

BEFORE THE SECURITIES COMMISSIONER  
OF THE STATE OF KANSAS



In the Matter of:

MARK W. MAHAFFIE (CRD # 4165084),

Docket No. 18 E 015

KSC No. 2016-6362

Respondent.

\_\_\_\_\_  
Pursuant to K.S.A. 17-12a604

CONSENT ORDER

1. The Staff of the Office of the Kansas Securities Commissioner (“KSC Staff”) alleges that Respondent Mark W. Mahaffie (“Mahaffie”) engaged in conduct constituting violations of the Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“the KUSA”), and that Mahaffie is subject to discipline under K.S.A. 17-12a604.
2. Mahaffie and KSC Staff desire to settle the matters raised by KSC Staff relating to Mahaffie’s alleged violations.

CONSENT TO JURISDICTION

3. Mahaffie and KSC Staff stipulate and agree that the Securities Commissioner of Kansas (“the Commissioner”) has jurisdiction over Mahaffie and this matter under the KUSA.
4. Mahaffie and KSC Staff stipulate and agree that the Commissioner has authority to enter this Order under K.S.A. 17-12a604.

WAIVER AND EXCEPTION

5. Mahaffie waives his right to a hearing with respect to these matters.
6. Mahaffie waives any rights that he may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Mahaffie specifically forever releases and holds harmless the Commissioner, KSC Staff, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Mahaffie stipulates and agrees that, should the facts contained herein prove to be false or incomplete, KSC Staff reserves there right to pursue any and all legal and administrative remedies at its disposal.

CONSENT TO THE COMMISSIONER'S ORDER

8. Mahaffie and KSC Staff agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Without admitting or denying the allegations made by the KSC Staff as reflected in the Findings of Fact and Conclusions of Law set forth below, Mahaffie agrees to the issuance of this Consent Order on the basis of such Findings of Fact and Conclusions of Law solely for the purposes of this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.
10. Mahaffie agrees not to take any action or to make or permit to be made any public statement creating the impression that this Consent Order is without a factual

basis. Nothing in this Consent Order affects Mahaffie's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party.

FINDINGS OF FACT

11. This action was brought by KSC Staff on behalf of the Office of the Kansas Securities Commissioner ("the KSC"), a division of the Kansas Insurance Department ("KID").
12. Mahaffie, CRD No. 4165084, was previously a resident of Kansas and now resides in Colorado. His current address is  

. Mahaffie was last registered in the State of Kansas on August 29, 2008. During the time-period relevant to this matter, Mahaffie was not registered in Kansas as a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative.
13. This Consent Order is in the public interest and is consistent with the purposes of the KUSA.

*Sale*

14. is a resident of Kansas residing in Johnson County, Kansas.
15. Millennium Prime, Inc. ("Millennium") is a corporation formed in Delaware with its principal place of business at 6538 Collins Ave., Miami Beach, FL 33041. Millennium has made 191 filings on the United States Securities and Exchange

Commission's EDGAR system since December 10, 1999. Over that period, Millennium has had five names: Universal Media Holdings, Inc.; Net Tronics Communications Corp.; National Management Consultants, Inc.; Genio Group, Inc.; and, as of January 7, 2010, Millennium Prime, Inc. The last filing made by Millennium was on July 25, 2014. Millennium disclosed on May 24, 2010, in its Form 10-Q that the company had been delisted from the OTC-Bulletin Board due to the company's delinquent SEC filing status. Accordingly, shares in Millennium are largely illiquid and have no active market.

