

**IN THE EIGHTEENTH JUDICIAL DISTRICT
DISTRICT COURT, SEDGWICK COUNTY, KANSAS
CIVIL DEPARTMENT**

OFFICE OF THE KANSAS)
SECURITIES COMMISSIONER, *ex rel.*)
Daniel J. Klucas, Securities Commissioner,)

Plaintiff,)

vs.)

Case No.)

PREMIER GLOBAL CORPORATION, formerly)
known as PREMIER CONSTRUCTION)
SERVICES, INC.;)

PREMIER FACTORING, LLC;)

PF-2, LLC;)

PF-3, LLC;)

PF-4, LLC;)

PF-5, LLC;)

PF-6, LLC;)

PF-7, LLC;)

PREMIER FACTORING GROUP, LLC;)

KCI BUSINESS SERVICES, LLC;)

DDI ADVISORY GROUP, LLC;)

STEVEN J. PARISH; and)

RICHARD D. DEAN,)

Defendants.)

Pursuant to K.S.A. 17-12a603

**VERIFIED PETITION FOR PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF, AND CIVIL PENALTIES**

COMES NOW the Plaintiff, the Office of the Kansas Securities Commissioner, *ex rel.* Daniel J. Klucas (“the KSC”), and for its claims against the above-named Defendants alleges and states as follows:

OVERVIEW

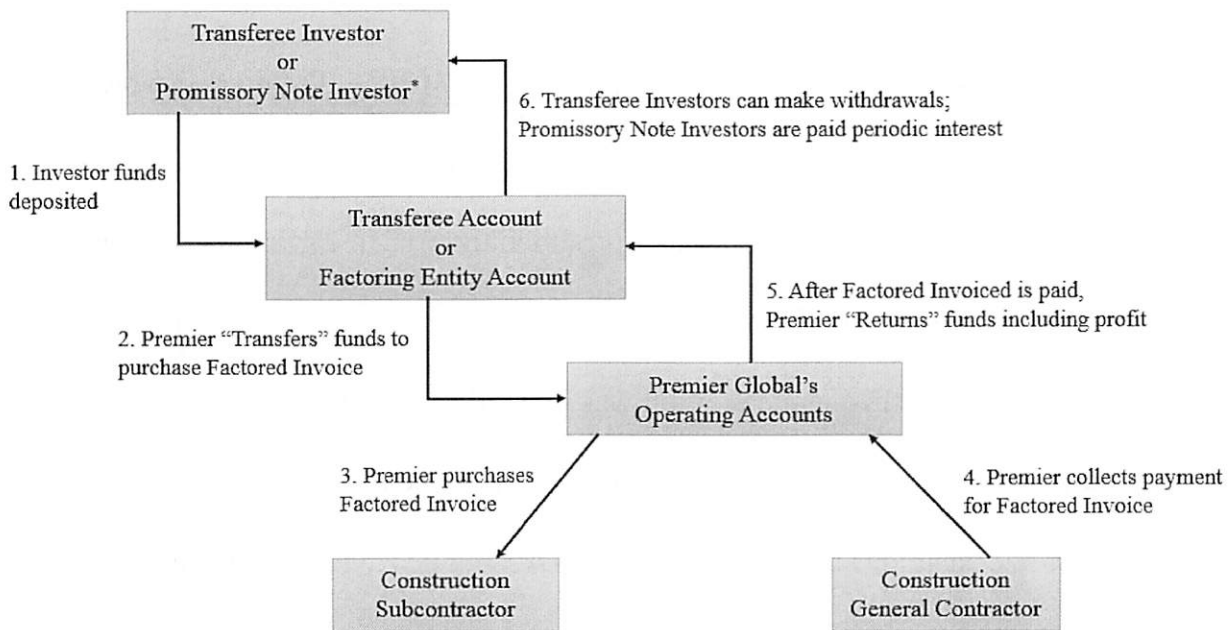
1. Since at least 2018, Defendants Steven J. Parish and Richard D. Dean have operated a massive Ponzi scheme¹ through multiple business entities under their control.
2. Premier Global Corporation and a number of its partially-owned subsidiaries known as “Factoring Entities” (altogether referred to as “Premier”) are in the business of “invoice factoring,” whereby Premier purchases invoices or accounts receivable (hereinafter “Factored Invoices”) at a discount from construction subcontractors and a variety of other types of companies (referred to as “Vendors”). After purchasing the Factored Invoices, Premier is entitled to collect the full amount owed for the invoices, thereby generating profits.
3. Commencing in approximately 2010, Premier began raising capital for its invoice factoring activities through the sale of securities in the form of *Transferee Agreements* and *Promissory Notes*. Through the sales of these securities, Premier raised approximately \$100 million from at least 570 investors from 15 states.
4. Both in written offering documents and in verbal communications to investors, the Defendants represented that Premier’s invoice factoring business was successful and profitable, that since 2018 the company had “revenues” of hundreds of millions of dollars, that the investors’ funds would be used to purchase Factored

¹ A “Ponzi scheme,” as the term is generally used, refers to an investment scheme in which returns to investors are not financed through the success of the underlying business venture, but are taken from principal sums of newly attracted investments. Typically, investors are promised large returns for their investments. Initial investors are actually paid the promised returns, which attract additional investors.

Invoices, and that the investors' returns would be generated by the company's invoice factoring revenues. However, since at least 2018, Premier's invoice factoring business has not generated sufficient revenues to pay investor returns. Instead, Premier has primarily paid investment returns to earlier investors with money raised from later investors, the definition of a classic Ponzi scheme. Premier's actual financial condition was never disclosed to investors.

5. Investor funds were generally first deposited into one of two types of accounts: Transferee Accounts and Factoring Entity Accounts² (together referred to herein as "Investor Accounts"). At Defendant Steven Parish's direction, Premier repeatedly transferred funds back and forth between the Investor Accounts and Premier Global's Operating Accounts, with each transfer purportedly connected with the purchase or payment of a Factored Invoice. For each purported Factored Invoice to be purchased from a Vendor, an individual acting on Premier Global's behalf transferred funds from an Investor Account to one of Premier Global's Operating Accounts. When the Factored Invoice had purportedly been paid, a person acting on Premier Global's behalf transferred funds from one of Premier Global's Operating Accounts to the Investor Account from which the purchasing funds had originated, with profits. The flow of funds and the process for the purported invoice factoring activity is illustrated below:

² Funds raised through *Promissory Notes* issued by Premier Global were deposited into Premier Global's Operating Accounts, while funds raised through *Promissory Notes* issued by the Factoring Entities were deposited into Factoring Entity Accounts.



