



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
INNOVEST CLUB, INC.; WHYREMOTE, INC.;)
and COLIN P. PURCELL,) Case No.: AP-17-22
)
Respondents.)
)
Serve:)
)
InnoVest Club, Inc.)
131 Maple Row Blvd., Suite 516)
Hendersonville, Tennessee 37075)
)
WHYremote, Inc.)
131 Maple Row Blvd., Suite 516)
Hendersonville, Tennessee 37075)
)
and)
)
Colin P. Purcell)
c/o Hunter Durham)
130 Public Square)
Columbia, Kentucky 42728)

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

On August 18, 2017, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Director of Enforcement Sandra J. McDowell, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed (“Petition”). After reviewing the Petition, the Commissioner issues the following order:

I. ALLEGATIONS OF FACT

The Petition alleges the following facts:

A. Summary of Allegations

From at least February 2012, representatives from InnoVest Club, Inc. (“InnoVest”), including but not limited to Colin P. Purcell (“Purcell”), began soliciting Missouri investors via telephone. Some Missouri residents were “cold called”¹ and had no prior knowledge or relationship with InnoVest or any of its representatives. The Missouri investors were told InnoVest was a start-up company that was going to act as a “medium” or “go between” for entrepreneurs and potential investors. At least six Missouri residents invested in InnoVest for a total of \$157,000. Four of the Missouri investors were elderly at the time of their investment.

Purcell and the other representatives of InnoVest did not inform investors they were not registered to sell securities in Missouri. Purcell and the other InnoVest representatives also failed to disclose to Missouri investors Purcell’s prior Final Order and Judgment issued by the state of Oklahoma in October 2007, and Purcell’s Order to Cease and Desist issued by the state of Colorado on March 7, 2011.

As early as December 2013, InnoVest representatives began soliciting Missouri investors to invest in a company called WHYremote, Inc. (“WHYremote”). Investors were told that WHYremote was a new company that was creating a voice controlled remote control that InnoVest had invested in. One of the investors who was solicited, purchased shares of stock in WHYremote for a total of \$20,000.

B. Respondents and Related Parties

1. InnoVest is a Tennessee corporation that was incorporated on December 7, 2011, with a last known mailing address of 131 Maple Row Boulevard, Suite 516, Hendersonville, Tennessee 37075. Purcell is the owner, registered agent, and president of InnoVest. As registered agent, Purcell used the mailing address of 533 Church Street, Suite 229, Nashville, Tennessee 37219. InnoVest was to be a mobile phone application and an online social media site that, among other things, assists entrepreneurs to obtain funding for their businesses.
2. WHYremote is a Tennessee corporation that was incorporated on May 1, 2013. WHYremote was administratively dissolved/revoked in Tennessee on August 8, 2015. WHYremote’s registered agent and co-owner was Colin Purcell, who used the mailing address of 131 Maple Row Blvd Suite 516, Hendersonville, Tennessee 37075-3880. WHYremote claimed to be designing and manufacturing a device that allows people to control multiple electronic devices with hand gestures or voice control.
3. iPractice Inc., (“iPractice”) is a Tennessee corporation that was incorporated on March 18, 2010. iPractice’s registered agent is Michael J. Morgan with a last known mailing address of 51 Century Blvd Suite 125, Nashville, Tennessee, 37214-3689. iPractice purported to be in the business of providing information technology services to

¹ Cold-calling is the solicitation of potential customers who were not anticipating such an interaction or who have not previously expressed an interest in the products or services being offered.

independent physician offices. The Missouri Secretary of State's Securities Division has recently taken action against iPractice (*see* AP-17-20).

