iowa; and

d. The information that the securities are unregistered.

37. Respondent has violated Iowa Code § 502.501 by omitting material facts.

38. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT FIVE – NONCOMPLIANCE WITH INVESTIGATIVE DEMAND

39. Paragraphs 1-38 are incorporated herein by reference.

40. On January 7, 2015, the Division delivered to Respondent an investigative letter by the Division requiring the Respondent file a statement in response to nine interrogatories.

41. On January 20, 2015, Respondent filed a letter with the Division responding to item number 1 in the investigative letter, but unresponsive to item numbers 2 through 8.

42. Respondent has violated Iowa Code § 502.602.

43. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

IV. CONCLUSIONS OF LAW

1. Iowa Code § 502.102.28 includes “note”, “evidence of indebtedness” and “investment contract” within the definition of a security. “Investment contract” within the definition of a security is an investment of money in a common enterprise with the expectation of profit to be derived primarily from the efforts of persons other than investors. The interests offered and sold by Respondent as described in the above findings of fact constitute securities.

2. Iowa Code § 502.301 provides that it is unlawful for any person to offer or sell any security in this state unless (1) it is a federal covered security, (2) the security, transaction or offer is exempted under §§ 502.201 through 502.203; or (3) it is registered with the Administrator. The conduct described in the above findings of fact constitutes a violation of this section.

3. Iowa Code § 502.402 provides that it is unlawful for an individual to transact business in this state as an agent unless he is registered under § 502.406, or exempt from registration. The conduct described in the above findings of fact constitutes a violation of this section.

4. Iowa Code § 502.503.1 provides that “[i]n a civil or administrative proceeding under this chapter, a person claiming an exemption, exception, preemption, or exclusion has the

burden to prove the applicability of the claim.”

5. Iowa Code § 502.501 provides that it is unlawful, in connection with the offer, sale or purchase of any security (1) to employ any device, scheme, or artifice to defraud, (2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading or (3) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person. The conduct described in the above findings of fact constitutes a violation of this section.

6. Iowa Code § 502.604 provides, in part, that:

1. If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may do any of the following:

a. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter.

....

2. An order under subsection 1 is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement of any restitution order, civil penalty, or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within thirty days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty days after the date of service of the order, the order, including an order for restitution, the imposition of a civil penalty, or a requirement for payment of costs of investigation sought in the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

7. The offer or sale of unregistered securities, as described in the above findings of fact, constitutes an illegal practice under Iowa Code § 502.604.

8. Transacting business as an unregistered agent, as described in the above findings of fact, constitutes an illegal practice under Iowa Code § 502.604.

9. The untrue and omitted material facts in connection with the Respondent's offer and sale of securities, constitutes an illegal practice under Iowa Code § 502.604.

10. The failure to comply with the Division's request to file a statement responsive to the investigative interrogatories 2 through 8, constitutes an illegal practice under Iowa Code § 502.604.

ORDER

IT IS THEREFORE ORDERED that:

A. Respondent shall immediately cease and desist from any violation of Iowa Code §502.301, and specifically from offering or selling, or materially aiding others in the offer or sale of any notes, investment contracts, stock or any other securities in the state of Iowa, unless the securities are registered or Respondent has provided at least 30 days prior to any offer or sale, written notice to the Administrator of an applicable exemption or preemption as a federal covered security;

B. Respondent shall immediately cease and desist from acting as a securities agent in violation Iowa Code §502.402;

C. Respondent shall immediately cease and desist from any violation of Iowa Code §502.501, and specifically from making untrue statements of material facts or omitting to state material facts in connection with the offer or sale of any securities.

IT IS FURTHER ORDERED, effective upon final order in this matter, that

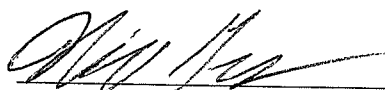
D. Respondent shall pay to the state of Iowa the amount of \$454,430, plus interest as restitution to be delivered to investors filing claims with the Administrator;

E. Respondent shall immediately deliver the silver coins received from Investor Eight to the Winnebago County Sheriff, or such other Iowa law enforcement official as designated by the Administrator;

F. Respondent shall pay to the state of Iowa a civil penalty in the amount of \$100,000;

G. Respondent shall pay to the state of Iowa such amount as shown by affidavit, but no less than the amount of \$8,000 as costs of investigation and prosecution.