* This diagram illustrates the process for funds raised through *Promissory Notes* issued by the Factoring Entities. For *Promissory Notes* issued by Premier Global, investor funds were generally deposited directly into Premier Global's Operating Accounts

6. Based on a preliminary review of Premier's bank records, during the period beginning in January 2018 and ending in February 2022, approximately \$525 million of investor money was deposited in at least 21 accounts maintained by Premier Global and the Factoring Entities at five banks. During the same period, Premier had no more than \$65 million of other monies deposited into those accounts that could possibly be attributed to invoice factoring revenue. During the same period, purported returns paid to investors exceeded \$431 million, a difference of approximately \$366.9 million.³ The only possible source of funds

³ Premier repeatedly transferred funds back and forth between Transferee Accounts and Factoring Entity Accounts on the one hand and Premier Global's Operating Accounts on the other. However, the Transferee Accounts were held in the name of the investors, while the Factoring Entities Accounts were held in the names of each particular Factoring Entity. Thus, for the purposes of the preliminary analysis of Premier's bank records described herein, deposits from "Investors" includes: (1) funds raised through *Promissory Notes* and deposited into Premier Global's Operating Accounts or the Factoring Accounts; and (2) funds repeatedly transferred from Transferee Accounts to Premier Global's Operating Accounts. Likewise, expenditures to "Investors" includes: (1) funds paid to *Promissory Notes* Investors; and (2) funds repeatedly transferred to Transferee Accounts from Premier Global's Operating

for these investment return payments was roughly \$524.8 million received from investors from the sale of *Promissory Notes* and repeated transfers of funds from Transferee Accounts.⁴

7. As evidenced by the chart below, only 11% of the money obtained by Premier during this period is potential factoring activity. The only conclusion is that the source of funding for payments of investment returns was other investors' money – a true Ponzi scheme.

Premier Account Analysis Summary		
	Jan 2018 - Feb 2022	
	<u>Total</u>	<u>% of Total</u>
All Other		
<u>Deposits</u>		
Potential Business	64,620,272.01	11%
Investors	524,843,603.31	89%
Salespeople	713,566.60	0%
<i>Total All Other Deposits</i>	<u>590,177,441.92</u>	<u>100%</u>
<u>Expenditures</u>		
Potential Business	(156,009,943.48)	26%
Investors	(431,544,894.92)	73%
Salespeople	(6,529,269.63)	1%
<i>Total All Other Expenditures</i>	<u>(594,084,108.03)</u>	<u>100%</u>
Intra-Company/Entity Transfers		
Intra-Company/Entity Transfers In	874,133,599.65	
Intra-Company/Entity Transfers Out	(869,363,706.28)	

Accounts. Because the Factoring Entity Accounts were held in the names of the Factoring Entities and not investors, funds transferred between Premier Global's Operating Accounts and the Factoring Entity Accounts are categorized as "Intra-Company-Entity Transfers."

⁴ This figure of roughly \$524.8 million includes the funds repeatedly transferred from Transferee Accounts. Because these funds were repeatedly transferred to and from Premier Global's Operating Accounts, the funds *Transferee Agreement* investors originally deposited into the Transferee Accounts are included an unknown number of times in this figure of roughly \$524.8 million. The amount of investor funds originally deposited into the Transferee Accounts is presently unknown.

8. Further, the Defendants misappropriated millions of dollars of investor funds in additional undisclosed ways, including:
 - a. transferring and comingling hundreds of millions of dollars among at least 21 bank accounts held by Premier Global and the Factoring Entities at five different banks;
 - b. paying commissions to agents selling the securities on Premier's behalf even though the Defendants represented that no such commissions would be paid;
 - c. paying expenses unrelated to Premier's invoice factoring business, such as for real estate in Belize and Las Vegas, that in no way benefited investors; and
 - d. paying expenses for the personal benefit of Steven Parish and his family members for the acquisition of houses, condominiums, and airplanes.
9. As shown below, Defendants committed fraud in connection with the offer, sale, and/or purchase of securities in violation of K.S.A. 17-12a501; offered and sold unregistered securities in violation of K.S.A. 17-12a301; and employed unregistered agents in violation of K.S.A. 17-12a402.

JURISDICTION

10. The KSC brings this action pursuant to K.S.A. 17-12a603 and is the proper party to bring this action against the Defendants.

11. Pursuant to K.S.A. 17-12a610, the Defendants, in connection with their activities in the offer and sale of securities in and from this state, are subject to the provisions of the Kansas Uniform Securities Act, K.S.A. 17-12a101 *et seq.* (“KUSA”). By virtue of their activities in this state, as described herein, the Defendants are subject to the jurisdiction of this Court and to service of process within this state and outside of this state.
12. Venue is proper in this county.

DEFENDANTS

13. Premier Global Corporation, formerly known as Premier Construction Services, Inc. (“Premier Global”) is a Kansas for profit corporation with its principal place of business in Derby, Kansas. At all times material hereto, Premier Global maintained a place of business in Sedgwick County, Kansas, from which it transacted business and conducted other activities subject to the provisions of the KUSA, including the offer to sell and sale of securities. Premier Global continues to use the Premier Construction Services, Inc. name and also conducts business as Premier Construction Billing. At no time have any securities issued, offered and/or sold by Premier Global been registered, or qualified for an exemption from registration, under the KUSA. At all times material hereto, Premier Global was controlled by Steven Parish.
14. DDI Advisory Group, LLC (“DDI Advisory”) is a Kansas limited liability company with its principal place of business in Plano, Texas. At all times material

hereto, DDI Advisory was controlled by Richard Dean. At all times material hereto, DDI Advisory has not been registered, or exempt from registration, under the KUSA in any capacity.

15. Premier Factoring, LLC, PF-2, LLC, PF-3, LLC, PF-4, LLC, PF-5, LLC, PF-6, LLC, PF-7, LLC, Premier Factoring Group, LLC, and KCI Business Services, LLC (together, “the Factoring Entities”), are limited liability companies with their principal places of business in Derby, Kansas. KCI Business Services, LLC, is a Missouri limited liability company; all the other Factoring Entities are Kansas limited liability companies. According to offering documents provided to investors, the Factoring Entities were formed to engage in the business of factoring primarily construction related invoices. At no time have any securities issued by the Factoring Entities been registered, or qualified for an exemption from registration, under the KUSA. At all times material hereto, Premier Global and DDI Advisory, were the limited liability company members of the Factoring Entities. The managers of the Factoring Entities were Steven Parish and Richard Dean.
16. Steven Jonathan Parish (“Steven Parish”) is an individual who, at all times material hereto, has been a resident of Kansas and has controlled Premier Global and the Factoring Entities. Steven Parish has offered and/or sold securities in and/or from Kansas as described herein. At all times material hereto, Steven Parish has not been registered in any capacity under the KUSA.

17. Richard Dale “Dickie” Dean (“Richard Dean”) is an individual who, at all times material hereto, has been a resident of Texas and has controlled DDI Advisory and the Factoring Entities. Richard Dean has offered and/or sold securities in and/or from Kansas as described herein. At all times material hereto, Richard Dean has not been registered in any capacity under the KUSA.

NATURE OF THE CASE

18. The KSC is a division of the Kansas Insurance Department that is responsible, *inter alia*, for investigating violations of the KUSA, including securities fraud.
19. In mid-2020, the Oklahoma Department of Securities (“ODS”) received an anonymous tip that a company located in Derby, Kansas called Premier Global Corp. may be operating a fraudulent Ponzi scheme. In July 2020, ODS notified the KSC of the tip, and the two agencies have been conducting their investigations ever since.

