

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: )

Delores J. Mosier, DJ Mosier & Associates, Inc. )

DJ Mosier Financial Services, Inc. )

DLR Development, LLC )

DLR (CAN), LLC )

its managers, officers, )

affiliates, subsidiaries, representatives, successors, and assigns. )

FILE NO. 12-00339

CONSENT ORDER OF PROHIBITION

TO RESPONDENT:

Delores J. Mosier's CRD:  
3003 N. US HWY 35  
P. O. BOX 1447  
LAPORTE, IN 46352

D.J. Mosier and Associate, Inc.  
520 N. KINGSBURY, #3408  
CHICAGO, IL 60654, United States

DJ. Mosier Financial Services, Inc.  
P.O.Box 160  
LaPorte, IN 46352

DLR Development, LLC  
501 N. Clinton, Suite 4303  
Chicago, IL 60610

DLR Development, LLC  
P.O. Box 160  
LaPorte, IN 46352

DLR (CAN) LLC  
P.O. Box 160  
LaPorte, IN 46352

WHEREAS, Delores J. Mosier, ("Mosier"), D.J. Mosier and Associates, Inc., ("Mosier Associates") D.J. Mosier Financial Services, Inc., ("Mosier Financial") DLR Development, LLC, ("DLR") DLR (CAN) LLC, ("DLR" CAN) collectively referred to as ("Respondents") by and through his duly authorized representative, on the 6th day of September, 2016 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

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

1. Respondent Delores J. Mosier ("Mosier") is a natural person with a last known address of 3003 N. US HWY 35 P. O. Box 1447, LaPorte, IN 46352. Respondent Mosier was licensed to offer and sell securities in the state of Illinois from 1986 through 2010.
2. DJ Mosier and Associates, Inc. ("DJ Mosier Associates") was registered as a dealer with the Illinois Securities Department, Secretary of State from July 1999 to December 2010. Delores J. Mosier served as the chairman, president and CCO of DJ Mosier and Associates, Inc. The last known address is 520 N. Kingsbury, #3408, Chicago, IL 60654, United States.
3. DJ Mosier Financial Services Inc. ("DJ Mosier Financial") is an unregistered entity with a last known address of P.O. Box 160 La Porte, IN 46352. Respondent Mosier is listed as a signatory on the bank account for Respondent DJ Mosier Financial.
4. DLR Development, LLC ("DLR") was a registered limited liability company in the state of Illinois as of May 7, 2004. Subsequently, the registration was withdrawn on April 20, 2005. The address listed on the bank account is P.O. Box 160, LaPorte, IN 46352. The address listed on the LLC File Detail Report for Respondent DLR was 501 N. Clinton, Suite 3403, Chicago, IL 60610. Respondent Mosier is listed as the agent of DLR and a signatory on the checking accounts.
5. DLR ("CAN") LLC is an unregistered entity with a last known address of P.O. Box 160, LaPorte, IN 46352. The address listed on the Chicago Anticipatory Notes ("CANS") for Delores J. Mosier was 60 W. Randolph Street, Suite 237, Chicago, IL 60601. Respondent Mosier set up a bank account in the name of DLR ("CAN") LLC and acted as a signatory on the account.

6. On May 5, 2016, Respondent Mosier admitted in a plea agreement to one count of mail fraud and one count of wire fraud. Respondent Mosier further admitted that she advised her client-victims to purchase purported short term, one-year, debt securities issued by the City of Chicago called "Chicago Anticipatory Notes," knowing that no such notes existed. Respondent Mosier faces up to 20 years in prison or a fine up to \$250,000.00 or twice the gross gain or loss resulting from the fraud. Respondent Mosier's sentencing is scheduled for August 12, 2016.

## COUNT I

### FRAUD

#### **Respondents employed a scheme to defraud in connection with the sale of securities**

7. Respondent Mosier solicited multiple Illinois Investor(s) to purchase fictitious promissory notes that were labeled as Chicago Anticipatory Notes ("CANS").
8. Investor A identified below is not the only investor of Respondents but their relationship with Investor A typifies the manner in which Respondents violated the Illinois Securities Act of 1953.
9. Respondent Mosier advised Investor A, an elderly man, to purchase multiple CAN notes totaling approximately \$1,200,000.00.
10. In or around 2008, Respondent Mosier advised the Investor to liquidate all of his securities in other brokerage accounts so that he could invest all of the money in CANS.
11. Respondent Mosier fictitiously represented to Investor A that the City of Chicago issued a short term, one year debt security called a CAN and told Investor A to purchase those notes, knowing they did not exist.
12. Respondent Mosier falsely represented to Investor A that the fictitious notes were earning an annual interest rate of 7% and above.
13. Respondent Mosier opened a business bank account in the name of Respondent DLR and included CAN as part of the business title of the account for purposes of depositing checks from the investors seeking to purchase the fictitious notes.
14. Investor A was instructed by Respondent Mosier to make the checks out to CAN. Investor A's checks were then deposited in the checking account named DLR where Respondent Mosier was the only signatory on the account.
15. Respondent Mosier advised Investor A to reinvest the purported interest he was supposedly earning on the fictitious notes and to roll over the fictitious notes principal into another note at the end of each note's one year term.