Dated this 4 day of February, 2015.



NICK GERHART
Commissioner of Insurance

CERTIFICATE OF SERVICE

The undersigned certifies that on February _____, 2015 at _____ a.m./p.m., the foregoing document was personally served on

Randal A Finer
607 S Lincoln St.
Lake Mills, Iowa 50450

NOTICE

Failure to comply with the provisions of this Order shall be grounds for further administrative action under Iowa Code chapter 502, or for injunctive relief in district court.

If YOU fail to request a hearing within 30 days of the date of this Cease and Desist Order, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

The failure to request a hearing can constitute a failure to exhaust YOUR administrative remedies and limit the issues subject to judicial review. YOU may seek judicial review of this Order, pursuant to Iowa Code chapter 17A, after the Order becomes final. The Order becomes final 30 days after it is issued if YOU do not timely request a contested case hearing, or 30 days following any ruling from a contested case hearing.

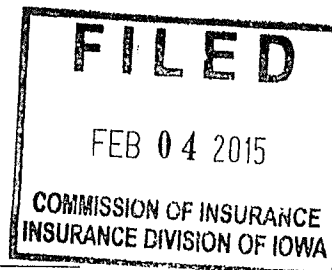
If YOU willfully violate this Order YOU shall be deemed in contempt of the order pursuant to Iowa Code section 502.604. The administrator may petition the district court to hold a hearing to enforce the order as certified by the administrator. The district court may assess a civil penalty against YOU in an amount not less than three thousand dollars but not greater than ten thousand dollars per violation, and may issue further orders as it deems appropriate.

If YOU willfully violate any provision of Iowa Code chapter 502, or any rule or order under Iowa Code chapter 502, YOU are guilty of a class "D" felony pursuant to Iowa Code section 502.605(1)(a). A person who willfully violates sections 502.401, 502.402, 502.403, or 502.408(1) or (2), resulting in a loss of more than ten thousand dollars is guilty of a class "C" felony pursuant to Iowa Code section 502.605(1)(b).

A final Cease and Desist Order may adversely affect existing business or professional licenses and result in license revocation or disciplinary action. For example, a final Cease and Desist Order issued to a licensed insurance agent may subject the insurance agent to insurance license revocation or other disciplinary action. Further notice is given that the Iowa Insurance Division may review this Cease and Desist Order for a potential license revocation or disciplinary action.

NOTICE OF RIGHT TO REQUEST HEARING

NOTICE IS HEREBY GIVEN that Respondent may request a hearing in this matter. This request must be in writing and must be filed within 30 calendar days of the date of this Order, with Commissioner Nick Gerhart, Iowa Insurance Division, 601 Locust, Fourth Floor, Des Moines, Iowa 50309. A notice of the hearing shall be prepared and shall be given at least 15 days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within 90 days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least 15 days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A.



BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division No. 86463
RANDALL A. FINER,)	
607 S Lincoln Street)	STATEMENT OF CHARGES
Lake Mills, IA 50450,)	
)	
Respondent)	

Securities Administrator Rosanne Mead alleges and states as follows:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Nick Gerhart, administers and enforces Iowa Code chapter 502 relating to the regulation of securities. Rosanne Mead has been designated by the Commissioner as Securities Administrator (the Administrator) to administer the Iowa Uniform Securities Act, Iowa Code, chapter 502 through the Securities Bureau of the Iowa Insurance Division (the Division).

2. Randall A. Finer (Respondent) is an individual with a last-known mailing address of 607 S. Lincoln St., Lake Mills, IA 50450.

II. ALLEGATIONS OF FACT

3. During the period of January 1, 2013 through September 2014, Respondent received funds and assets from at least six investors and possibly nine additional persons for the purpose of investing their funds in stocks, commodities, options or other similar investments.