Raising Funds through Transferee Agreements

20. Premier Global began raising investment funds by entering into *Transferee Agreements* with investors in approximately 2010. From approximately 2010 to August 2021, Premier entered into *Transferee Agreements* with at least 216 investors, most of who are residents of Kansas.
21. Generally, new investors learned about Premier and its *Transferee Agreements* through individuals associated with Premier, including Steven Parish, or through

friends, family, or acquaintances who were already investors and recommended Premier based on their investing experience with the company.

22. Under these agreements, investors opened business checking accounts (hereinafter “Transferee Accounts”) at banks specified by Premier Global and deposited investment funds into the newly-opened bank accounts. Individuals working for Premier were generally added as authorized signers on these Transferee Accounts. After the investment funds were deposited into the Transferee Accounts, the funds were repeatedly used by Premier Global purportedly to purchase Factored Invoices.
23. Under the *Transferee Agreements*, for each purported Factored Invoice to be purchased by Premier Global, an individual acting on Premier Global’s behalf debited an amount of funds (“Transfer Amount”) from a Transferee Account and credited those funds to one of Premier Global’s Operating Accounts. When the Factored Invoice had purportedly been paid to Premier Global, an individual acting on Premier Global’s behalf credited the “Return Amount,” consisting of the Transfer Amount plus (under the version of the *Transferee Agreements* in place since 2017) approximately 15% annualized interest, back to the Transferee Account.
24. The total amount of investment funds Premier Global raised under *Transferee Agreements* is unknown. However, as of June 1, 2022, Transfer Amounts totaling at least \$31 million were outstanding from Transferee Accounts (*i.e.*, Factored Invoices allegedly purchased with \$31 million from Transferee Accounts had not

been paid and, therefore, the Return Amounts of \$31 million plus interest had not been returned to the Transferee Accounts).

Raising Funds through Promissory Notes

25. In addition to *Transferee Agreements*, commencing in approximately 2017, Premier Global and the Factoring Entities began raising additional capital for its invoice factoring activity by selling *Promissory Notes* to investors. Under these *Promissory Notes*, investors delivered principal funds to Premier, and in exchange Premier promised to repay investors the principal plus 10% annualized interest. Investors could elect to receive their interest payments monthly, quarterly, semi-annually, or annually. The *Promissory Notes* mature every 12 months, but are automatically extended for an additional 12-month period unless an investor provides Premier with written notice, at least 90 days before the maturity date, not to renew a note.
26. Most *Promissory Note* investors learned about Premier through unregistered agents who had been retained by Richard Dean in his role as co-manager of the Factoring Entities and owner of DDI Advisory. Richard Dean provided these agents with verbal and written information regarding Premier to be provided to prospective investors.
27. To date, the following 25 agents from the following 7 states are known to have solicited investors to purchase *Promissory Notes* from Premier (collectively referred to herein as “Agents”): Kyle Blackburn (Oklahoma); Jay Bogdahn

(Oklahoma); Robert Boone (Oklahoma); Michael Davin (Kansas); Clyde “Eddie” Elkins (Oklahoma); Byron “Kent” Freeman (Oklahoma); Erika Greggs (Oklahoma); Roy Harrison (Kansas); Virgil Holden (Oklahoma); Pamela Hopman (Arizona); Daniel Hutcheson (Kansas); Leslie Jackson (Texas); David Jayne (Oklahoma); Randy Kufahl (Kansas); Edmund Maldonado (Texas); John McNamara (Illinois); Bob Reynolds (Texas); Jonmark Richardson (Arizona); James Stanley (Oklahoma); Nick Stovall (Wisconsin); MaRico Tippett (Arizona); Bryan Whitmore (Kansas); Allan Wilson (Missouri); Brent Worley (Oklahoma); and Monte Ysidro (Kansas).

28. At the times material hereto, Leslie Jackson was registered under the KUSA as an agent associated with Momentum Independent Network Inc. Other than Jackson, none of the other Agents listed above were registered as agents under the KUSA at the times material hereto.
29. The Agents listed above entered into *Contractor Services Agreements* with DDI Advisory under which Premier paid the Agents an annualized 2.5% of the amount the investors they solicited invested with Premier so long as the investors’ funds remained with Premier. Premier also paid DDI Advisory an annualized 0.5% of the amount invested through these Agents for DDI Advisory’s role in retaining and managing the Agents. Payments to the Agents and DDI Advisory were made periodically, usually monthly, at the same time that Premier made its periodic payments of 10% annualized interest to the *Promissory Note* investors. Thus, for

- the funds received pursuant to the *Promissory Notes*, Premier was obligated to pay a combined annualized 13% among the investors, the Agents, and DDI Advisory.
30. Investor funds raised through *Promissory Notes* issued by Premier Global were generally deposited into bank accounts held in Premier Global's name before purportedly being used to purchase Factored Invoices. Conversely, investor funds raised through *Promissory Notes* issued by a Factoring Entity were generally deposited first into a bank account held in the Factoring Entity's name, after which the Factoring Entity operated in a manner similar to the Transferee Accounts.
 31. For each purported Factored Invoice to be purchased by Premier Global on behalf of the Factoring Entity, an individual acting on Premier Global's behalf debited the Transfer Amount from the Factoring Entity Account and credited those funds to one of Premier Global's Operating Accounts. When the Factored Invoice had purportedly been paid to Premier Global, an individual acting on Premier Global's behalf credited a Return Amount back to the Factoring Entity's account, from which *Promissory Note* Investors were paid their 10% interest.
 32. Between January 2017 and December 2021, Premier issued at least 646 *Promissory Notes* to approximately 370 investors from 15 states (including approximately 61 investors from Kansas), with a cumulative face value of at least \$97 million. However, some of these *Promissory Notes* were "replacement" notes, whereby some investors provided new funds to Premier in addition to previously invested funds and were issued a new *Promissory Note* with face values reflecting their total investment (*i.e.*, the amount of funds actually delivered

to Premier under the 646 *Promissory Notes* described above was less than the cumulative \$97 million face value of the notes).

33. On November 10, 2021, counsel for Premier acknowledged that Premier owed “just over \$75 million” in principal under un-matured *Promissory Notes* issued to investors. On October 20, 2022, Jacob Parish (Vice President of the Factoring Entities and Steven Parish’s son) told KSC investigators he believed Premier owed approximately \$57 million to *Promissory Note* investors.
34. Therefore, between funds unreturned to investors under the *Transferee Agreements* as of June 2022 and the principal owed under the *Promissory Notes*, Premier owes investors approximately \$80 million to \$100 million, plus interest.

Misrepresentations regarding Premier’s invoice factoring revenues

35. Both in written offering documents and in verbal communications to investors, individuals associated with Premier represented that Premier’s invoice factoring business was successful and profitable, that since 2018 the company had “revenues” of hundreds of millions of dollars, that investors’ funds would be used to purchase invoices or other accounts receivable, and that the investors’ returns would be generated by the company’s invoice factoring revenues. However, these statements were false or misleading. Instead, the “revenues” Premier represented it was collecting largely consisted of transfers of investor funds from Transferee Accounts and Factoring Entity Accounts to Premier Global’s Operating Accounts. Since at least 2018, investor returns have largely been paid from funds received

from newer investors. Premier's actual financial condition was never disclosed to investors.

