



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
AKBAR & ASSOCIATES LEGAL)
CORP.; INTEGRITY BENEFITS) Case No.: AP-17-25
SOLUTION CORP.; and)
MALIK AKBAR,)
)
Respondents.)
)
Serve:)
)
Akbar & Associates Legal Corp.)
7101 West 12th Street, Suite 200A)
Little Rock, Arkansas 72204)
)
Integrity Benefits Solution Corp.)
2004 South Pine Street)
Little Rock, Arkansas 72204)
)
Malik Akbar)
1821 Simpson Street)
Little Rock, Arkansas 72206-3637)
)
and via email:)
)
akbarandassociateslegal@gmail.com)

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

On September 20, 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:

The Petition alleges the following facts:

I. SUMMARY OF ALLEGATIONS

1. An Arkansas resident, identified as Malik Akbar (“Akbar”), through Akbar’s business, Akbar & Associates Legal Corp. (“A&ALC”), offered and sold unregistered, non-exempt securities, specifically investment contracts, to at least two elderly Missouri investors, from March 28, 2017, to May 8, 2017. To date, Akbar has not sent the Missouri investors any fully executed documents pertaining to the investments and the Missouri investors have received no returns on the investments. At some point, A&ALC purportedly changed its business name to Integrity Benefits Solution Corp. (“IBSC”). Prior to the offer and/or sale of securities, Akbar failed to disclose to the investors, among other things, Akbar’s 2003 conviction for Tax Fraud in the U.S. District Court for the Eastern District of Arkansas along with his subsequent sentence of 18 months in prison. In addition, Akbar failed to disclose Akbar’s 2008 conviction for Fraud in the same court and subsequent prison sentence of 24 months along with an order to pay \$49,117.25 in restitution.

II. ALLEGATIONS OF FACT

A. Respondents

2. A&ALC is purportedly operated by Akbar from the state of Arkansas at the address 7101 West 12th Street, Suite 200A, Little Rock, Arkansas 72204. It appears no business registration was filed for A&ALC in Arkansas, or any other state. A&ALC is purportedly in the business of, among other things, marketing scholarships and benefits for churches and other community causes and/or organizations. 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 A&ALC.
3. IBSC is a business organized in the state of Arkansas on November 26, 2012, with an address at 2004 South Pine Street, Little Rock, Arkansas 72204. Akbar is listed as the Incorporator/Organizer and President. 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 IBSC.
4. Akbar is a 50 year-old Arkansas resident with a last known address at 1821 Simpson Street, Little Rock, Arkansas 72206-3637. A check of the Central Registration Depository (“CRD”) indicates that Akbar has never been registered as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, and/or issuer agent.

B. Enforcement Section's Investigation

5. On or about July 28, 2017, the Enforcement Section opened an investigation on A&ALC, IBSC, and Akbar after receiving a complaint from a 75 year-old Washington, Missouri resident ("MR") who said, among other things:
 - a. in or around March 2017, a friend of MR's, who resides in the state of Pennsylvania, told MR about the friend's investment in A&ALC with Akbar;
 - b. MR called A&ALC and inquired about investing in A&ALC. The individual representing A&ALC mailed documents to MR that included:
 - i. an "Affiliate Agent Agreement" that stated in the "Compensation" section, among other things, the "Company shall pay to Affiliate an Affiliate fee in the amount set forth in Exhibit A based on gross amount collected by the Company from each qualified referral Client from the Affiliate who purchases Company benefit packages. A qualified Client is defined as any person or entity referred to Company by the Affiliate and converted into an investor.";
 - ii. paperwork from A&ALC that stated a "One time purchase fee of \$2500 has a payout of \$6000 yearly or \$500 monthly.";
 - iii. an "AUTHORIZATION FORM" that authorized A&ALC "and it's Agents to Market Business Transactions on my behalf. I also understand that I will receive 15% to 30% of my Finances on a monthly basis.";
 - iv. a blank "Promissory Note (Installment Repayment)" that indicated the date, principal investment amount, and interest to be paid; and
 - v. documents that referred to Akbar as a "Financial Consultant Professional" in addition to Akbar and A&ALC's business card that stated, among other things, "Get Real Money On Your Investment.";
 - c. MR made a \$2,500 investment in A&ALC via MR's Discover credit card on March 28, 2017;
 - d. on or about May 8, 2017, MR made a second \$2,500 investment in A&ALC via a check payable to A&ALC. MR said this investment was made on behalf of MR's 76 year-old spouse;
 - e. MR signed documents received from A&ALC and mailed them back to A&ALC. A&ALC never mailed the fully executed documents back to MR. MR called A&ALC to inquire when to expect the fully executed documents. The person MR talked to representing A&ALC told MR the fully executed documents had been mailed;

- f. to date, MR has not received the executed documents or any returns from the investments. MR also learned from MR's friend in Pennsylvania that MR's friend had not received any returns on MR's friend's investment in A&ALC. MR's friend also told MR that others who had invested with A&ALC hadn't received any returns either; and
- g. sometime in May 2017, MR called A&ALC and talked to someone at the "front desk." That person told MR that A&ALC's bank account had been frozen by the FBI, and that the business changed its name to "Integrity Benefits Solutions."