4. The Respondent delivered notes for these funds and assets to the investors in the state of Iowa as evidence of investment contracts in which his ability to return principal and interest was derived primarily from his efforts in "day trading", "investing in the Dow" and "investing in Standard & Poor's."

5. On or about September 22, 2014, the Division became aware that Respondent was contacting individuals and asking them to deliver funds to him for investment purposes. (Affidavit of Jamie Johnson, Exhibit A.)

6. Respondent has never been registered as a broker-dealer, securities agent, investment adviser or an investment adviser representative with the Division.

7. The National Futures Association is designated by federal law as the self-regulatory organization that administers registration of persons and organizations that intend to

do business as futures professionals. Respondent is not registered with the National Futures Association in any capacity.

8. The Division has no record of a registration, a request for an exemption from registration or notice of federal covered preemption of the securities offered or sold by Respondent.

9. The Division contacted Respondent by letter dated January 8, 2015 (Exhibit B) and requested that Respondent appear at the offices of the Division for an interview. Respondent refused to appear in a letter received January 21, 2015 (Exhibit C). Respondent's reply included a page titled "promissory note." (Exhibit C, page 2).

10. Among other things, Respondent told potential investors in connection with his offers and sales, that he was engaged in one or more of the following: "day trading" or "investing in the Dow" or "investing in the S & P 500." Respondent told potential investors that the money given to him would be used for one of those purposes.

11. Respondent provided at least three investors with a document titled "promissory note" (See Exhibit 1 to Exhibit A) which is similar but not identical to Exhibit C.

12. Respondent received funds and assets from at least six investors and possibly nine additional persons for the purpose of investing their funds in stocks, commodities, options or other similar investments. As detailed in Exhibit A, Affidavit of Jamie Johnson, the amounts are as follows:

Investors One through Six	\$163,930.00
Probable Investors Seven through Twelve	\$235,500.00
Possible Investors Thirteen through Fifteen	\$55,000.00
Total	\$454,430.00

13. A part of the investment strategy with Respondent by Investor Eight, the investor delivered silver coins to the Respondent that were valued at approximately \$20,000.00. Respondent represented to Investor Eight that the silver coins were to be used as collateral.

14. Respondent did not invest all of the monies received from the investors as he promised.

15. Respondent deposited the funds in a checking account at a bank that was titled in his name only.

16. Respondent did transfer some funds to various broker-dealers, clearing firms or futures commission merchants.

17. Respondent used funds from the account referenced in paragraph 15 to pay personal expenses and to deposit and withdraw cash.

III. VIOLATIONS OF IOWA UNIFORM SECURITIES ACT

COUNT ONE – Unregistered Securities

18. Paragraphs 1- 17 are incorporated herein by reference.
19. Respondent has offered and sold, and has materially aided others in the offer and sale of unregistered “promissory notes” as investment contracts as part of what he calls a “day trading” program.
20. These investments are securities within the definition of Iowa Code section 502.102(28).
21. The securities were not registered with the Administrator as required by Iowa Code §§ 502.303, 502.304 or 502.304A.
22. Respondent has not made any claim of exemptions from registration in Iowa Code §§ 502.201 or 502.202.
23. Respondent has not made any claim that the securities are federal covered under of preemption provisions in Iowa Code § 502.302.
24. Respondent has violated Iowa Code § 502.301, by offering and selling unregistered, non-exempt and non-federally covered securities in Iowa and should be ordered to cease and desist.
25. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code Chapter 502.

COUNT TWO - UNREGISTERED AGENT

26. Paragraphs 1-25 are incorporated herein by reference.
27. Respondent is not registered as a securities agent in the state of Iowa.
28. Respondent has acted in a way that requires registration as a securities agent.
29. Respondent has violated Iowa Code § 502.402, and should be ordered to cease and desist from acting as a securities agent.
30. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT THREE – UNTRUE STATEMENTS OF MATERIAL FACTS