36. Premier represented to investors that it was able to generate sufficient revenues to pay investors returns because the company used investors' funds multiple times per year (usually every 60 days) to purchase Factored Invoices. This means that Premier needed bona fide business revenues of hundreds of millions of dollars each year to pay investor returns. To illustrate, Premier acknowledged owing "just over \$75 million" in principal under un-matured *Promissory Notes* as of November 2021. If Premier needed to use those investor funds even three times per year to generate sufficient profits to pay investor returns, Premier would need invoice factoring revenues of at least \$225 million per year, not including the revenues needed to pay returns to the *Transferee Agreement* Investors.
37. Premier made explicit statements to potential investors that it was, in fact, generating such large revenues. Most *Promissory Notes* Investors were provided written *Private Placement Memoranda* ("PPMs") which included explicit statements regarding Premier's purported annual revenues. For example, a *PPM* dated October 16, 2018, states: "Under [Steven Parish's] guidance as CEO, Premier has grown to over \$80,000,000 in total annual revenue in just 7 years." A *PPM* dated November 11, 2019, states purported annual revenue of \$100,000,000, and a *PPM* dated August 14, 2020, puts the figure at \$200,000,000.
38. Further, in April 2022, a potential investor received a table which purported to show Premier's gross revenues for years 2018 through 2021 ("Premier by the

Numbers Table”). This table came from Jacob Parish (Steven Parish’s son and Vice President of the Factoring Entities) and is displayed below:

Premier Global/Construction by the Numbers

Year	Gross Revenue	Gross Revenue Percentage Increase	No Total Interest Paid to Note Holders
2018	\$ 113,221,546.92		\$ 1,654,838.59
2019	\$ 190,047,579.63	67.85%	\$ 3,049,878.66
2020	\$ 278,270,204.06	46.42%	\$ 5,838,448.80
2021	\$ 340,229,137.20	22.27%	\$ 7,515,446.56
Total	\$ 921,768,467.81		\$ 18,058,612.61

39. However, as described below, a preliminary analysis of Premier’s bank records show that the company has not realized revenues anywhere near these levels. Instead, according to Premier’s bank records as well as the company’s QuickBooks, Premier included the Transfer Amounts that Premier Global received from Transferee Accounts and the Factoring Entity Accounts in these purported “revenue” figures.
40. On January 26, 2022, in response to an administrative subpoena, Premier produced several Excel spreadsheets containing data exported from its QuickBooks files (“QuickBooks Spreadsheets”). In particular, Premier produced spreadsheets containing data for all of Premier Global’s “Construction Billing & Services Income” and “Construction Billing Expenses” for calendar years 2018, 2019, and 2020.
41. The table below includes the totals of “Construction Billing & Services Income” for calendar years 2018, 2019, and 2020 as shown in the QuickBooks Spreadsheets and the Gross Revenue figures for those years as displayed on the

“Premier by the Numbers” table discussed above. The figures are substantially similar.

	QuickBooks Spreadsheets “Construction Billing & Services Income”	Premier by the Numbers Table “Gross Revenue”
2018	\$112,956,007.62	\$113,221,546.92
2019	\$188,243,501.42	\$190,047,579.63
2020	\$271,655,733.04	\$278,270,204.06

42. In the QuickBooks Spreadsheets, income transactions that were bona fide business revenues were entered as “Accounts Receivable (A/R)”, while transfers from Transferee Accounts and Factoring Entity Accounts were labeled with information regarding which of Premier Global’s Operating Accounts the funds were deposited into. To illustrate, the image below is a screenshot example from the QuickBooks Spreadsheet covering July and August 2020:

	Date	Transaction Type	Name	Account	Split	Amount
Construction Billing & Services Income	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	21,824.19
	08/06/2020	Invoice	SmithCon,LLC	Construction Billing & Services Income	Accounts Receivable (A/R)	350,370.63
	08/06/2020	Invoice	SmithCon,LLC	Construction Billing & Services Income	Accounts Receivable (A/R)	41,656.65
	08/06/2020	Deposit	Const. Res.	Construction Billing & Services Income	0001 Simmons	6,529.03
	08/06/2020	Deposit	Const. Res.	Construction Billing & Services Income	0001 Simmons	13,892.71
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	678.42
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	27,431.20
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	31,055.76
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	18,942.87
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	36,629.44
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	10,567.38
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	32,719.04
	08/06/2020	Deposit	Premier Factoring LLC	Construction Billing & Services Income	0001 Simmons	4,208.56
	08/06/2020	Deposit	B. Dreiling	Construction Billing & Services Income	0001 Simmons	13,597.48
	08/06/2020	Deposit	B. Dreiling	Construction Billing & Services Income	0001 Simmons	10,718.30

43. In the example above, the two deposits from “SmithCon,LLC” are bona fide business revenue, while all other credits are merely transfers from Transferee Accounts and Factoring Entity Accounts into Premier Global’s Operating

Accounts. Since bona fide business revenues were not deposited into Transferee Accounts or Factoring Entity Accounts, these transfers represent transfers of investor funds into Premier Global’s Operating Accounts.

44. The table below includes the figures from the previous table (the totals of “Construction Billing & Services Income” from the QuickBooks Spreadsheets and the Gross Revenue figures as shown on the “Premier by the Numbers” table). The table below also includes the totals of only the “Accounts Receivable (A/R)” transactions as shown on the QuickBooks Spreadsheets.

	QuickBooks Spreadsheets “Construction Billing & Services Income”	Premier by the Numbers Table “Gross Revenue”	QuickBooks Spreadsheets “Accounts Receivable (A/R)”
2018	\$112,956,007.62	\$113,221,546.92	\$3,035,418.04
2019	\$188,243,501.42	\$190,047,579.63	\$5,622,488.06
2020	\$272,955,822.28	\$278,270,204.06	\$8,504,036.81

45. The table below summarizes all income transactions in the 2020 QuickBooks Spreadsheet, categorized by credits from Transferee Accounts, credits from Factoring Entity Accounts, and deposits listed as “Accounts Receivable (A/R)” (the “blank” row is a sum of transactions for which there was insufficient information to make a categorization).

Row Labels	Name	Date	Split	Account	Sum of Amount	% of Total
(blank)					\$757,293.07	0.28%
Transferee Accounts					\$119,774,311.44	43.88%
Factoring Entities					\$143,920,180.96	52.73%
Accounts Receivable					\$8,504,036.81	3.12%
Grand Total					\$272,955,822.28	100.00%

46. As shown above, the vast majority of the “revenues” Premier Global represented it was receiving from invoice factoring were instead merely transfers of investor

funds from Transferee Accounts and Factoring Entity Accounts to Premier Global's Operating Accounts. This is confirmed by the preliminary analysis of Premier's bank records, as described below.