4. Vision 2 Records, LLC, ("V2R") is a Tennessee limited liability company that was formed on June 4, 2010. V2R was administratively dissolved/revoked in Tennessee on August 8, 2015. V2R is owned by Purcell, and has a last known mailing address of 533 Church Street Suite 229, Nashville, Tennessee, 37219.
5. Purcell (also known as Colme Purcell) is the owner, president, and registered agent of InnoVest and registered agent and co-owner of WHYremote, with a last known mailing address of 1355 Bardstown Road Apartment 156, Louisville, Kentucky 40204.
6. Eric Don Wesley, a.k.a. Eric Stalker ("Stalker") is the co-owner and purported president of WHYremote, with a last known mailing address of 4405 South East 35th Place, Portland, Oregon 97202-3376.
7. Gate 9, LLC ("Gate 9") is an unknown business entity associated with Colin Purcell, with a last known address of 1355 Bardstown Road, Suite 156, Louisville, Kentucky 40204.
8. Southern Energy Group, Inc., ("Southern Energy") was a Tennessee corporation formed on January 2, 2013, and administratively dissolved on August 6, 2016. Southern Energy's last registered agent was Robert Dorrance, with a last known address of 1531 Hunt Club Boulevard, Suite 210, Gallatin, Tennessee 37066. On April 26, 2017, The Tennessee Securities Division issued an Ex Parte Order to Cease and Desist against Southern Energy for the sale of unregistered securities in Tennessee; Order number 17-0008.²
9. On or about August 11, 2017, the Securities and Exchange Commission ("SEC") filed a complaint against Tennstar Energy, Inc. ("Tennstar") f/k/a Black Gold Resources, Inc.; David R. Greenlee; David A. Stewart, Jr.; and Richard "Ric" P. Underwood regarding an alleged investment scheme that was carried out through two companies, one of which was Southern Energy and the other Tennstar; case number 4:17-CV-00151.
10. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter Respondent Purcell was not registered as broker dealer or issuer agent with the state of Missouri.
11. Respondent InnoVest failed to register or meet requirements for the claimed exemptions regarding the securities sold by Respondent InnoVest.
12. As used herein, the term "Respondents" refers to InnoVest, WHYremote, and Purcell.

² https://tn.gov/assets/entities/commerce/attachments/Southern_Energy.pdf

C. Enforcement Section Investigation

Administrative Actions by Other States

13. On February 6, 2007, in the District Court of Oklahoma County, the Oklahoma Department of Securities filed a petition (“Oklahoma Petition”) against, among others, Respondent Purcell (Case No. CJ-2007-1082).
14. The Oklahoma Petition alleged that Respondent Purcell:
 - a. offered and/or sold unregistered and non-exempt securities;
 - b. failed to register as an agent;
 - c. omitted 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
 - d. engaged in acts, practices, and a course of business that operated as a fraud or deceit upon investors.
15. On October 30, 2007, Respondent Purcell entered into a Stipulation and Consent to a Final Order with the Oklahoma Department of Securities (“Oklahoma Consent”) that ordered Respondent Purcell to not transact business in and/or from the state of Oklahoma as an issuer, issuer agent, broker-dealer, broker-dealer agent, investment adviser, and/or investment adviser representative.
16. On February 1, 2011, the staff of the Colorado Division of Securities filed a Verified Petition for Order to Show Cause (“Colorado Petition”) against, among others, iPractice and Respondent Purcell (case number XY-11-CD-09). The Colorado Petition alleged, among other things, that Respondent Purcell offered unregistered and non-exempt securities.
17. On May 7, 2011, the Colorado Securities Commissioner entered into a Consent Cease and Desist Order (“Colorado Consent”) with, among others, iPractice and Respondent Purcell. The Colorado Consent ordered Respondent Purcell, among others, to cease and desist from engaging in acts in violation of Colorado securities laws.

Investor Information

18. As early as February 2012, InnoVest representatives “cold called” at least three Missouri residents and solicited an investment on behalf of Respondent InnoVest.
19. The Missouri investors were told InnoVest was a start-up company that was going to act as a “medium” or “go between” for entrepreneurs and potential investors.

20. When asked, Purcell told one Missouri resident that InnoVest purchases names of individuals to call and solicit investments.
21. From February 2012 through December 2012, at least six Missouri residents invested in InnoVest for a total of \$157,000 and have received zero return, to date. Four of the Missouri investors were over the age of 60 at the time of their investment.
22. All Missouri investors received Private Placement Memorandums (“PPM”) prior to investing with any Respondent. The PPMs stated among other things, the following:
 - a. the offerings were for accredited investors only; and
 - b. the securities offered would be sold in compliance with an exemption from registration under rule 506 of Regulation D.
23. All Missouri investors signed Subscription Agreements for their investments.
24. One Missouri resident, after reviewing InnoVest’s Subscription Agreement, asked an InnoVest representative about the accreditation requirement because the investor was not an accredited investor. The InnoVest representative told the investor that it did not matter if the person was an accredited investor or not.
25. From December 2013 through March 2014, one of the Missouri investors also invested a total of \$20,000 with WHYremote. That investor received a PPM prior to investing and signed a subscription agreement for all investments with Respondent WHYremote.