31. Paragraphs 1 - 30 are incorporated herein by reference.
32. In connection with the offer and sales of securities, Respondent made untrue statements of material facts including, but not limited to, the following:
 - a. That investment funds would be used exclusively for day trading;
 - b. That Respondent had the necessary training and experience to guarantee a return of 20% and more on day trading; and
 - c. That Respondent would take no commissions or fees on the investments other than those profits in the account in excess of the 20% return.
33. Respondent has violated Iowa Code § 502.501 by making untrue statements of material facts.
34. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT FOUR - OMISSION OF MATERIAL FACTS

35. Paragraphs 1-34 are incorporated herein by reference.
36. Respondent omitted material facts in the sale of securities including:
 - a. The information that demonstrated Respondent did not possess the necessary training and experience to guarantee a return of 20% and more on day trading;
 - b. The information that Respondent would commingle investors' funds in his personal checking account and use investor funds to pay personal expenses;
 - c. The information that Respondent was not registered to sell securities in the state of Iowa; and
 - d. The information that the securities are unregistered.
37. Respondent has violated Iowa Code § 502.501 by omitting material facts.

38. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

COUNT FIVE – NONCOMPLIANCE WITH INVESTIGATIVE DEMAND

39. Paragraphs 1-38 are incorporated herein by reference.

40. On January 7, 2015, the Division delivered to Respondent an investigative letter by the Division requiring the Respondent file a statement in response to nine interrogatories.

41. On January 20, 2015, Respondent filed with the Division a letter responding to item number 1 in the investigative letter, but unresponsive to item numbers 2 through 8.

42. Respondent has violated Iowa Code § 502.602.

43. This action is necessary and appropriate, in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the provisions of Iowa Code chapter 502.

IV. LEGAL AUTHORITY FOR ACTION

1. Iowa Code § 502.102.28 includes “note”, “evidence of indebtedness” and “investment contract” within the definition of a security. “Investment contract” within the definition of a security is an investment of money in a common enterprise with the expectation of profit to be derived primarily from the efforts of persons other than investors. The interests offered and sold by Respondent as described in the above findings of fact constitute securities.

2. Iowa Code § 502.301 provides that it is unlawful for any person to offer or sell any security in this state unless (1) it is a federal covered security, (2) the security, transaction or offer is exempted under §§ 502.201 through 502.203; or (3) it is registered with the Administrator. The conduct described in the above findings of fact constitutes a violation of this section.

3. Iowa Code § 502.402 provides that it is unlawful for an individual to transact business in this state as an agent unless he is registered under § 502.406, or exempt from registration. The conduct described in the above findings of fact constitutes a violation of this section.

4. Iowa Code § 502.503.1 provides that “[i]n a civil or administrative proceeding under this chapter, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.”

5. Iowa Code § 502.501 provides that it is unlawful, in connection with the offer, sale or purchase of any security (1) to employ any device, scheme, or artifice to defraud, (2) to

make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading or (3) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person. The conduct described in the above findings of fact constitutes a violation of this section.

6. Iowa Code § 502.604 provides, in part, that:

1. If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may do any of the following:

a. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter.

....

2. An order under subsection 1 is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement of any restitution order, civil penalty, or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within thirty days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty days after the date of service of the order, the order, including an order for restitution, the imposition of a civil penalty, or a requirement for payment of costs of investigation sought in the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

7. The offer or sale of unregistered securities, as described in the above findings of fact, constitutes an illegal practice under Iowa Code § 502.604.

8. Transacting business as an unregistered agent, as described in the above findings of fact, constitutes an illegal practice under Iowa Code § 502.604.

9. The untrue and omitted material facts in connection with the Respondent's offer and sale of securities, constitutes an illegal practice under Iowa Code § 502.604.

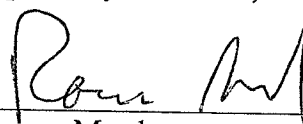
10. The failure to comply with the Division's request to file a statement responsive to the investigative interrogatories 2 through 8, constitutes an illegal practice under Iowa Code §502.604.