16. In 2012, \_\_\_\_\_ held a position in Millennium of 1,375,000 shares of stock for which she had invested \$50,000. \_\_\_\_\_ wished to close her position in Millennium in late 2012.
17. Because of the shares' illiquid nature, Mahaffie arranged a buyer for \_\_\_\_\_ shares of Millennium stock.
18. \_\_\_\_\_ is a Tennessee resident and was the buyer which Mahaffie arranged for the sale of \_\_\_\_\_ shares of Millennium stock.
19. On January 10, 2013, Mahaffie sent \_\_\_\_\_ an email with a stock purchase agreement attached. The agreement, dated January 1, 2013, was between \_\_\_\_\_ and \_\_\_\_\_ for the purchase of 1,375,000 shares of Millennium stock for the price of \$50,000 to be paid by \_\_\_\_\_. \_\_\_\_\_ signed the agreement and sent it back to Mahaffie later that day.
20. Interwest Transfer Company, Inc. ("Interwest") is the transfer agent that handles Millennium stock. It is located in Utah and facilitated the \_\_\_\_\_ sale.

21. Interwest's records reflect that on January 7, 2013, [redacted] 1,375,000 shares of Millennium stock transferred to [redacted] (688,000 shares) and Mahaffie (687,000 shares). That transfer was according to a letter of instruction dated January 3, 2013, signed by [redacted] and sent to Interwest.
22. Based on the foregoing, Mahaffie received compensation from the [redacted] sale in the form of 687,000 shares of Millennium stock.

*Sale*

23. [redacted] is a Kansas resident residing in Johnson County, Kansas.
24. In March of 2013, [redacted] held a position in Millennium and wished to close a portion of his position in Millennium to obtain funds for family medical issues. Because of the shares' illiquid nature, Mahaffie arranged a buyer of [redacted] shares of Millennium stock along with a transfer of the majority of Millennium shares in the transaction to Mahaffie at a heavily discounted price. [redacted] did not feel comfortable with the transaction and it did not proceed at that time.
25. Later in 2013, [redacted] still wished to close a portion of his position in Millennium to obtain funds to pay various expenses. Because of the shares' illiquid nature, Mahaffie arranged buyers for [redacted] shares of Millennium stock.
26. Mahaffie told [redacted] that he could not get a price per share higher than \$0.02 in connection with this sale.

27.            is a Tennessee resident and was one buyer whom Mahaffie arranged for the sale of a portion of            shares on Millennium stock.
28.            was another buyer whom Mahaffie arranged for the sale of a portion of            shares of Millennium stock.            is a resident of California.
29. On or about June 10, 2013,            executed three Stock Purchase Agreements: (1) an agreement between            and            for the purchase of 500,000 shares of Millennium stock for \$20,000; (2) an agreement between            and            for the purchase of 500,000 shares of Millennium stock for \$20,000; and (3) an agreement between            and Mahaffie for the sale of 1,000,000 shares of Millennium stock for \$100. These agreements were faxed to Mahaffie after being executed by            .
30. Interwest's records reflect that on July 18, 2013, 2,000,000 of            shares in Millennium stock transferred to            (500,000 shares),            (500,000 shares), and Mahaffie (1,000,000) at cost bases of \$0.02 per share. The transfer was according to a letter of instruction dated June 10, 2013, signed by            and            sent to Interwest.
31. Account documents indicate that \$20,000 was received by            from both            and            ; however, there is no indication that \$100 was received by            from Mahaffie.

32. Given the information above, and actually paid \$0.04 per share, which is higher than the \$0.02 price per share that Mahaffie claimed was the highest price possible.
33. Based on the foregoing, Mahaffie received compensation from the sale in the form of 1,000,000 shares of Millennium stock for no cost or at a price greatly reduced below \$0.02 per share.