InnoVest Target Letter

26. During the course of the investigation, on August 29, 2012, the Enforcement section sent a written request for information to Respondents via their attorney, Hunter Durham, of the law firm Durham and Zornes located at 130 Public Square, Columbia, Kentucky 42728. The response from Mr. Durham contained and/or revealed the following:
 - a. InnoVest Club, Inc. is a Tennessee corporation formed on December 7, 2011. Purcell is the president and secretary of InnoVest;
 - b. “Inno Vest Club is a corporation which has members who will receive information about other companies that are starting up or making some initial offerings. These persons can also post on the web page various things they would like to do. The amount of their membership varies with the type of situation that they would like to have provided to them. For example, the company would help persons make management decisions, prepare for these companies business profiles, develop interest in products, provide for printing/equipment and all the necessary business knowledge or assistance to begin an operation.”;

- c. “This offering does not relate to memberships or the paying of memberships, but, in fact, is the ownership of this company.”;
 - d. “This is for accredited investors only”;
 - e. “The preferred stock offering is a Class "A" series offering which would be convertible into common shares under certain circumstances, does not have any voting rights, but does participate in receiving dividends equal to fifty (50%) percent of the profit of the company up to one hundred (100%) percent of their return of investments and then will be reset for twenty (20%) percent for the life of the company.”;
 - f. this is a “506 Regulation D offering.”;
 - g. “The offering is offered in place by officers and employees of InnoVest Club, Inc. and obtains its list of prospective persons generally from the memberships of people joining the Inno Vest Club and also from representations of individuals who desire to have this type of information provided to them so they can make decisions regarding these items.”;
 - h. “Also please be advised that there was filed with the state of Missouri within fifteen days of the first original sale in Missouri, an appropriate Form D and subsequent required documents along with the payment of fees in approximately February of 2012.”;
 - i. a copy of five different “Subscription agreements for preferred stock...” executed with residents of Missouri;
 - j. the total amount of money invested by Missouri residents is \$150,000;
 - k. the stock was sold to these Missouri residents by Colin Purcell, among others, who are all employees of InnoVest;
 - l. all of the Missouri investors had a previous business relationship with Colin Purcell and other members of the board of directors; and
 - m. there is only one bank account for InnoVest, located at US Bank in New Albany, Indiana, and Purcell is the only signatory for that account.
27. On or about May 9, 2013, a supplemental email from InnoVest’s attorney stated the following regarding InnoVest’s securities registration exemption:
- a. “The company would also qualify for the exemption providing for not more than 25 purchasers within 12 months under section 202(14) of the Uniform Securities Act which has been adopted by Mo. Securities Division. The other exemption available is the accredited investor exemption adopted from the SEC rules. Of

course the form d within the 15 days and payment of the fee should satisfy that exemption.”; and

- b. “However, I am sure that the investors in Mo. had already developed the relationship with some of the personnel and have received adequate information.”

WHYremote Target Letter

- 28. After learning one Missouri resident invested with WHYremote, the Enforcement Section sent a written request for information on December 15, 2015, to Purcell and WHYremote via their attorney, Hunter Durham, with the firm Durham and Zornes, located at 130 Public Square, Columbia, Kentucky 42728. The response from Mr. Durham contained and/or revealed the following:
 - a. Eric Stalker is the president of WHYremote, and Collin Purcell is the secretary and treasurer of WHYremote;
 - b. WHYremote’s principal place of business is located at 131 Maple Row Boulevard, Hendersonville, Tennessee 37075;
 - c. WHYremote has chosen to make their offering under a “506(B)” exemption and has met all of those qualifications;
 - d. no form of public solicitation for investors was ever used;
 - e. Stalker and Purcell own 45,000,000 shares each of the 100,000,000 shares being offered in WHYremote;
 - f. “The owners of the preferred shares Class A should be accredited investors.”;
 - g. WHYremote is still in its organizational state as it continues to develop its product;
 - h. only one Missouri resident has invested with WHYremote;
 - i. the Missouri resident invested twice, once on December 18, 2013, for \$10,000 and received 10,000 preferred Class A shares, and again on March 6, 2014, for \$10,000 and received another 10,000 preferred Class A shares; and
 - j. investor funds were deposited into US Bank account number ending in 4332 in Albany, Indiana.
- 29. A copy of WHYremote’s Private Placement Memorandum (“WHY PPM”) was submitted to the Enforcement Section as part of the investigation. The following was stated and/or contained in the WHY PPM:

- a. WHYremote is a Tennessee Corporation, which is developing a “voice and motion controlled remote technology”;
- b. “With WhyRemote’s© innovative and patent pending technology, the world is provided with a diverse hand gesture and voice control solution for a variety of platforms and applications.”;
- c. Stalker is the President, CEO, and Creative Director. Purcell is the Vice President and Director of Investor Relations. Purcell is also the President of InnoVest Club, Inc.;
- d. Stalker and Purcell are each 50% owners of WHYremote;
- e. “This offer is for accredited investors only, and the offering will terminate on the 15th of May, 2014, unless extended...”;
- f. this offering is for initial capitalization and has a high degree of risk;
- g. “The securities offered herein will be sold in compliance with an exemption from registration under regulation D (section 506 exemption) under the Securities act of 1933...”; and
- h. WHYremote’s last known address is 533 Church Street, Nashville, Tennessee 37219, and its phone number is 615-257-1824.

Bank Records

- 30. A review of multiple InnoVest and WHYremote bank account records revealed deposits of more than \$3.8 million from investors and other sources. The majority of transactions from these accounts involved the transfer of money to the accounts of other companies owned by Purcell, the transfer of money to the accounts of companies not owned by Purcell, and the use of funds for non-business related expenses.
- 31. On December 16, 2011, Purcell opened a business checking account, as “Colme” P. Purcell, in the name of InnoVest at US Bank, account number ending in 5174. Purcell is listed as the only signatory on the account.
- 32. The Enforcement Section reviewed InnoVest’s US Bank account number ending in 5174 records from December 16, 2011 to October 31, 2013. The review revealed among other things, the following:
 - a. deposits totaling \$1,864,789 from among others, the following sources:
 - i. \$157,000 from six Missouri investors;
 - ii. \$9,000 from two of Purcell’s personal checking accounts;

- iii. \$6,000 from WHYremote account number ending in 4332;
 - iv. \$20,480 from Gate 9, account number ending in 1725; and
 - v. \$46,100 from V2R account number ending in 1916;
- b. withdrawals/debits for among other things, the following:
 - i. 65 checks to three sales representatives of InnoVest for at least \$18,120;
 - ii. payments of more than \$15,500 to four credit cards, two of which are Purcell's personal credit cards, and the other two are unknown accounts;
 - iii. payments of more than \$788,000 to V2R; and
 - iv. payments of more than \$14,000 to Gate 9.
- 33. On May 8, 2013, Purcell opened a business checking account, as "Colme" P. Purcell, in the name of WHYremote at US Bank, account number ending in 4332. Purcell is listed as the only signatory on the account.
- 34. Purcell had two credit cards through US Bank. One credit card account was opened in the name of "Colme P. Purcell" and the second credit card account was opened in the name of "Colin P. Purcell". Both accounts had the same address of 1355 Bardstown Road, Louisville, Kentucky 40204.
- 35. On July 16, 2013. Stalker opened a business checking account in the name of WHYremote at US Bank, account number ending in 6787.
- 36. The address used on both US Bank business checking accounts for WHYremote was 533 Church Street, Suite 229, Nashville, Tennessee 37219-2319.
- 37. The Enforcement Section reviewed WHYremote's account number ending in 4332 from May 9, 2013 to April 30, 2015, when the account was closed. The review revealed among other things, the following:
 - a. deposits of at least \$1,291,000 from investors and among others, the following sources:
 - i. \$20,000 from one Missouri investor;
 - ii. at least 13 checks totaling \$13,000 from V2R, all with memo "Colin personal to WhyRemote";
 - iii. at least four checks totaling \$11,250 from V2R, all with memo "LOAN";

- iv. bank transfers from V2R totaling at least \$25,000; and
 - v. bank transfers from WHYremote account number ending in 6787, totaling \$26,000;
- b. withdrawals/debits for, among other things, the following:
- i. one bank transfer to V2R for at least \$588,000;
 - ii. one wire transfer to VVDN Technologies for \$10,000;
 - iii. at least 12 checks totaling \$63,400 to V2R;
 - iv. one bank transfer to InnoVest for \$6,000;
 - v. bank transfers to WHYremote account number ending in 6787, totaling at least \$32,000;
 - vi. at least 20 checks to WHYremote account number ending in 6787, totaling at least \$516,000; and
 - vii. one check to Gate 9 for \$5,500.
38. The Enforcement Section reviewed WHYremote's account ending in 6787 from July 17, 2013 to July 31, 2015, when the account was closed. The review revealed, among other things, the following:
- a. deposits of at least \$870,000 from investors and among others, the following sources:
 - i. \$20,000 from VVDN Technologies;
 - ii. at least nine checks from V2R totaling \$9,000, all with memo "Colin Personal to WhyRemote";
 - iii. bank transfers from WHYremote account number ending in 4332 totaling \$32,100; and
 - iv. checks from WHYremote account number ending in 4332 totaling at least \$516,000;
 - b. withdrawals/debits for among other things, the following:
 - i. bank transfers to WHYremote account number ending in 4332 for at least \$26,000;

