

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: LEGACY FINANCIAL ASSURANCE )  
GROUP, INC., )  
ITS OFFICERS, DIRECTORS, ) File No. 0800501  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS, )  
AND JAMES SCOTT SCHLUETER )

ORDER OF PROHIBITION

TO THE RESPONDENT: Legacy Financial Assurance Group, Inc.  
James Scott Schlueter CRD #2263712  
231 S. Bemiston, Suite 800  
St. Louis, MO 63105

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 6, 2009, prohibiting Legacy Financial Assurance Group, Inc., its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, and James Scott Schlueter, from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty days of the entry of the Temporary Order of Prohibition shall constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Legacy Financial Assurance Group, Inc., its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, and James Scott Schlueter, have failed to request a hearing on the matters contained in the said Temporary Order within thirty days of the entry of said Temporary Order and are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's final Findings of Fact as follows:

1. That Respondent, Legacy Financial Assurance Group, Inc. (hereinafter, "Legacy Financial"), is a purported business entity, with a last known address of 231 S. Bemiston, Suite 800, St. Louis, MO 63105;

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2. That at all time relevant, James Scott Schlueter was president of Legacy Financial;
3. That on or about August 7, 2006, September 8, 2006, November 10, 2006, and July 23, 2007, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, offered and sold to RW, an Illinois resident, an investment plan in which RW would invest in Legacy Financial and Legacy Cash Reserve in return for a return of 7.6% interest every 45 days, for a total investment amount of \$281,599.83;
4. That Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, represented to RW that RW could withdraw his principal plus any interest owed at any time and would receive said funds within 45 days of said request;
5. That on or about August 27, 2008, RW requested Respondents to return RW's principal and interest;
6. That as of this date, said principal and interest has not been returned to RW;
7. That on or about April 8, 2008, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, offered and sold MK and SK an investment plan which included a "90 day interest note" in Legacy Financial in which Respondents represented that MK and SK would be paid an interest rate of 17.35-20.01% as well as the principal on the 91<sup>st</sup> day after the original investment date, for a total investment of \$23,000;
8. That Respondents represented to MK and SK that that the payment of interest and principal was guaranteed by Respondents;
9. That Respondents represented to MK and SK that Respondents would pay MK and SK a commission fee if MK and SK would bring other people into the investment, thereby indicating that Respondents were in the process of attempting to secure additional investors;

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10. That 91 days have passed since MK and SK have made their aforesaid investment and as of this date and despite numerous requests, MK and SK have not received the return of principal nor interest from Respondents;
11. That the aforesaid investment plan and interest note are investment contracts and therefore each of them is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
12. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
13. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
14. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
15. That 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;
16. That at all times relevant hereto, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
17. That at all times relevant hereto, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors,

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Agents and Assigns, and James Scott Schlueter, obtained money or property from RW, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to RW that RW could withdraw his principal plus any interest owed at any time and would receive said funds within 45 days of said request, when in fact, as of this date and after said request was made, no such funds have been returned or paid to RW by the Respondent;

18. That at all times relevant hereto, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, obtained money or property from MK and SK by means of an untrue statement of material fact or an omission to state a material fact by representing that MK and SK would be paid an interest rate of 17.35-20.01% as well as the principal on the 91<sup>st</sup> day after the original investment date, when in fact as of this date and after numerous requests, no such funds have been paid to MK and/or SK;
19. That Section 11.F(2) of the Act provides, inter alia, that the Respondent's failure to request a hearing within 30 days after the date of the entry of the Temporary Order shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Temporary Order final;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:


1. That by virtue of the foregoing, Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, have violated Sections 12.A, 12.D and 12.G of the Act;
2. That by virtue of the foregoing, the Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Legacy Financial Assurance Group, Inc. and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, are hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This 9<sup>th</sup> day of April, 2009

  
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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 the 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.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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