#### CONCLUSIONS OF LAW

34. The Commissioner has jurisdiction over Mahaffie and this matter.
35. The shares in Millennium at issue here are securities as defined by K.S.A. 17-12a102(28).
36. K.S.A. 17-12a102(4) states that a “[b]roker-dealer” means a person engaged in the business of effecting transactions in securities for the account of others or for the person’s own account.”
37. K.S.A. 17-12a401 provides that it is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered or exempt from registration.
38. Mahaffie was not registered as a broker-dealer during the time-period relevant to the sales above and was not exempt from registration.
39. Under K.S.A. 17-12a604, discipline for violations of the KUSA may include: (1) a bar or suspension from association with a broker-dealer or investment adviser registered in this state; (2) a civil penalty of up to \$25,000 for each violation; (3)

an order requiring the person to pay restitution for any loss or disgorge any profits arising from a violation, including, in the Commissioner's discretion, the assessment of interest from the date of the violation at the rate provided for interest on judgments by K.S.A. 16-204, and amendments thereto; (4) an order charging the person with the actual cost of an investigation or proceedings; or (5) an order requiring the person to cease and desist from any action that constitutes a violation of the KUSA, or to take other action necessary or appropriate to comply with the KUSA.

*Acting as an Unregistered Broker-Dealer*

40. Mahaffie's facilitation of the securities sale for compensation constitutes transacting business in the State of Kansas as a broker-dealer. Mahaffie was not registered in Kansas under the KUSA as a broker-dealer at the time of this sale, and was not exempt from registration. Mahaffie therefore violated K.S.A. 17-12a401, which violation is grounds for discipline under K.S.A. 17-12a604(b).
41. Mahaffie's facilitation of the securities sale for compensation constitutes transacting business in the State of Kansas as a broker-dealer. Mahaffie was not registered in Kansas under the KUSA as a broker-dealer at the time of this sale, and was not exempt from registration. Mahaffie therefore violated K.S.A. 17-12a401, which violation is grounds for discipline under K.S.A. 17-12a604(b).



ORDER

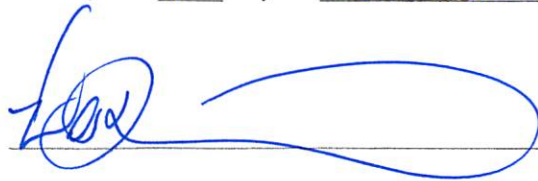
**IT IS THEREFORE ORDERED** that Mahaffie, and any person in concert or participation with him who receives actual notice of this Order, shall immediately CEASE AND DESIST and is permanently prohibited from:

- i. soliciting offers to purchase or making offers to sell, or effecting or otherwise transacting sales of securities in the State of Kansas, or doing so with the securities of any other person or issuer, or directly or indirectly materially aiding another or attempting to do the same, unless and until Mahaffie complies with the Kansas Uniform Securities Act; and
- ii. violating the Kansas Uniform Securities Act in any other way.

**IT IS FURTHER ORDERED** that Mahaffie shall pay a civil penalty of \$5,000. Mahaffie has previously paid and satisfied this civil penalty, and no further payment is required.

**IT IS SO ORDERED BY THE COMMISSIONER.**

Entered at Topeka, Kansas, this 7<sup>th</sup> day of OCTOBER, 2021,



Daniel J. Klucas  
*Kansas Securities Commissioner*

CONSENTED TO BY:

Thomas E. Knutzen

Thomas E. Knutzen, Kansas Bar No. 24471  
Chief Litigation Counsel  
OFFICE OF THE KANSAS SECURITIES COMMISSIONER  
*Attorney for KSC Staff*

Roger N. Walter

Roger N. Walter, Kansas Bar. No. 08620  
MORRIS, LAING, EVANS BROCK & KENNEDY, CHTD.  
*Attorney for Respondent*

Mark W. Mahaffie

Mark W. Mahaffie  
*Respondent*

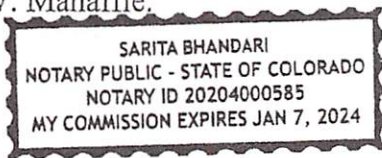
STATE OF Colorado )

) ss:

COUNTY OF Broomfield )

This instrument was signed before me on this 6<sup>th</sup> day of October, 2021,  
by Mark W. Mahaffie.

(seal)



Sarita Bhandari  
Notary Public

My appointment expires: Jan 7, 2024