PRAYER FOR RELIEF

WHEREFORE, the Securities Administrator requests the following relief be ordered:

- A. Respondent shall immediately cease and desist from any violation of Iowa Code §502.301, and specifically from offering or selling, or materially aiding others in the offer or sale of any notes, investment contracts, stock or any other securities in the state of Iowa, unless the securities are registered or Respondent has provided at least 30 days prior to any offer or sale, written notice to the Administrator of an applicable exemption or preemption as a federal covered security;
- B. Respondent shall immediately cease and desist from acting as a securities agent in violation Iowa Code §502.402;
- C. Respondent shall immediately cease and desist from any violation of Iowa Code §502.501, and specifically from making untrue statements of material facts or omitting to state material facts in connection with the offer or sale of any securities.
- D. Respondent shall pay to the state of Iowa the amount of \$454,430, plus interest as restitution to be delivered to investors filing claims with the Administrator;
- E. Respondent shall immediately deliver the silver coins received from Investor Eight to the Winnebago County Sheriff, or such other Iowa law enforcement official as designated by the Administrator;
- F. Respondent shall pay to the state of Iowa a civil penalty in the amount of \$100,000;
- G. Respondent shall pay to the state of Iowa such amount as shown by affidavit, but no less than the amount of \$8,000 as costs of investigation and prosecution.

Respectfully submitted,



Rosanne Mead
Securities Administrator

SUMMARY OF EXHIBITS

- EXHIBIT A AFFIDAVIT OF JAMIE JOHNSON
Six pages and including two exhibits:
Exhibit 1 Investor Eight Promissory Note (redacted)
Exhibit 2 Investor Six Promissory Note (redacted)
- EXHIBIT B IID LETTER TO RANDALL FINER (two pages)
- EXHIBIT C RANDALL FINER LETTER TO IID (three pages)

EXHIBIT A TO STATEMENT OF CHARGES
REGARDING RANDALL A. FINER, Respondent
IID DOCKET NUMBER 86463

State of Iowa

Polk County

Affidavit of Jamie Johnson

My name is Jamie Johnson. I am an employee of the State of Iowa, Iowa Insurance Division. My job is to receive and investigate complaints about investment products. In the course of my job, I learned from an individual (the informant) who worked at a bank about his concerns of the activity of Randy A. Finer of Lake Mills, Iowa.

The informant stated that several bank customers had told him they were investing money with Mr. Finer and that they had been promised a twenty percent return on their investments.

Bank Accounts

I prepared and served subpoenas on three banks (Banks A, B and C) in the Lake Mills area.

Banks B and C reported that Mr. Finer did not have any accounts at those banks. Mr. Finer did have an account at Bank A. When I received the records for Mr. Finer's account from Bank A, I examined them with the purpose of identifying transactions that were for \$5,000.00 or more or that had a notation of investment on the reference line.

I identified six individuals or entities whose checks had a notation on the check that indicated it was an investment. The amounts deposited into Mr. Finer's account from these six individuals or entities are as follows:

Investor One = \$15,000.00
Investor Two = \$56,930.00
Investor Three = \$10,000.00
Investor Four = \$10,000.00
Investor Five = \$5,000.00
Investor Six = \$67,000.00
Total = \$163,930.00

I also identified six additional individuals as potential investors. The bank records did not clearly reflect that the funds were for investment, but the amounts deposited into Mr. Finer's account were large. Those six potential investors are:

Investor Seven = \$7,500.00
Investor Eight = \$10,000.00
Investor Nine = \$198,000.00
Investor Ten = \$5,000.00
Investor Eleven = \$5,000.00
Investor Twelve = \$10,000.00
Total = \$235,500.00

While examining Mr. Finer's Bank A records, I noted entries that were deposits involving cashier's checks and money orders issued by Bank B that showed Mr. Finer as a remitter. I made further inquiry to Bank B. I learned that there was information on counter transactions for Bank B customers. I

sent a second subpoena to Bank B and requested information on the counter transactions. When I received and reviewed the information, I identified three additional potential investors. They are:

Investor Thirteen =	\$20,000.00
Investor Fourteen =	\$15,000.00
Investor Fifteen =	\$20,000.00
Total =	\$55,000.00

The total of the three categories of investors and potential investors is

One through Six =	\$163,930.00
Seven through Twelve=	\$235,500.00 (Probable)
Thirteen through Fifteen=	\$55,000.00 (Possible)
Total =	\$454,430.00

On January 27, 2015, I learned from an Investor that Mr. Finer had delivered a cashier's check issued by Bank D. I served a subpoena on that bank. On January 29, 2015, I was informed by Bank D that the account balance was \$291.00.

