

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS



In the Matter of:

GREGORY A. PRICE, CRD NO. 2667678, and
PRICE FINANCIAL GROUP,

Docket No. 18 E 18
KSC No. 2018-6469

Respondents.

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

**FINAL ORDER TO CEASE AND DESIST AND IMPOSING ADMINISTRATIVE
SANCTIONS**

1. On October 9, 2017, after considering allegations presented by the Staff for the Office of the Securities Commissioner (“KSC Staff”) that the Respondents had committed violations of the Kansas Uniform Securities Act, the Securities Commissioner of Kansas (the “Commissioner”) issued an Order to Cease and Desist and Notice of Intent to Impose Administrative Sanctions pursuant to K.S.A. 17-12a604.
2. Respondents failed to request a hearing in a timely manner.
3. NOW, THEREFORE, the Commissioner issues the following findings of fact, conclusions of law, and Final Order.

I. FINDINGS OF FACT

4. Respondent Gregory A. Price (“Price”), CRD No. 2667678, was a Kansas resident residing in the City of Lawrence. His address was [REDACTED]. He also used a mailing address of 4000 W. 6th, Suite B 251, Lawrence, KS 66049.
5. Price was last employed by Morgan Stanley DW (“MSDW”) as a broker-dealer agent and investment adviser representative. He terminated employment with MSDW on November 5, 2003. He has not been registered since.

6. On July 26, 2007, the Office of the Kansas Securities Commissioner (KSC) issued a Consent Order and a Stipulation for Consent Order against Price under which Price agreed and was ordered to cease & desist permanently from (1) transacting business in the State of Kansas as an agent or broker-dealer; (2) associating with any agent transacting business in the State of Kansas; (3) offering or selling any security in the State of Kansas; and (4) engaging in other acts or practices which constitute violations of the Kansas Uniform Securities Act. In these documents, the Commissioner permanently barred Price from association with any broker-dealer or investment adviser registered in the State of Kansas, and Price agreed to this permanent bar.
7. More recently, Price purported to do business under the name Price Financial Group (“PFG”). PFG’s address is 3928 Monterey Pl., Lawrence, KS 66049.
8. The CRD contains no listing for PFG and PFG was never registered with KSC in any capacity.

Fraud, Unregistered Activity, and Violation of a KSC Order

9. On October 3, 2017, the District Court of Douglas County, Kansas, entered into an Agreed Journal Entry of Judgment (“Judgment”) in Case No. 2017-CV-000038 (“DGCO Case”).
10. Price was a Defendant in the DGCO Case and was a party to the Judgment. He agreed to the Judgment and signed it with the benefit of counsel.
11. According to the Judgment, the Court made the following findings of fact, to which Price agreed and which are incorporated herein:
 - a. Price is a resident of the State of Kansas who does business under the fictitious name “Price Financial Group,” which is not registered to do business in the State of Kansas.
 - b. Price represented to Plaintiff in the DGCO Case that:

- i. Price was experienced in trading and traded at such times and in such a way that he could reap uncommonly high returns for his investors;
 - ii. Price had access to special investments because of the large sums of funds he worked with; and
 - iii. Price only worked with a select group of investors.
- c. Price did not disclose that he had been permanently barred from acting as a broker and investment adviser in the State of Kansas.
- d. Beginning in June 2015, in reasonable reliance on Price's representations, the DGCO Case Plaintiff deposited approximately Two Hundred Eighty-Six Thousand, Three Hundred Sixty-Four and 65/100 Dollars (\$286,364.65) into Price's Bank of America account and Price began to invest funds for the DGCO Case Plaintiff and to advise him regarding his investments.
- e. Price represented that, as of June 30, 2016, DGCO Case Plaintiff's account balances were:
 - i. current stock and option trading account: \$185,113.12;
 - ii. short-term bond account 1: \$27,515.82;
 - iii. short-term bond account 2: \$27,813.22; and
 - iv. bonds due on October 15, 2017: \$45,922.49.
- f. Price represented to the DGCO Case Plaintiff that his funds were invested in a TD Ameritrade account in the DGCO Case Plaintiff's name and gave the DGCO Case Plaintiff an account number for the TD Ameritrade account.
- g. The DGCO Case Plaintiff justifiably relied upon the representations of Price as described above.

- h. Upon investigation and inquiry, the DGCO Case Plaintiff discovered that there was no such account, that the account number was invalid and not in a format used by TD Ameritrade, and that there was no TD Ameritrade account in his name.
- i. The DGCO Case Plaintiff thereafter made numerous requests that Price return his funds.
- j. Price failed and refused to return funds to the DGCO Case Plaintiff.