- ii. counter withdrawals by Stalker totaling \$1,380;
 - iii. multiple debits that appear to be of a personal nature. The debits were not limited to, but included the following examples:
 - 1. 13 debits to Justine's Café in Westlake Village, California for more than \$300;
 - 2. eight debits to Fresh Brothers restaurant in Westlake Village, California for more than \$475;
 - 3. seven debits to multiple sushi restaurants for more than \$400;
 - 4. multiple debits to Albertsons for more than \$145;
 - 5. one debit to Coco Beach Tanning Salon in Simi Valley, California;
 - 6. debits at the following wakeboard/snow board/skate board clothing stores for more than \$650: Zumiez and Buywake.com;
 - 7. one PayPal debit for "sunglasses" for \$129;
 - 8. one debit to ToySheik.com for \$349; and
 - 9. one debit to BJ 's Automotive in Simi Valley, California for more than \$900.
39. On September 6, 2011, Purcell opened a business checking account, as "Colme" P. Purcell, in the name of V2R at US Bank, account number ending in 1916. Purcell is listed as the only signatory on the account. The address on the account is 533 Church Street, Suite 229, Nashville, Tennessee 37219.
40. The Enforcement Section reviewed V2R's account ending in 1916 from September 6, 2011 to September 30, 2015. The review revealed, among other things, the following:
- a. deposits totaling more than \$2,000,000 from among others, the following sources:
 - i. more than \$815,000 from InnoVest account number ending in 5174;
 - ii. more than \$194,000 from an iPractice account;
 - iii. more than \$650,000 from WHYremote account number ending in 4332;
 - iv. bank wires and checks from Southern Energy Group, Inc. totaling \$231,000;

- v. \$4,700 from Purcell's personal checking account; and
 - vi. \$25,000 from Gate 9;
- b. withdrawals/debits for among other things, the following:
- i. one wire transfer to VVDN Technologies for \$10,000;
 - ii. bank transfers to InnoVest account ending in 5174 totaling over \$81,000;
 - iii. bank transfers to WHYremote's account ending in 4332 totaling over \$24,000;
 - iv. payments to two credit cards in Purcell's name totaling over \$41,000;
 - v. payments to seven other unknown credit cards total over \$200,000;
 - vi. three payments to BMW Financial for \$1,497;
 - vii. payments to Wells Fargo Home Mortgage totaling over \$8,000;
 - viii. at least nine checks to Gate 9 totaling over \$26,000; and
 - ix. 14 checks to two InnoVest sales representatives for at least \$16,210.

Other Findings

41. According to a March 31, 2015 news report, a warrant was issued for Colin P. Purcell (also known as Colme Purcell) along with 14 others, in Floyd County, Indiana for 32 charges. There were 11 counts of corrupt business influence and 21 counts of securities fraud. The securities fraud scheme was conducted over nine states, involved nine victims, and involved the opening and closing of dozens of different companies. According to the report, at least \$750,000 was stolen.
42. On or about August 10, 2017, Respondent Purcell, among others, was indicted by the Southern District of Georgia United States Attorney's Office under acting United States Attorney James D. Durham; case number 4:17-CR-00197. The indictment states that Respondent Purcell was a sales person with Southern Energy. Respondent Purcell was arrested by agents of the United States Secret Service for allegations regarding a conspiracy to commit wire fraud and mail fraud in connection with a \$15 million oil investment Ponzi scheme.