Past Regulatory Actions Against Dean and Agents

47. Richard Dean and several of the Agents who Dean engaged to sell *Promissory Notes* issued by Premier have previously been sanctioned for unregistered securities violations.
48. In January 2020, the KSC issued a *Consent Order* against Richard Dean for his role in selling securities related to Woodbridge Mortgage Investment Funds ("Woodbridge"). The securities in the Woodbridge matter were issued by a web of limited liability companies purportedly to raise funds for loans to third party borrowers. In fact, Woodbridge was a nationwide Ponzi scheme. The *Consent Order* against Dean found that in selling the Woodbridge securities Dean had unlawfully sold unregistered securities and acted as an unregistered agent in violation of the KUSA. Even after the January 2020 *Consent Order*, Dean continued to engage Agents to sell *Promissory Notes* issued by Premier.
49. Agents who have been previously sanctioned in legal proceedings for unregistered securities violations but who nevertheless continued to sell *Promissory notes* issued by Premier include: Michael Davin, Clyde "Eddie" Elkins, Byron "Kent" Freeman, Daniel Hutcheson, and James Stanley.

50. In March 2012, Michael Davin was convicted in the District Court of Johnson County, Kansas, of three felonies (two counts of theft by deception and one count of filing misleading documents related to securities). Davin was given probation and was still on probation at the time he sold securities issued by Premier.
51. None of the facts alleged in Paragraphs 47 through 50 were disclosed to the investors.

Premier's Collapse

52. Commencing in the fall of 2021, Premier began encountering difficulties in fulfilling its financial obligations. Even though Premier continued to raise funds from investors until as late as August 2022, Premier's financial difficulties increased until October 2022 when Premier ran out of funds to pay its Vendors and defaulted on payments to *Promissory Note* Investors.
53. During this time, individuals associated with Premier, including Steven Parish and Richard Dean, continued to tell investors that Premier's invoice factoring business was successful and profitable, and that its business revenues were growing by millions of dollars. Premier's actual financial condition and its increasing difficulties in fulfilling its financial obligations were not disclosed to investors.

Decline in Banking Activity in Premier's Bank Accounts

54. Starting in the fall of 2021, the balances in Premier Global's Operating Accounts began to decline, as did the monthly credits into and debits from those accounts. As shown on bank statements from January 2021 through January 2022, the

monthly credits, debits, and ending balances of three of the main Operating Accounts are displayed in the tables below:

Carson 0574 (PCS)

<u>Statement Date</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>
1/29/21	\$480,011.82	\$481,220.38	\$128,192.34
2/26/21	\$446,221.49	\$462,769.29	\$111,644.54
3/31/21	\$555,981.50	\$606,368.91	\$61,257.13
4/30/21	\$475,012.57	\$422,435.78	\$113,833.92
5/28/21	\$736,871.77	\$794,320.59	\$56,385.10
6/30/21	\$450,008.56	\$465,061.76	\$41,331.90
7/30/21	\$338,919.11	\$323,155.10	\$57,095.91
8/31/21	\$220,004.96	\$218,468.98	\$58,631.89
9/30/21	\$179,002.12	\$202,302.64	\$35,331.37
10/29/21	\$182,002.98	\$185,790.97	\$31,543.38
11/30/21	\$54,001.00	\$61,019.09	\$24,525.29
12/31/21	\$18,000.74	\$37,811.92	\$4,714.11
1/31/22	\$0.17	\$4,227.47	\$486.81

BOA 7271 (PCS)

<u>Statement Date</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>
1/31/21	\$547,010.95	\$661,496.37	\$226,839.22
2/28/21	\$1,184,681.15	\$1,056,788.11	\$354,715.07
3/31/21	\$710,029.31	\$861,658.83	\$203,070.55
4/30/21	\$333,230.82	\$366,835.80	\$169,450.57
5/31/21	\$411,672.98	\$509,718.80	\$71,389.75
6/30/21	\$434,100.40	\$377,777.17	\$127,697.98
7/31/21	\$461,672.98	\$556,893.07	\$32,462.89
8/31/21	\$587,318.74	\$532,985.48	\$86,781.15
9/30/21	\$755,377.32	\$737,024.86	\$105,118.61
10/31/21	\$191,672.98	\$261,155.46	\$35,621.13
11/30/21	\$146,672.98	\$166,567.04	\$15,712.07
12/31/21	\$422,072.98	\$322,139.10	\$115,630.95
1/31/22	\$111,672.98	\$103,817.06	\$123,471.87

Simmons 2976 (PGC)

<u>Statement Date</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>
1/29/21	\$24,940,808.04	\$25,705,655.64	\$2,206,049.65
2/26/21	\$28,641,405.60	\$28,833,555.58	\$2,013,899.67
3/31/21	\$37,465,908.83	\$36,548,668.73	\$2,931,139.77
4/30/21	\$32,835,629.30	\$34,185,666.78	\$1,581,102.29
5/28/21	\$25,236,800.33	\$25,660,305.42	\$1,157,597.20

6/30/21	\$25,937,020.71	\$25,132,409.93	\$1,962,207.98
7/30/21	\$26,553,936.08	\$27,301,486.79	\$1,214,657.27
8/31/21	\$27,980,711.32	\$27,851,285.91	\$1,344,082.68
9/30/21	\$32,504,977.02	\$31,033,035.35	\$2,816,024.35
10/29/21	\$31,492,424.00	\$32,925,357.53	\$1,383,090.82
11/30/21	\$22,236,040.30	\$22,554,053.10	\$1,065,078.02
12/31/21	\$17,155,980.47	\$17,983,878.32	\$237,180.17
1/31/22	\$13,565,439.95	\$13,208,114.28	\$594,505.84
2/28/22	\$9,294,896.50	\$9,162,263.46	\$727,138.88

55. As shown on bank statements from January 2021 through January 2022, the monthly credits, debits, and ending balances of the Factoring Entity Accounts also declined in this span of time. The tables below display this information for three of the Factoring Entity Accounts:

Kanza 2043 (PF)

<u>Statement Date</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>
1/29/21	\$4,205,638.74	\$3,553,516.37	\$736,128.93
2/26/21	\$4,913,134.29	\$4,880,684.91	\$768,578.31
3/31/21	\$5,178,677.13	\$4,793,973.57	\$1,153,281.87
4/30/21	\$3,307,540.67	\$4,217,298.77	\$243,523.77
5/28/21	\$1,906,949.44	\$1,832,188.43	\$318,284.78
6/30/21	\$1,061,393.45	\$1,141,278.59	\$238,399.64
7/30/21	\$2,399,574.19	\$2,371,526.34	\$266,447.49
8/31/21	\$1,702,775.57	\$1,759,504.60	\$209,718.46
9/30/21	\$2,162,796.83	\$2,129,535.89	\$242,979.40
10/29/21	\$3,434,585.70	\$3,085,234.92	\$592,330.18
11/30/21	\$1,275,479.75	\$1,743,973.77	\$123,836.16
12/31/21	\$694,819.43	\$706,596.93	\$112,058.66
1/31/22	\$721,616.50	\$749,793.53	\$83,881.63

Kanza 1497 (PF2)

<u>Statement Date</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>
1/29/21	\$1,466,469.83	\$1,786,394.08	\$195,077.08
2/26/21	\$2,275,368.10	\$2,141,638.82	\$328,806.36
3/31/21	\$3,441,770.38	\$3,292,039.59	\$478,537.15
4/30/21	\$3,462,907.32	\$3,249,465.76	\$691,978.71
5/28/21	\$2,365,225.14	\$2,776,108.35	\$281,095.50
6/30/21	\$2,840,711.71	\$2,746,281.11	\$375,526.10
7/30/21	\$2,815,742.87	\$2,682,315.47	\$508,953.50
8/31/21	\$2,914,746.57	\$3,084,030.01	\$339,670.06

