

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)	
TODD C. SMITH,)	
TODD C. SMITH doing business as)	
RETIREMENT PLANNING SERVICES,)	FILE NO. 1000302
TRAVIS OLIVER,)	
BRUCE HONGSERMEIER, and)	
ELECTUS ASSET HOLDINGS LLC,)	
its managers, officers, affiliates, subsidiaries, representatives,)	
successors, and assigns.)	

CONSENT ORDER OF PROHIBITION

TO RESPONDENTS:

**Todd C. Smith
8239 Tetterhall Lane
Machesney Park, Illinois 61115**

**Retirement Planning Services
Todd C. Smith
6957 Old Creek Road, Suite 2300
Rockford, Illinois 61114**

WHEREAS, Respondents Todd C. Smith ("Smith") and Retirement Planning Services ("Retirement Planning"), by and through his duly authorized representative, on the 27th day of August, 2013 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents Smith and Retirement Planning have admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, Respondents Smith and Retirement Planning acknowledge and admit that the following allegations are true and shall be adopted as the Secretary of State's Findings of Fact:

1. Respondent Todd C. Smith ("Smith") is a natural person and a registered Insurance Producer in the state of Illinois with a last known address of 8239 Tetterhall Lane, Machesney Park, Illinois 61115.
2. Respondent Smith also does business as Retirement Planning Services, ("Retirement Planning") which is an unregistered entity controlled by Smith.
3. Respondent Smith met with potential investors at their home or his office where he discussed, among other things, investing in Electus Asset which Smith purported to be a safe promissory note with a guaranteed fixed return.
4. In or around 2009 to 2010, Respondent Smith offered and sold to multiple Illinois Investors ("Investors") promissory notes in Electus Asset in which the Investors were guaranteed a 12% annual interest rate on the principal amount invested. The Investors, retired senior citizens, invested a combined total of approximately one million dollars in Electus Asset
5. Respondent Smith is not licensed to offer and/or sell securities in the state of Illinois nor is he allowed to give financial advice for a direct or indirect commission.
6. Respondents' activities described above involve the offer and sale of a promissory notes and/or investment contracts as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS] (the "Act").
7. Respondent Smith primarily dealt with raising money from Investors and directing the Investors to make the checks out to Respondent Electus Asset.
8. The checks were sent to the President of Respondent Electus Asset, Respondent Oliver, who oversaw and managed all of the Investor's funds.
9. Respondent Oliver indorsed and deposited the Investor's checks in Respondent Electus Asset's Bank of America checking account.
 - a Respondent Oliver wired a portion of the funds to Respondent Smith which totaled approximately \$50,000 to \$60,000 00.
 - b. Respondent Oliver used a portion of the funds to pay off previous investors who invested in Diversified Liquid Asset Holdings, LLC, ("Diversified Liquid") a separate and distinct legal entity from Respondent Electus Asset. In October 2010, the Illinois Department of Securities entered a permanent Order of Prohibition against Respondent Oliver and Diversified Liquid for fraud in the offer and sale of a security; and

- c. Respondent Oliver wired a portion of the funds to Respondent Hongsermeir who kept a portion for his own personal use and invested the rest of the funds in a separate legal entity, Cash Flow Financial Club ("CFF Club"). In March 2011, the United States Commodity Futures Trades Commission filed a complaint against the CFF Club alleging that from at least November 2007 through the present, Defendants fraudulently solicited and accepted at least \$45 million from more than 600 individuals and entities to participate in a commodity pool to trade commodity futures contracts and securities.
10. At all relevant times, Respondent Smith did not inform Investors that their investment funds in Respondent Electus Asset would be converted in the manner identified above.
11. Respondent Smith conducted inadequate due diligence in evaluating the financial strength and competency of Respondent Electus Asset before recommending Investors to invest in Electus Asset
12. To date, almost all of the Investors have not received the principal invested in Respondent Electus Asset nor any return on said investment plan
13. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
14. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
15. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
16. At all relevant times, Respondent Smith failed to file an application for registration as an investment adviser representative with the Illinois Secretary of State.
17. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
18. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
19. By virtue of the foregoing, Respondent Smith violated Sections 8, 12.C and 12.D of the Act

WHEREAS, by means of the Stipulation, Respondents Smith and Retirement Planning acknowledge and admit that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. The Respondents have violated Section 8, 12.C, 12.D, and 12 F of the Act;
3. The Illinois Securities Department finds the following relief appropriate and in the public interest.

WHEREAS, by means of the Stipulation, the Respondents have acknowledged that the Findings of Fact and Conclusions of Law in this Consent Order are intended to be a final determination of the issues in this case and Respondent Smith, both personally and as Respondent Retirement Planning, agrees that he shall be estopped from making arguments contrary to the Findings of Fact and Conclusions of Law in any other legal proceeding(s).