C. Enforcement Section Letter to Respondents

- 6. On August 2, 2017, the Enforcement Section sent, via U.S. Certified Mail and email to akbarandassociateslegal@gmail.com, a letter to A&ALC, IBSC, and Akbar requesting, among other things:
 - a. a copy of A&ALC's Articles of Incorporation and by-laws;
 - b. a list of all Missouri investors in A&ALC and/or IBSC from November 1, 2012, to present;
 - c. copies of all documents provided to or signed by Missouri investors;
 - d. any claim of exemption from registration or exception from the definition of a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative, upon which A&ALC, IBSC, and/or Akbar are relying to transact business regarding securities in Missouri; and
 - e. any claim of exemption from registration or exception from definition of a security upon which A&ALC, IBSC, and/or Akbar are relying to sell securities in or from Missouri.
- 7. Within minutes of emailing the letter, Akbar called the Enforcement Section, acknowledged receipt of the letter, and stated, among other things, the following:
 - a. MR had invested a total of \$5,000;
 - b. in or around May 2017, a now-former A&ALC employee compromised A&ALC's computer system by stealing the identities of A&ALC's investors. This incident caused A&ALC's bank account to be frozen by law enforcement agencies investigating the matter. This is why no funds are being paid out to investors;
 - c. prior to A&ALC's bank account being frozen, MR and MR's spouse were to receive \$750 per month for one year or 20% of each investment;

- d. Akbar is telling investors to dispute credit card charges to their credit card companies, and Akbar would assist investors in this effort;
 - e. A&ALC's business operations will cease and will be continued under IBSC;
 - f. in response to a question on what the business does, Akbar stated that the business provides services related to scholarships and benefit funds for churches and other organizations and community causes. The business makes a profit by its marketing efforts. Akbar gave a recent example of how the business operates when it marketed for a basketball tournament. The business received \$30,000 and paid out \$5,000 to the winner of the tournament. The business earned \$25,000 through its marketing efforts;
 - g. some funds are invested to receive "dividends" but Akbar could not recall where the funds are/were invested; and
 - h. he would provide a written response to the Enforcement Section in addition to the documents requested.
8. After three weeks of not receiving a response from Akbar, the Enforcement Section emailed Akbar on August 24, 2017, to inquire if Akbar intended to respond to the Enforcement Section's request for information. Akbar responded back via email and said he had been in the hospital and released the previous day. Again, Akbar indicated he would provide the information requested. To date, Akbar has failed to provide the information requested by the Enforcement Section.

D. Additional Findings

9. Prior to the offer and/or sale of securities, A&ALC, IBSC, and Akbar failed to disclose, among other things, that:
- a. Akbar pled guilty to Income Tax Fraud in the U.S. District Court for the Eastern District of Arkansas in 2003 and was sentenced to 18 months in prison;
 - b. Akbar pled guilty to Fraud in the U.S. District Court for the Eastern District of Arkansas in 2008, was sentenced to 24 months in prison, and was ordered to pay \$49,117.25 in restitution;
 - c. A&ALC was operating without a business registration;
 - d. the securities offered and/or sold by A&ALC and/or IBSC were not registered or exempt from registration; and
 - e. Akbar was not registered to offer and/or sell securities.

III. COMMISSIONER'S DETERMINATIONS AND FINDINGS

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

10. **THE COMMISSIONER DETERMINES** that Respondents offered and sold unregistered, non-exempt securities in the state of Missouri by, among other things:
 - a. mailing documents to MR to invest in marketing business transactions through A&ALC and/or IBSC;
 - b. receiving funds to invest from MR;
 - c. providing information to MR that A&ALC and/or IBSC mailed fully executed documents to MR for MR and MR's spouse's investments; and
 - d. promising a return on MR and MR's spouse's investments that was dependent upon the efforts of others and not on the efforts of MR or MR's spouse.
11. These activities constitute an offer and sale as those terms are defined in Section 409.1-102(26), RSMo. (2016).¹
12. The investments that Respondents offered and sold constitute securities as that term is defined in Section 409.1-102(28).
13. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a "federal covered security" for the securities offered and sold by Respondents.
14. Respondents offered and sold securities in Missouri without the securities being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003.
15. At the time Respondents engaged in the conduct set forth above, both MR and MR's spouse were more than 60 years-old and were each considered an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
16. Respondents' 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

17. **THE COMMISSIONER FURTHER DETERMINES** that Akbar transacted business as an unregistered agent in the state of Missouri.