9/30/21	\$2,441,125.68	\$2,453,700.68	\$327,095.06
10/29/21	\$2,735,168.35	\$2,700,079.61	\$362,183.80
11/30/21	\$2,497,994.52	\$2,654,952.66	\$205,225.66
12/31/21	\$2,223,172.88	\$2,112,927.82	\$315,470.72
1/31/22	\$761,252.71	\$957,741.24	\$118,982.19

Kanza 2051 (PF3)

Statement Date	Credits	Debits	Ending Balance
1/29/21	\$1,816,620.00	\$1,777,209.82	\$297,526.09
2/26/21	\$1,912,662.18	\$1,756,909.57	\$453,278.70
3/31/21	\$2,379,018.97	\$2,421,123.83	\$411,173.84
4/30/21	\$2,262,634.76	\$2,219,999.98	\$453,808.62
5/28/21	\$1,505,338.26	\$1,783,501.90	\$175,644.98
6/30/21	\$1,226,491.15	\$1,316,586.57	\$85,549.56
7/30/21	\$1,987,300.60	\$1,764,327.82	\$308,522.34
8/31/21	\$1,202,008.40	\$1,380,101.12	\$130,429.62
9/30/21	\$1,124,890.10	\$1,103,318.49	\$152,001.23
10/29/21	\$1,792,313.83	\$1,738,730.13	\$205,584.93
11/30/21	\$1,037,371.36	\$1,142,954.03	\$100,002.26
12/31/21	\$678,314.05	\$630,491.13	\$147,825.18
1/31/22	\$686,076.89	\$787,498.09	\$46,403.98

Delays in Return Payments to Transferee Accounts

56. Despite the downward trends in bank account activity described above, Premier appears to have made its periodic (usually monthly) payments to its *Promissory Note* investors until October 2022. However, corresponding to the decline in bank account activity, Premier began increasingly delaying its Return payments to Transferee Accounts commencing in the fall of 2021.
57. The approximately 216 investors who had *Transferee Agreements* with Premier received *Monthly Activity Reports* from individuals associated with the company. These *Monthly Activity Reports* purported to list information about each Factored Invoice purportedly purchased with funds from the investors' Transferee Accounts. This information included the invoice number, the date and amount of

funds transferred from the Transferee Account to purportedly purchase each Factored Invoice; and the date and amount of funds returned to the Transferee Account after each Factored Invoice had purportedly been paid.

58. The KSC reviewed *Monthly Activity Reports* for 139 of the approximately 216 *Transferee Agreement* Investors. These *Monthly Activity Reports* show that until November 2021, the amount of time between the Transfer date and the Return date for each purported invoice (“the Collection Period”) was generally under 80 days. Starting in November 2021, the Collection Period gradually increased until June 2022, by which time the Collection Period was generally over 170 days. As an example, the *Monthly Activity Report* for a *Transferee Agreement* Investor from Wichita, Kansas, shows the following Collection Periods (far right column) in November 2021:

Purchasing Account Report 2021							Days to Collect
Invoice #	Transfer Date	Transfer Cost	Receipt Date	Receipt	Net Amount	Net %	
21-20344	8/30/2021	\$6,659.80	11/9/2021	\$6,854.06	\$194.26	2.92%	71
21-20479	8/31/2021	\$5,201.75	11/16/2021	\$5,366.49	\$164.74	3.17%	77
21-20480	8/31/2021	\$8,076.50	11/10/2021	\$8,312.08	\$235.58	2.92%	71
21-20861	9/3/2021	\$16,001.46	11/18/2021	\$16,501.55	\$500.09	3.13%	76
21-21118	9/8/2021	\$11,964.18	11/26/2021	\$12,348.07	\$383.89	3.21%	79
21-21119	9/8/2021	\$15,439.86	11/22/2021	\$15,903.09	\$463.23	3.00%	75
21-21366	9/10/2021	\$14,859.28	11/29/2021	\$15,336.07	\$476.79	3.21%	80
21-21443	9/13/2021	\$6,631.20	11/30/2021	\$6,843.97	\$212.77	3.21%	78
21-21248	9/9/2021	\$3,659.04	12/1/2021	\$3,784.07	\$125.03	3.42%	83
21-21367	9/10/2021	\$11,019.64	12/1/2021	\$11,391.60	\$371.96	3.38%	82
21-21442	9/13/2021	\$11,414.79	12/3/2021	\$11,795.33	\$380.54	3.33%	81

By June 2022, the *Monthly Activity Report* for the same investor shows the following Collection Periods:

Purchasing Account Report 2022							Days to Collect
Invoice #	Transfer Date	Transfer Cost	Receipt Date	Receipt	Net Amount	Net %	
21-27113	11/12/2021	\$12,421.95	4/28/2022	\$13,281.40	\$859.45	6.92%	167
21-27114	11/12/2021	\$9,649.02	4/21/2022	\$10,288.46	\$639.44	6.63%	160
21-27218	11/15/2021	\$9,416.79	4/29/2022	\$10,060.47	\$643.68	6.84%	165
21-27333	11/16/2021	\$6,310.66	5/2/2022	\$6,742.02	\$431.36	6.84%	167
21-27410	11/17/2021	\$4,690.05	5/3/2022	\$5,014.55	\$324.50	6.92%	167
21-27623	11/19/2021	\$11,491.56	5/10/2022	\$12,310.59	\$819.03	7.13%	172
21-27624	11/19/2021	\$5,312.90	5/9/2022	\$5,684.92	\$372.02	7.00%	171
21-27843	11/23/2021	\$9,027.38	5/13/2022	\$9,667.02	\$639.64	7.09%	171
21-27844	11/23/2021	\$7,291.04	5/12/2022	\$7,804.61	\$513.57	7.04%	170
21-28144	11/29/2021	\$10,950.79	5/20/2022	\$11,731.28	\$780.49	7.13%	172

59. This pattern of increasing Collection Periods was evident on all 139 *Monthly Activity Reports* reviewed by the KSC.

60. Further, numerous *Transferee Agreement* Investors complained to KSC investigators about the increase in the Collection Period in 2022 and their inability to recuperate funds from Premier. Several *Transferee Agreement* Investors indicated that, as of August 2022, payments of Return Amounts to their Transferee Accounts have effectively ceased and that nearly all of their investment funds have been transferred to Premier and not returned.

Premier Produced Fabricated Invoices

61. In October 2020, Premier produced various documents related to its invoice factoring business to the Oklahoma Department of Securities (“ODS”), including a small sampling of documents related to approximately 139 bona fide Factored Invoices (“the October 2020 Production”). Seeking to verify Premier’s representations regarding the magnitude of its invoice factoring business, ODS served several administrative subpoenas upon Premier in August 2021, demanding

the production of a greater number of documents related to Premier's purported invoice factoring business.