WHEREAS, by means of the Stipulation, Respondents Smith and Retirement Planning have admitted to the personal jurisdiction and subject matter jurisdiction of the Secretary of State, Securities Department, and have consented to the entry of this Consent Order.

WHEREAS, Respondents Smith and Retirement Planning are permanently prohibited from offering and/or selling securities in or from the state of Illinois.

WHEREAS, by means of the Stipulation, Respondent Smith and Retirement Planning acknowledges and agrees that he is permanently prohibited from engaging in the business of offering investment advice for compensation, directly or indirectly, regarding the advisability of investing in, purchasing or selling securities in or from the state of Illinois.

WHEREAS, by means of the Stipulation, Respondent Smith and Retirement Planning acknowledges and agrees that he is permanently prohibited from securing any position of employment, management, or control (either directly or indirectly) of any entity engaged in the business of an Investment Adviser.

WHEREAS, by means of the Stipulation, Respondent Smith and Retirement Planning acknowledges and agrees that any current and future letterhead, Presentation and Promotional Materials, e-mail contact information, and Asset Protection Associates' website will be revised to include the following designation: "LICENSED INSURANCE SALES PRODUCER."

WHEREAS, by means of the Stipulation, Respondent Smith and Retirement Planning acknowledges and agrees to revise any current and future Presentation and Promotional Material to include the following:

"I AM ONLY LICENSED TO SELL INSURANCE PRODUCTS. ANY ADVICE OR SUGGESTIONS I MAY GIVE YOU RELATE ONLY TO INSURANCE PRODUCTS IF YOU WILL NEED TO SELL, OR

ARE CONSIDERING THE SALE OF, OR ARE IN NEED OF ADVICE REGARDING THE SALE OF, ANY SECURITIES IN ORDER TO HAVE FUNDS TO PURCHASE THE INSURANCE PRODUCT(S) THAT I MAY RECOMMEND, YOU WILL NEED TO DO SO INDEPENDENTLY."

With respect to any current and future Presentation and Promotional Material that is sent or distributed by the Respondent in connection with a meeting, any current and future Presentation and Promotional Material will also include the following "THE PRODUCT THAT WILL BE DISCUSSED AT THIS MEETING WILL BE LIMITED TO INSURANCE PRODUCTS AND OTHER NON-SECURITIES INVESTMENT OPPORTUNITIES "

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent Smith and Retirement Planning is permanently prohibited from engaging in the business of offering and/or selling securities in or from the state of Illinois.
2. Respondent Smith and Retirement Planning is permanently prohibited from engaging in the business of offering investment advice for compensation, directly or indirectly, regarding the advisability of investing in, purchasing or selling securities in or from the state of Illinois.
3. Respondent Smith and Retirement Planning are permanently prohibited from securing any position of employment, management, or control (either directly or indirectly) of any entity engaged in the business of an Investment Adviser.
4. Respondent Smith and Retirement Planning shall revise any current and future letterhead, Presentation and Promotional Materials, e-mail contact information, and Asset Protection Associates' website to include the following designation: "LICENSED INSURANCE SALES PRODUCER."
5. Respondent Smith and Retirement Planning shall revise any current and future Presentation and Promotional Material to include the following

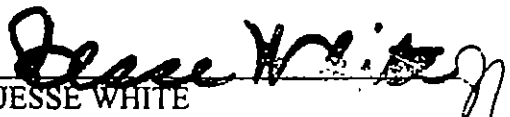
"I AM ONLY LICENSED TO SELL INSURANCE PRODUCTS ANY ADVICE OR SUGGESTIONS I MAY GIVE YOU RELATE ONLY TO INSURANCE PRODUCTS IF YOU WILL NEED TO SELL, OR ARE CONSIDERING THE SALE OF, OR ARE IN NEED OF ADVICE REGARDING THE SALE OF, ANY SECURITIES IN ORDER TO HAVE FUNDS TO PURCHASE THE INSURANCE PRODUCT(S) THAT I MAY RECOMMEND, YOU WILL NEED TO DO SO INDEPENDENTLY.

With respect to any current and future Presentation and Promotional Material that is sent or distributed by the Respondent in connection with a meeting, any current and future Presentation and Promotional Material will also include the following "THE PRODUCT THAT WILL BE DISCUSSED AT THIS MEETING WILL BE LIMITED TO INSURANCE PRODUCTS AND OTHER NON-SECURITIES INVESTMENT OPPORTUNITIES."

6. The Notice of Hearing dated July 31, 2010, as it relates to Respondent Smith and Retirement Planning will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Consent Order.

7. The entry of this Order ends the Secretary of State Securities Department's formal hearing of this matter.

Entered: This 29th day of August, 2013.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12 D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order shall be guilty of a Class 4 Felony.

Attorneys for the Secretary of State:
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