¹ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

18. Akbar was a representative of A&ALC and/or IBSC.
19. Akbar offered and/or sold securities to an investor in and/or from Missouri on behalf of A&ALC and/or IBSC by, among other things, offering and/or selling investments to MR and MR's spouse.
20. This activity constitutes transacting business in the state of Missouri under Section 409.1-102(1).
21. At all times relevant to this matter, Akbar was not registered as a securities agent in the state of Missouri.
22. At the time Akbar engaged in the conduct set forth above, both MR and MR's spouse were more than 60 years-old and were each considered an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
23. Akbar transacted business in Missouri by offering and/or selling securities without being registered or exempt from registration as an agent in violation of Section 409.4-402(a).
24. Akbar's conduct in violation of 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

25. **THE COMMISSIONER FURTHER DETERMINES** that A&ALC and IBSC employed and/or associated with an unregistered agent in the state of Missouri.
26. A&ALC and IBSC employed Akbar, who offered and sold securities on behalf of A&ALC and/or IBSC.
27. A&ALC and IBSC's activities constitute employing and/or associating with an agent in the state of Missouri under Section 409.4-402(d).
28. At all times relevant to this matter, A&ALC and IBSC had no registration or granted exemption for any agents of A&ALC and IBSC to transact business in the state of Missouri.
29. A&ALC and IBSC employed and/or associated with Akbar, who transacted business in Missouri as an agent without being registered or exempt from registration as an agent, in violation of Section 409.4-402(d).
30. At the time Respondents engaged in the conduct set forth above, both MR and MR's spouse were more than 60 years-old and were each considered an elderly person as that term is defined under Section 409.6-604(d)(3)(B).

31. A&ALC and IBSC'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 Securities

32. **THE COMMISSIONER FURTHER DETERMINES** that in connection with the offer, sale or purchase of securities, Akbar, on behalf of A&ALC and/or IBSC, made untrue statements or omitted to state to MR 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, telling MR that:
- a. MR and MR's spouse would receive 15% to 30% return on MR and MR's spouse's investments for investing with A&ALC and/or IBSC regarding marketing business transactions;
 - b. a one-time purchase fee of \$2,500 had a payout of \$6,000 yearly or \$500 monthly; and
 - c. Akbar was a "Financial Consultant Professional".
33. These statements, in light of the circumstances under which they were made, were misleading statements because Akbar, on behalf of A&ALC and/or IBSC, omitted to disclose the following material facts that could impact the return and the viability of MR and MR's spouse's investments:
- a. that A&ALC was operating without a business registration;
 - b. that Akbar, A&ALC, and IBSC were not registered to offer and/or sell securities in Missouri;
 - c. that the investments offered and sold to MR and MR's spouse were not registered or exempt from registration in Missouri;
 - d. that Akbar pled guilty to Income Tax Fraud in the U.S. District Court for the Eastern District of Arkansas in 2003 and was sentenced to 18 months in prison; and
 - e. that Akbar pled guilty to Fraud in the U.S. District Court for the Eastern District of Arkansas in 2008 and was sentenced to 24 months in prison and ordered to pay \$49,117.25 in restitution.
34. MR and MR's spouse invested a total of approximately \$5,000 in A&ALC and/or IBSC

with MR and MR's spouse receiving no returns on their investments.

35. At the time Respondents engaged in this conduct, both MR and MR's spouse were more than 60 years-old and were each considered an elderly person as that term is defined under Section 409.6-604(d)(3)(B).
36. 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, and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.
37. 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).

IV. 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 or selling any securities as defined by Section 409.1-102(28), in the state of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. 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.

V. 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 each Respondent 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 Akbar 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 each A&ALC and IBSC for multiple violations of Section 409.4-402(d), when at least one of these 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 \$5,000 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, 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 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 2d DAY OF OCTOBER, 2017.

JOHN R. ASHCROFT
SECRETARY OF STATE


DAVID M. MINNICK
COMMISSIONER OF SECURITIES





STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

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akbarandassociateslegal@gmail.com)

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, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of October, 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 to:**

Akbar & Associates Legal Corp.
7101 West 12th Street, Suite 200A
Little Rock, Arkansas 72204

Integrity Benefits Solution Corp.
2004 South Pine Street
Little Rock, Arkansas 72204

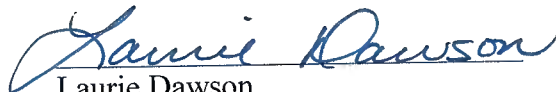
Malik Akbar
1821 Simpson Street
Little Rock, Arkansas 72206-3637

and via email to:

akbarandassociateslegal@gmail.com

and by hand-delivery and email to:

Saundra J. McDowell
Director of Enforcement
Missouri Securities Division
Saundra.McDowell@sos.mo.gov


Laurie Dawson
Securities Office Manager