InnoVest Regulation D Filings

43. On January 10, 2012, InnoVest, through Respondent Purcell, filed a notice of exempt offering of securities (“Form D”) with the SEC claiming rule 506 of Regulation D for the sale of InnoVest class “A” preferred stock.
44. On February 23, 2012, InnoVest notice-filed with the Missouri Securities Division for the sale of its class “A” stock.
45. On December 3, 2012, InnoVest, through its attorney, Hunter Durham, notified the Missouri Securities Division that its private placement offering was completed and five Missouri residents purchased InnoVest shares for a combined total of \$150,000.
46. On December 11, 2012, InnoVest, through its attorney, Hunter Durham, filed a Form D with the SEC claiming rule 506 of Regulation D for the sale of InnoVest class “B” preferred stock.
47. On December 24, 2012, InnoVest, through its attorney, Hunter Durham, notice-filed with the Missouri Securities Division for the sale of its class “B” stock.

WHYremote Regulation D Filings

48. On May 8, 2013, WHYremote, through its attorney, Hunter Durham, filed a new Form D with the SEC claiming rule 506 of Regulation D for the sale of WHYremote Stock. The document lists both Purcell and Stalker as the Executive Officer, Director, and Promoter.
49. On May 9, 2013, WHYremote, through its attorney, Hunter Durham, filed an amended Form D with the SEC claiming rule 506 of Regulation D for the sale of WHYremote stock.
50. On July 24, 2013, WHYremote, through its attorney, Hunter Durham, filed an amended Form D with the SEC claiming rule 506 of Regulation D for the sale of WHYremote Stock.
51. On January 17, 2014, WHYremote, notice-filed a Rule 506 Reg D offering with the Missouri Securities Division.

II. COMMISSIONER’S DETERMINATIONS AND FINDINGS

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

52. **THE COMMISSIONER DETERMINES** that Respondents InnoVest and Purcell offered and sold unregistered, non-exempt securities in the state of Missouri, by, among other things:
 - a. soliciting Missouri investors to invest in InnoVest;

- b. receiving funds from Missouri investors for InnoVest;
 - c. providing subscription agreements and private placement memorandum regarding the stock, returns, and percentages of interest on the investments;
 - d. promising returns on the investments that were dependent upon the efforts of others and not on the efforts of the Missouri investors; and
 - e. pooling Missouri investors' funds with funds of other investors.
53. These activities constitute an offer and/or sale as those terms are defined in Section 409.1-102(26) RSMo (2016).³
54. The investments that Respondents InnoVest and Purcell offered and/or sold constitute securities as that term is defined in Section 409.1-102(28).
55. At all times relevant to this matter, there was no registration, and Respondents InnoVest and Purcell failed to meet the claimed exemption for the securities they offered and sold. Respondents InnoVest and Purcell failed to meet their claimed exemption due to, among other things:
- a. general solicitation of investors; and
 - b. at least one investor was told they did not have to be accredited to invest with Respondent InnoVest.
56. Respondents InnoVest and Purcell offered and sold securities in Missouri without these securities being (1) federal covered, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.
57. At the time Respondents InnoVest and Purcell engaged in the conduct set forth above, some of the investors were more than 60 years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
58. Respondents InnoVest and Purcell's conduct in violation of Section 409.3-301 constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Transacting Business as an Unregistered Agent

59. **THE COMMISSIONER FURTHER DETERMINES** that Respondent Purcell transacted business as an unregistered agent in the state of Missouri.

³ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

60. Respondent Purcell offered and/or sold securities to Missouri investors on behalf of Respondent InnoVest.
61. These activities constitute transacting business in the state of Missouri under Section 409.1-102(1).
62. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent Purcell was not registered as an agent in the state of Missouri.
63. At the time Respondent Purcell engaged in the conduct set forth above, some of the investors were more than 60 years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
64. Respondent Purcell's conduct in violation of Section 409.4-402(a) constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Employing an Unregistered Agent

65. **THE COMMISSIONER FURTHER DETERMINES** that Respondent InnoVest employed and/or associated with an unregistered agent in the state of Missouri.
66. Respondent InnoVest employed Respondent Purcell who offered and sold securities to Missouri investors on behalf of InnoVest.
67. Respondent InnoVest's activities constitute employing and/or associating with an agent in the state of Missouri under Section 409.4-402(d).
68. A check of the records maintained by the Commissioner indicates that at all times relevant to this matter, Respondent InnoVest had no registration or granted exemption for any agents to transact business in the state of Missouri.
69. At the time Respondent InnoVest engaged in the conduct set forth above, some of the investors were more than 60 years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
70. Respondent InnoVest's conduct in violation of Section 409.4-402(d) constitutes an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