On January 27, 2015, I learned that one Investor had received a check from Mr. Finer that was drawn on the account of his wife, Robyn Finer at Bank E. I served a subpoena on that credit union. I have not yet received a reply from Bank E.

Investors

On Friday January 23, 2015, I mailed letters to the 12 probable investors and asked them to call me. As of the date of this Affidavit, I have spoken to

four individuals. (Investors Five, Six, Seven and Eight) These individuals stated that they did deliver funds to Mr. Finer for the purpose of investment.

Promissory Notes

Investors Five, Six, Seven and Eight have informed me that each received a document from Mr. Finer titled 'Promissory Note' which purports to be documentation of a loan to Mr. Finer. (See Exhibit C to the Statement of Charges). A redacted version of the Promissory Note from Investor Eight is attached to this Affidavit as Exhibit 1.

I compared the promissory note provided by Mr. Finer with the promissory note provided by Investor Eight. I note that they are identical but for the following paragraphs that appear only in the promissory note provided by Mr. Finer:

6. Collection Costs. If Lender prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and lawyer's fees in an amount the court finds to be reasonable.
7. Loan purpose. This is a personal loan. Borrower is not a broker, not an investment advisor, not a financial planner nor advisor of any type.

The promissory note provided by Investor Six (A redacted version is attached as Exhibit 2) is identical to the promissory note provided by Investor Eight but several hand written notes that appear to call this document a "line of credit."

Investment Accounts

While examining the records of Bank A, I identified four entities known to me to be in the business of settling stock or futures transactions. One is registered with the Financial Industry Regulatory Authority (FINRA). The other three are regulated by and registered with the National Futures Association (NFA).

On January 27 and 28, 2015, I served subpoenas on the above four entities via email. To date I have confirmed that the balance of each account as of 5:00 p.m. on January 30, 2015 was:

Entity One	\$78.00
Entity Two	\$0
Entity Three	\$493.44
Entity Four	\$440.00

I asked Investors Five, Six, Seven and Eight what they thought their money would be used for. They said Randy told them he had been involved in the following: “day trading” or “investing in the Dow” or “investing in the S & P 500” or ‘NASDAQ’ or “trading the markets.” The individuals I talked to thought that all of the money they gave to Mr. Finer would be invested in one of the ways listed above.

I searched the Central Registration Depository, i.e.; the licensing authority for Broker-Dealers, Registered Representatives or Investment Advisers, and determined that Mr. Finer was not registered.

I also searched the product registration/exemption records of the Iowa Insurance Division and determined that Mr. Finer had not registered any products with the Iowa Insurance Division.

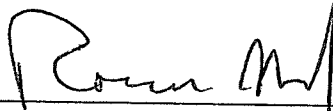
I also searched the records of the National Futures Association (NFA) and determined that Mr. Finer was not registered in any capacity with the NFA.

Signed this 4 day of February, 2015.



Jamie Johnson, Compliance Officer
Iowa Insurance Division

Subscribed and sworn to before me this 4th day of February, 2015.



Iowa Securities Administrator

Summary of Exhibits

- Exhibit 1 Investor Eight Promissory Note (redacted)
- Exhibit 2 Investor Six Promissory Note (redacted)

EXHIBIT 1

PROMISSORY NOTE

1. Promise to Pay. For value received on August 26, 2014, Randy Finer (Borrower) promises to (Lender) \$ 10,000.00 (Ten Thousand and 00/100 U.S. DOLLARS) and interest at 20% (Twenty Percent) interest per annum on the unpaid balance as specified below.

2. Installments/Payment

Borrower will pay interest and principal as follows: interest payable at 20% annually beginning August 26, 2015, August 26, 2016, and on August 26, 2017, with all principal and interest due in full on August 26, 2017. Lender, at Lender's option, may elect to not receive interest annually, in which case interest will compound annually until such time as Lender chooses to draw said interest.