12. In addition to the above findings of fact in the Judgment, the Court legally concluded and Price agreed to the following, which are incorporated herein:

- a. Price is not a registered or licensed broker, nor was he a licensed or registered investment adviser. Therefore, Defendant Price has violated the Kansas Uniform Securities Act, specifically K.S.A. 17-12a501, in that Price, in connection with the offer, sale, or purchase of a security, directly or indirectly: (1) employed a device, scheme, or artifice to defraud; (2) made an untrue statement of a material fact, or failed and refused to state material facts necessary to make his statements and representations, in the light of the circumstances under which they were made, not misleading; or (3) engaged in acts, practices, or a course of business that operated as a fraud or deceit upon the DGCO Case Plaintiff.
- b. Price has violated Kansas law by (a) misrepresenting his qualifications, services and fees; omitting material facts about his qualifications, services, and fees; (b) failing to disclose his own financial condition to DGCO Case Plaintiff; (c) failing to send the DGCO Case Plaintiff a written confirmation of each transaction, including a statement of the nature of the transaction, the date the transaction took place, an offer to furnish, upon request, the time when the transaction took place, and the source and

amount of any other remuneration that the investment adviser received or will receive in connection with the transaction; (d) failing to provide the DGCO Case Plaintiff with account statements; and (e) failing to return the DGCO Case Plaintiff's funds when requested to do so.

- c. Price also violated the Kansas Uniform Securities Act in that he intentionally omitted and misrepresented material facts, misled the DGCO Case Plaintiff, and engaged in actions that defrauded and deceived the DGCO Case Plaintiff regarding the existence, value, and purchase of securities. Further, he violated the Kansas Uniform Securities Act because he intentionally engaged in actions that deceived and defrauded DGCO Case plaintiff in advising as to the value, existence, and purchase of shares while receiving compensation.

13. On October 17, 2017, Respondent Price died, however, it is possible that others may be involved with Price Financial Group.

14. At this time, no Request for Hearing has been received from Price Financial Group or any other person associated with Price Financial Group.

15. Accordingly, this order is being issued to direct any other person that may be associated with Price Financial Group and doing business on its behalf to cease and desist as ordered below.

II. CONCLUSIONS OF LAW

16. The Commissioner has jurisdiction over Respondent Price Financial Group and this matter.

17. Pursuant to K.S.A. 17-12a604(a), the Commissioner may issue an order directing the Respondents to cease and desist from engaging in an act, practice, or course of business constituting a violation of the KUSA.

18. The following Order is in the public interest and is consistent with the purposes intended by the Kansas Uniform Securities Act.

Failure to Register as an Investment Adviser in the State of Kansas

19. In violation of K.S.A. 17-12a403(a) and based on the foregoing, Respondents Price and PFG operated as unregistered investment advisers in the state of Kansas.

Failure to Register as a Broker-Dealer in the State of Kansas

20. In violation of K.S.A. 17-12a401(a) and based on the foregoing, Respondents Price and PFG operated as unregistered broker-dealers in the state of Kansas.

Securities Fraud

21. In violation of K.S.A. 17-12a501 and based on the foregoing, Respondents Price and PFG committed Securities Fraud.

III. FINAL ORDER TO CEASE AND DESIST

IT IS, THEREFORE, ORDERED that the Respondent Price Financial Group and its officers, agents, servants, employees, and any person in concert or participation with them who receives actual notice of this Order, shall immediately **CEASE AND DESIST** in the State of Kansas from soliciting offers to purchase or making offers to sell, or effecting or transacting sales of securities, or the securities of any other person or issuer; from directly or indirectly aiding and assisting in the same or attempting to do the same; from otherwise operating as an unregistered investment adviser or unregistered broker-dealer; and from materially aiding in any violation of K.S.A. 17-12a403(a), 17-12a401(a), or 17-12a501.

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IT IS SO ORDERED BY THE COMMISSIONER.

Entered at Topeka, Kansas, this 29th day of November, 2017,



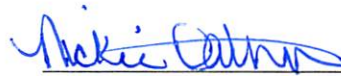
A handwritten signature in blue ink, appearing to read "John R. Wine, Jr.", written over a horizontal line.

John R. Wine, Jr.
Kansas Securities Commissioner

CERTIFICATE OF SERVICE

On this 30th day of November 2017 I was provided a copy of the aforementioned process on behalf of the Office of the Securities Commissioner. I promptly sent notice of the process to the address below, being the address set forth in the recipient's consent to service of process or last known address. The process was sent via first class and certified mail, receipt requested to:

Price Financial Group
3928 Monterey Pl.
Lawrence, KS 66049



Nickie Oathout
Administrative Clerk