62. After Premier failed to produce the subpoenaed documents, ODS filed an application to enforce its subpoenas in the District Court of Oklahoma County, Oklahoma, styled *Okla. Dep't of Sec. v. Premier Global Corp., et al.*, No. CJ-2021-4397 (Dist. Ct. Okla. Cty. Oct. 15, 2021) (hereinafter "the Subpoena Enforcement Action"). Ultimately, the district court ordered Premier to produce all Factored Invoices and supporting documents related to the invoices for 12 specific days spanning May 1, 2019, to July 15, 2020.
63. On July 1, 2022, Premier produced documents relating to 373 invoices purportedly purchased on the 12 days specified in the district court's order ("the July 2022 Production"). The documents produced in the July 2022 Production bore no resemblance to the documents produced in the October 2020 Production. Further, Premier's bank records did not show that any of the purported Factored Invoices in the July 2022 Production were ever paid to Premier.
64. In July and August 2022, KSC investigators contacted numerous companies (both Vendors and Vendors' customers) listed on the invoices in the July 2022 Production. Of the companies KSC investigators spoke with, all provided statements indicating that the invoices in the July 2022 Production were fabricated (*i.e.*, that the invoice factoring transactions the invoices purported to document did not in fact occur).

65. At least one former Premier employee has acknowledged to the KSC that the invoices in the July 2022 Production contained “false information.”

Cessation of Normal Operations

66. Several individuals who worked for Premier have indicated to the KSC that, as of approximately August 2022, the company had essentially run out of money and that Premier was no longer able to pay its Vendors, other bills, or investors.
67. Starting on October 12, 2022, ODS and KSC investigators received numerous phone calls from investors who stated that Steven Parish had been missing or unresponsive to telephone calls and emails since the previous weekend. Numerous investors have complained about their inability to obtain payments from Premier as promised. This includes reports that Premier has missed payments due to *Promissory Note* investors in October 2022.
68. Two individuals associated with Premier and who ordinarily would have regular contact with Steven Parish confirmed that they’d been unable to get in contact with Parish and that the company had effectively ceased operations.
69. On October 20, 2022, Jacob Parish (Vice President of the Factoring Entities and Steven Parish’s son) told KSC investigators that he met with Steven Parish in San Diego, California, over the weekend of October 15, 2022, but that he’d not had contact with his father since October 16, 2022. According to Jacob Parish, Steven Parish’s wife filed a missing person report with San Diego law enforcement on

Monday, October 17, 2022. As of the date of this filing, the KSC is unaware of Steven Parish's whereabouts.

Oklahoma District Court Asset Freeze and Receivership

70. On October 13, 2022, ODS filed a civil action in the District Court of Oklahoma County, Oklahoma, styled *Okla. Dep't of Sec. v. Premier Global Corp., et al.*, No. CJ-2022-5066 (Dist. Ct. Okla. Cty. Oct. 13, 2022) (hereinafter "Oklahoma Civil Action) requesting, *inter alia*, that the assets of Premier,⁵ Steven Parish, DDI Advisory, and Richard Dean be frozen. The Oklahoma County District Court issued an *ex parte* order freezing those parties' assets on October 14, 2022. The case remains pending.
71. On October 31, 2022, the Oklahoma Civil Action court issued an *Order Appointing Receiver*, which appointed Eric L. Johnson as Receiver for Premier,⁶ Steven Parish, DDI Advisor, and Richard Dean.

Preliminary Financial Analysis

72. Luciana Simmons is a Certified Public Accountant (CPA), Certified Fraud Examiner (CFE), and Certified Anti-Money Laundering Specialist (CAMS). She has 26 years of accounting experience, including 11 years of forensic

⁵ As used herein, "Premier" refers to: Premier Global Corporation; Premier Factoring, LLC; PF-2, LLC; PF-3, LLC; PF-4, LLC; PF-5, LLC; PF-6, LLC; PF-7, LLC; Premier Factoring Group, LLC; and KCI Business Services, LLC. The latter two (Premier Factoring Group, LLC, and KCI Business Services, LLC) were not named as defendants in the Oklahoma Civil Action, and the asset freeze issued therein on October 14, 2022, did not apply to those entities.

⁶ The *Order Appointing Receiver* did not apply to Premier Factoring Group, LLC, or KCI Business Services, LLC.

accounting. She has been employed with the Oklahoma Department of Securities since 2016.

73. As described below, Luciana Simmons completed a preliminary financial analysis of Premier Global's Operating Accounts and the Factoring Entity Accounts to determine if Premier has had sufficient business revenues to account for the investment return payments Premier has made to *Transferee Agreement* Investors and *Promissory Note* Investors.
74. All credits to and debits from Premier Global's Operating Accounts and the Factoring Entity Accounts were included in Luciana Simmons's preliminary financial analysis and were categorized as follows:
 - a. Transfers: transfers of funds between or among Premier Global's Operating Accounts and the Factoring Entity Accounts were categorized as "Intra-Company/Entity Transfers" and were excluded from the calculations of Premier's revenues (labeled "Deposits") and Expenditures;
 - b. Investors: transactions with known or suspected investors were categorized as "Investors" for both Deposits and Expenditures;
 - c. Salespeople: transactions with known Agents and DDI Advisory were categorized as "Salespeople" for both Deposits and Expenditures; and
 - d. Potential Business: all other Deposits and Expenditures were categorized as "Potential Business" even if the purpose of the transactions were unknown or appeared unlikely to be related to Premier's invoice factoring business.

75. By assuming that all non-Investor, non-Salespeople, and non-Transfer transactions are “Potential Business,” this preliminary analysis gives Premier “the benefit of the doubt” for these remaining transactions by assuming they are all business related. These remaining transactions were categorized as “Potential Business” even if they were clearly unrelated to Premier’s invoice factoring business. Such non-invoice factoring transactions nevertheless categorized as “Potential Business” include:
- a. revenues from other investment ventures Premier was involved in, including life insurance settlement investments and real estate development investments;
 - b. revenues from the sale of real estate;
 - c. revenues from loans taken out by Premier, and payments made on those loans;
 - d. revenues from non-invoice factoring loans extended by Premier to other parties;
 - e. expenditures for and proceeds from the sale of interests in private airplanes;
 - f. expenditures for expensive real estate in Las Vegas; the construction of houses in Sedgwick County, Kansas, for Steven Parish and his parents-in-law.
76. The table below summarizes the results of this preliminary analysis for the time period January 2018 to February 2022:

Premier Account Analysis Summary		
	Jan 2018 - Feb 2022	
	<u>Total</u>	<u>% of Total</u>
All Other		
<u>Deposits</u>		
Potential Business	64,620,272.01	11%
Investors	524,843,603.31	89%
Salespeople	713,566.60	0%
<i>Total All Other Deposits</i>	<u>590,177,441.92</u>	<u>100%</u>
<u>Expenditures</u>		
Potential Business	(156,009,943.48)	26%
Investors	(431,544,894.92)	73%
Salespeople	(6,529,269.63)	1%
<i>Total All Other Expenditures</i>	<u>(594,084,108.03)</u>	<u>100%</u>
Intra-Company/Entity Transfers		
Intra-Company/Entity Transfers In	874,133,599.65	
Intra-Company/Entity Transfers Out	(869,363,706.28)	

77. As shown above, for this roughly four-year period, Premier had no more than \$64.6 million in potential business revenues. Yet, for this same time period, Premier paid \$431.5 million to Transferee Accounts and *Promissory Note* Investors, a difference of approximately \$366.9 million.⁷ The only possible source of funds for these investment return payments was the roughly \$524.8 million received over time from Transferee Accounts and *Promissory Notes* investors.