3. Application of Payments. Payments will be applied first to interest and then to principal.

4. Prepayment. Borrower may prepay all or any part of the principal early without penalty.

5. Loan Payment Clause. If any payment is not paid by due date mentioned herein, Lender may charge 20% (percent) interest until Borrower brings said loan current, unless payment is not elected by Lender (see above).

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Iowa.

Borrower: Randy Finer Date: 8/26/14

Lender

EXHIBIT 2

PROMISSORY NOTE (LINE OF CREDIT)

1. Promise to Pay. For value received on September 24 2014, Randy Finer (Borrower) promises to pay (One Hundred Thousand) (Lender) \$ 100,000 ^{or} line of credit and 00/100 U.S.DOLLARS) and interest at 25 (Twenty Five) Percent) interest per annum on the unpaid balance as specified below.

2. Installments/Payment

Borrower will pay interest and principal as follows: Interest payable at 25% annually beginning quarterly beginning December 24, 2014. The initial balance on this line of credit is \$51,500⁰⁰ as of September 24, 2014. All principal plus interest is due in full September 24, 2015, unless mutually extended by Borrower and Lender.

3. Application of Payments. Payments will be applied first to interest and then to principal. Lender may request principal draws which will be fulfilled by Borrower within 1 week upon request of Lender.

4. Prepayment. Borrower may prepay all or any part of the principal early without penalty.

5. Loan Payment Clause. If any payment is not paid by due date mentioned herein, Lender may charge 20% (twenty percent) interest until Borrower brings said loan current, unless payment is not elected by Lender (see above).

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Iowa.

Borrower: Randy Finer Date: 9/24/14

Lende. AC " " " " "



STATE OF IOWA

TERRY E. BRANSTAD
GOVERNOR

NICK GERHART
COMMISSIONER OF INSURANCE

KIM REYNOLDS
LT. GOVERNOR

EXHIBIT B

January 7, 2015

Randall Finer
607 S Lincoln St
Lake Mills, IA 50450

RE: Investment Activity

Dear Mr. Finer:

The Iowa Insurance Division is responsible for regulating the business of securities in Iowa. We are requesting your assistance.

The Division is aware that individuals are providing money to you with the perception it's an investment. According to our records, you are not licensed as a securities agent or investment adviser representative. Therefore, we need an understanding of your activities.

Your response is required to the following:

1. Are you soliciting and accepting money from individuals for the purpose of investing on their behalf? Please explain.
2. How long have you been engaged in investing money on others behalf?
3. What are you investing the money in? Who is the custodian of these funds? Provide the name and account information for each entity the money is held/invested at. Provide the most recent statement of each account.
4. Is the money invested in a security? If yes, explain the type of security. If no, explain why this is not considered a security transaction.
5. Are you licensed/registered with an agency to solicit or sell these types of transactions? Provide documentation of any registration/license status. If not registered, explain why you are exempt from registration.
6. Is each individual's money invested separately on their behalf (in their name only) or is the money pooled together?

7. Did the investors receive any paperwork upon investing with you? For example, disclosure documents, ownership document, investment agreement, new account agreement. If so, provide a copy.
8. Do the investors receive statements or any documentation of their investment? How often? Who provides these statements to the investors? Provide a copy of what they receive.
9. Provide us any other details that you feel would be necessary in understanding this matter.

At this time we would like to extend the option to meet with us in-person at our Des Moines office to discuss the activity that is occurring or set up a conference call to discuss the above items.

Please contact me directly by January 14, 2015 to discuss this meeting further at 515-725-1203 or at Jamie.Johnson@iid.iowa.gov.

If you choose to provide a **written** response, this response is expected **no later than January 20, 2015.**

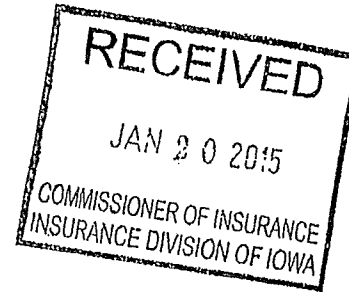
Sincerely,

Jamie Johnson
Securities Investigator
Iowa Securities Bureau

EXHIBIT B
PAGE TWO

January 16, 2015

Jamie Johnson
Securities Investigator
Iowa Securities Bureau
Iowa Insurance Division
601 Locust Street
Des Moines, Iowa 50309-3738



RE: Your January 7, 2015 letter

Greetings Jamie,

I have reviewed your January 7, 2015 letter. I will respond to your questions.