16. When the investor(s) chose to receive their interest or requested return of their principal, Respondent Mosier paid the investors using money the Respondent collected from other investors for purchase of the fictitious notes.
17. Respondent Mosier failed to disclose to Investor A that his investment funds would be used to pay off previous investors.
18. To date, despite Respondent Mosier's representations, Investor A has only received a small portion of the interest owed on the note(s).
19. In or around December 2013, Respondent Mosier seized making interest payments to Investor A.
20. Respondent Mosier represented to Investor A that the City of Chicago was "broke" and unable to pay the interest owed on the notes to Investor A.
21. Respondent Mosier knew that the City of Chicago did not issue these notes nor did they provide any kind of guarantee on the return of interest and/or principal owed to the Investors.
22. Respondent Mosier falsely represented to the Investor A that if he held the fictitious notes to the completion of the term he would receive his principal back.
23. To date, despite Respondent Mosier's representations, Investor A has not received his principal back.
24. Respondents' activities described above involve the offer and sale of a promissory note 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").
25. 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.
26. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
27. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
28. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

29. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, “to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly”.
30. By virtue of the foregoing, Respondent violated Section 12.I of the Act.

## COUNT II

### FRAUD

Respondents Omitted to disclose material information to Investor A

31. Paragraphs 1 through 24 of Count I are incorporated by reference.
32. Respondent Mosier further represented to Investor A that she was a financial advisor who could manage his finances for a monthly fee.
33. At all relevant times, Investor A believed that Respondent Mosier was acting as his financial advisor. Respondent Mosier advised the Investor that she would charge him a monthly fee for her investment advice.
34. As stated above, Respondent acted as Investor A’s financial advisor specifically advising him to liquidate all of his securities in other brokerage accounts so that he could invest all of the money in fictitious notes referred to as CANS.
35. As of December 2010, Respondent Mosier was no longer registered to offer advice and or offer and sell securities in or from the state of Illinois.
36. Respondent Mosier failed to inform Investor A that she was no longer registered to offer advice and or offer and sell securities in or from the state of Illinois.
37. Respondent Mosier failed to disclose to Investor A that FINRA took an action against Respondent Mosier for listing fictitious purchases of mutual funds by her customers on the DJ Mosier Financial Services revenue log and also listed the purported mutual fund being purchased and the commissions due to the firm as a result of the purchase. Respondent Mosier was fined \$10,000.00 and suspended from association with any FINRA member in any capacity for two years. The suspension was in effect from September 4, 2012 to September 3, 2014.
38. At all relevant times, Respondent Mosier continued to act as a financial advisor to Investor A and continued to collect a monthly advisory fee.
39. Section 12.J (1) of the Act provides that it shall be a violation of the Act for any person acting as an investment adviser, investment adviser representative, or federal covered investment adviser, by any means or instrumentality, directly or indirectly to employ any device, scheme or artifice to defraud any client or prospective client.

40. By virtue of the foregoing, Respondent has violated Sections 12.J(1) of the Act.
41. Section 12J (2) of the Act provides that it shall be a violation of the Act for any person when acting as an investment adviser, investment adviser representative, or federal covered investment adviser, by any means or instrumentality, directly or indirectly to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.
42. By virtue of the foregoing, Respondent has violated Sections 12.J(2) of the Act.

### COUNT III

#### FAILURE TO REGISTER SECURITIES

43. Paragraphs 1 through 24 of Count I are incorporated by reference.
44. Section 5 of the Act provides, *inter alia*, that "all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered...prior to their offer or sale in this State.
45. Respondents failed to file an application with the Secretary of State to register the promissory notes as required by the Act, and as a result the promissory notes were not registered as such prior to its sale in the State of Illinois.
46. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.
47. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
48. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

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

Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");

The Respondent violated Section 12A, 12D, 12F, 12G, 12I, 12.J(1), and 12.J(2) of the Act;

The Illinois Securities Department finds the following relief appropriate and in the public interest.

WHEREAS, by means of the Stipulation, the Respondents 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 Respondents agree that they 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 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.

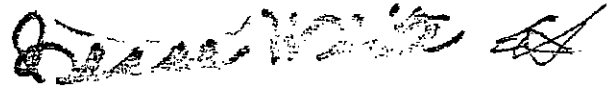
WHEREAS, by means of the Stipulation, Respondent Mosier acknowledges and agrees that she is permanently prohibited from engaging in the business of offering investment advice for compensation, directly or indirectly, regarding the advisability of investing in, purchasing or selling securities in or from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

WHEREAS, Respondent Mosier, Respondent Mosier Associates, Respondent Mosier Financial, Respondent DLR, Respondent DLR CAN are permanently prohibited from offering and/or selling securities in or from the state of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondent Mosier, Respondent Mosier Associates, Respondent Mosier Financial, Respondent DLR, Respondent DLR CAN are 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.
2. Respondent Mosier, Respondent Mosier Associates, Respondent Mosier Financial, Respondent DLR, Respondent DLR CAN are permanently prohibited from offering and/or selling securities in or from the state of Illinois.
3. The entry of this Order ends the Secretary of State Securities Department's formal hearing of this matter.
4. This Order shall not be used by any party in any other proceeding.

Entered: This 14th day of November, 2016.



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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.

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