Multiple Violations of Making an Untrue Statement, Omitting to State Material Facts or 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

71. **THE COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of a security, Respondents made untrue statements of material fact or

omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:

- a. Respondents InnoVest and Purcell failed to inform investors that they were not registered to offer or sell securities in the state of Missouri;
 - b. Respondents InnoVest and Purcell informed at least one Missouri resident that it did not matter if the person was an accredited investor;
 - c. Respondents failed to inform the majority of investors of Purcell's prior regulatory history;
 - d. Respondents failed to inform the majority of investors of the Oklahoma Petition and Oklahoma Consent issued by the state of Oklahoma in October 2007
 - e. Respondents failed to inform the majority of investors of the Colorado Order and Colorado Consent issued by the state of Colorado in March 2011; and
 - f. Respondents failed to inform investors that some funds would be used for personal expenses.
72. At the time Respondents engaged in the conduct set forth above, some of the investors were more than 60 years-old and were elderly persons as that term is defined under Section 409.6-604(d)(3)(B).
73. Respondents made untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading or 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,
74. Respondents' conduct in violation of Section 409.5-501 constitutes engaging 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.
75. This Order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. *See* Section 409.6-605(b).

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 be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301 by offering and selling unregistered, non-exempt securities;
- B. Section 409.4-402(a) by transacting business as an unregistered agent;
- C. Section 409.4-402(d) by employing an unregistered agent; and
- D. Section 409.5-501 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, the Commissioner hereby states that he will determine whether to grant the Enforcement Section's requests for:

- A. \$15,000 civil penalty against Respondents InnoVest and Purcell for multiple violations of Section 409.3-301, when at least one of these violations was committed against an elderly person;
- B. \$15,000 civil penalty against Respondent Purcell for multiple violations of Section 409.4-402(a), when at least one of these violations was committed against an elderly person;
- C. \$15,000 civil penalty against Respondent InnoVest for multiple violations of Section 409.4-402(d), when at least one of the violations was committed against an elderly person;
- D. \$15,000 civil penalty against each Respondent for multiple violations of Section 409.5-501, when at least one of these violations was committed against an elderly person;
- E. an order against Respondents to pay restitution in an amount of \$177,000 or more for any loss, including the amount of any actual damages that may have been caused by the conduct, and interest at the rate of 8% per year from the date of the violation causing the loss or disgorge any profits arising from the violation of Sections 409.3-301, 409.4-402, and 409.5-501, in a final order, unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed; and
- F. an order against Respondents, jointly and severally, to pay the costs of the investigation 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 28th DAY OF AUGUST, 2017.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, reading "David M. Minnick".

DAVID M. MINNICK
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
INNOVEST CLUB, INC.; WHYREMOTE, INC.;)
AND COLIN P. PURCELL,) Case No.: AP-17-22
)
Respondents.)
)
Serve:)
)
InnoVest Club, Inc.)
131 Maple Row Blvd., Suite 516)
Hendersonville, Tennessee 37075)
)
WHYremote, Inc.)
131 Maple Row Blvd., Suite 516)
Hendersonville, Tennessee 37075)
)
and)
)
Colin P. Purcell)
c/o Hunter Durham)
130 Public Square)
Columbia, Kentucky 42728)

NOTICE

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

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to Section 409.6-604(b), RSMo (2016), and 15 CSR 30-55.020. Any request for a hearing before the Commissioner must contain:

- a. a brief statement of the facts;
- b. a summary of the factual and legal issues involved;
- c. a request for relief;
- d. suggestions in support of the relief sought, including the relevant statutes;
- e. the name of the party requesting the hearing; and

f. the name of the attorney representing the party, if any.

Within fifteen (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:

David M. Minnick, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri, 65101

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of August, 2017, a copy of the foregoing 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 and regular U.S. Mail to:**

InnoVest Club, Inc.
131 Maple Row Blvd., Suite 516
Hendersonville, Tennessee 37075

WHYremote, Inc.
131 Maple Row Blvd., Suite 516
Hendersonville, Tennessee 37075

and

Colin P. Purcell
c/o Hunter Durham
130 Public Square
Columbia, Kentucky 42728

and by hand delivery to:

Saundra J. McDowell
Director of Enforcement
Securities Division
Missouri Secretary of State



Tyler B. McCormick
Chief Counsel
600 West Main Street
Jefferson City, Missouri 65101
Telephone: (573) 751-4136
Facsimile: (573) 526-3124