Question 1: I am not and have not solicited or accepted money from any individuals for the purpose of investing on their behalf.

Questions 2-8:

Since I am not investing other people's money, I don't believe the questions are applicable.

Question 9: I served as a commercial banker for many years. For the past few years, I have traded futures contracts for myself. I have borrowed money from some individuals as a personal loan. I have discussed what I am doing, but make it clear I am seeking to borrow money on specific terms. My obligation to repay the agreed-upon time with the agreed upon interest is not dependent upon whether I make or lose money with my personal trading. I have enclosed a copy of my promissory note. I have always made it clear that I am seeking a personal loan and that I am not a broker or financial planner.

Please let me know if you need any more information. I will be out of the State through February 13, 2015, so I will not be able to respond to any requests until after that date.

Sincerely,

A handwritten signature in cursive script that reads "Randy Finer".

Randy Finer

EXHIBIT C

PROMISSORY NOTE

1. **Promise to Pay.** For value received on _____, Randy Finer (Borrower) promises to pay _____ (Lender) \$ _____ (_____ Thousand and 00/100 U.S.DOLLARS) and interest at _____% (_____ Percent) Interest per annum on the unpaid balance as specified below.

2. **Installments/Payment.** Borrower will pay interest and principal as follows: Interest payable at _____% annually beginning _____, 20____, and on _____, 20____, with all principal and interest due in full on _____, 20____. Lender, at Lender's option, may elect to not receive interest annually, in which case interest will compound annually until such time as Lender chooses to draw said interest.

3. **Application of Payments.** Payments will be applied first to interest and then to principal.

4. **Prepayment.** Borrower may prepay all or any part of the principal early without penalty.

5. **Loan Payment Clause.** If any payment is not paid by due date mentioned herein, Lender may charge _____% (_____ percent) interest until Borrower brings said loan current, unless payment is not elected by Lender (see above).

6. **Collection Costs.** If Lender prevails in a lawsuit to collect on this note, Borrower will pay Lender's costs and lawyer's fees in an amount the court finds to be reasonable.

7. **Loan Purpose.** THIS IS A PERSONAL LOAN. BORROWER IS NOT A BROKER, NOT AN INVESTMENT ADVISOR, NOT A FINANCIAL PLANNER NOR ADVISOR OF ANY TYPE.

The undersigned and all other parties to this note, whether as endorsers, guarantors or sureties, agree to remain fully bound until this note shall be fully paid and waive demand, presentment and protest and all notices hereto and further agree to remain bound notwithstanding any extension, modification, waiver, or other indulgence or discharge or release of any obligor hereunder or exchange, substitution, or release of any collateral granted as security for this note. No modification or indulgence by any holder hereof shall be binding unless in writing; and any indulgence on any one occasion shall not be an indulgence for any other or future occasion. Any modification or change in terms, hereunder granted by any holder hereof, shall be valid and binding upon each of the undersigned, notwithstanding the acknowledgement of any of the undersigned, and each of the undersigned does hereby irrevocably grant to each of the others a power of attorney to enter into any such modification on their behalf. The rights of any holder hereof shall be cumulative and not necessarily successive. This note shall take effect as a sealed instrument and shall be construed, governed and enforced in accordance with the laws of the State of Iowa.

Borrower: _____ Date: _____

Lender: _____ Date: _____

607 S. Lincoln St
Lake Mills, IA 50450

DES MOINES IA 500

17 JAN 2015 PM 11



Jamie Johnson
Securities Investigator
Iowa Securities Bureau
Iowa Insurance Division

601 Locust Street

Des Moines, IA 50309-3738

503093738

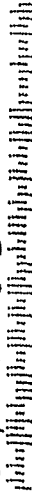


EXHIBIT C
PAGE THREE