

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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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 )  
)

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TEMPORARY 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

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find:

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;
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;

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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, Illinois residents, 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;
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

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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, 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, an Illinois resident, 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

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date and after numerous requests, no such funds have been paid to MK and/or SK;

19. 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;
20. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act;
21. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits Respondents Legacy Financial Assurance Group, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, from offering and/or selling securities in the State of Illinois; and
22. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

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., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and James Scott Schlueter, are hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 West Jefferson, Suite 300A, Springfield, Illinois 62702. Such request


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must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 6<sup>th</sup> day of February, 2009

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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