⁷ Premier repeatedly transferred funds back and forth between Transferee Accounts and Factoring Entity Accounts on the one hand and Premier Global's Operating Accounts on the other. However, the Transferee Accounts were held in the name of the investors, while the Factoring Entities Accounts were held in the names of each particular Factoring Entity. Thus, for the purposes of the preliminary analysis of Premier's bank records described herein, deposits from "Investors" includes: (1) funds raised through *Promissory Notes* and deposited into Premier Global's Operating Accounts or the Factoring Accounts; and (2) funds repeatedly transferred from Transferee Accounts to Premier Global's Operating Accounts. Likewise, expenditures to "Investors" includes: (1) funds paid to *Promissory Notes* Investors; and (2) funds repeatedly transferred to Transferee Accounts from Premier Global's Operating Accounts. Because the Factoring Entity Accounts were held in the names of the Factoring Entities and not investors, funds transferred between Premier Global's Operating Accounts and the Factoring Entity Accounts are categorized as "Intra-Company-Entity Transfers."

78. The table below displays the same data and categorizations for each calendar year 2018 through 2022 (the bank records for these accounts “end” in January and February 2022):

	2018	2019	2020	2021	2022	Grand Total
Deposits						
Potential Business	\$11,585,039.66	\$14,336,160.39	\$17,256,269.00	\$17,761,613.63	\$3,681,189.33	\$64,620,272.01
Investors	\$77,332,892.65	\$116,882,882.55	\$145,704,234.28	\$170,712,560.33	\$14,211,033.50	\$524,843,603.31
Salespeople	\$28,385.80	\$289,470.71	\$63,895.20	\$331,814.89	\$0.00	\$713,566.60
Total	\$88,946,318.11	\$131,508,513.65	\$163,024,398.48	\$188,805,988.85	\$17,892,222.83	\$590,177,441.92
Expenditures						
Potential Business	(\$39,136,475.26)	(\$49,320,195.01)	(\$33,722,017.90)	(\$29,774,190.11)	(\$4,057,065.20)	(\$156,009,943.48)
Investors	(\$46,298,051.66)	(\$78,703,602.17)	(\$128,465,331.37)	(\$164,314,444.56)	(\$13,763,465.16)	(\$431,544,894.92)
Salespeople	(\$752,849.84)	(\$1,970,129.11)	(\$2,365,098.79)	(\$1,260,889.01)	(\$180,302.88)	(\$6,529,269.63)
Total	(\$86,187,376.76)	(\$129,993,926.29)	(\$164,552,448.06)	(\$195,349,523.68)	(\$18,000,833.24)	(\$594,084,108.03)
Intra-Company Transfers In	\$69,707,806.33	\$161,319,705.17	\$285,398,598.61	\$347,295,097.19	\$10,412,392.35	\$874,133,599.65
Intra-Company Transfers Out	(\$69,359,382.49)	(\$160,222,005.74)	(\$284,782,531.19)	(\$344,469,846.93)	(\$10,529,939.93)	(\$869,363,706.28)

79. As the table above shows, since at least 2018, the funds being paid to investors each year greatly exceeded potential business revenues. This is consistent with Premier’s own accounting records (*i.e.*, the QuickBooks Spreadsheets), which show that the vast majority of Premier’s purported revenues were in fact merely transfers from Transferee Accounts and Factoring Entity Accounts. Thus, Premier has not had sufficient business revenues to account for the investment return payments Premier has been making to investors. Instead, Premier has been operating a Ponzi scheme by relying on new investment funds to make payments to prior or existing investors.

FIRST CAUSE OF ACTION

K.S.A. 17-12a301: Offer and Sale of Unregistered Securities (Against All Defendants)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 79 above.

80. The *Transferee Agreements* and *Promissory Notes* described above constitute securities as defined by K.S.A. 17-12a102(28).
81. The *Transferee Agreements* and *Promissory Notes* described above are not and have not been registered under the KUSA, are not exempt from registration under K.S.A. 17-12a201 through 17-12a203, and are not federal covered securities.
82. By reason of the foregoing, the Defendants have violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a301.

SECOND CAUSE OF ACTION

K.S.A. 17-12a401: Acting as Unregistered Broker-Dealer (Against Defendant DDI Advisory)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 82 above.

83. Premier Global and the Factoring Entities are the issuers, as defined by K.S.A. 17-12a102(17), of the *Promissory Notes* described above.
84. Premier Global and the Factoring Entities, while engaged in the offering or selling of the *Promissory Notes*, employed or associated with DDI Advisory.

85. DDI Advisory, by virtue of its efforts and activities in effecting or attempting to effect purchases or sales of the *Promissory Notes*, is a broker-dealer as defined by K.S.A. 17-12a102(4).
86. DDI Advisory was not registered in any capacity under the KUSA, and was not exempt from registration as a broker-dealer under K.S.A. 17-12a401(b).
87. By reason of the foregoing, the DDI Advisory has violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a401(a).

THIRD CAUSE OF ACTION

K.S.A. 17-12a402: Acting as Unregistered Agent (Against Richard Dean)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 87 above.

88. Richard Dean, by virtue of his efforts and activities in effecting or attempting to effect purchases or sales of the *Promissory Notes*, is an agent as defined by K.S.A. 17-12a102(2).
89. Richard Dean was not registered as an agent under KUSA, and was not exempt from registration as agent under K.S.A. 17-12a402(b).
90. By reason of the foregoing, Richard Dean has violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a402(a).

FOURTH CAUSE OF ACTION

K.S.A. 17-12a402: Employment of Unregistered Agents (Against All Defendants)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 90 above.

91. Premier Global and the Factoring Entities are the issuers, as defined by K.S.A. 17-12a102(17), of the *Promissory Notes* described above.
92. The Defendants, while engaged in the offering or selling of the *Promissory Notes*, employed or associated with the Agents described in Paragraph 27.
93. The Agents described in Paragraph 27, by virtue of their efforts and activities in effecting or attempting to effect purchases or sales of the *Promissory Notes*, are agents as defined by K.S.A. 17-12a102(2).
94. Other than Leslie Jackson, the Agents described in Paragraph 27 were not registered as agents under KUSA, and were not exempt from registration as agents under K.S.A. 17-12a402(b).
95. By reason of the foregoing, the Defendants have violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a402(d).

FIFTH CAUSE OF ACTION

K.S.A. 17-12a501(2): Untrue Statements and Omissions of Material Fact (Against All Defendants)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 95 above.

96. The Defendants, in connection with the offer and/or sale of the *Transferee Agreements* and *Promissory Notes*, directly or indirectly made untrue statements of material fact.
97. The Defendants, in connection with the offer and/or sale of the *Transferee Agreements* and *Promissory Notes*, directly or indirectly omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading.
98. By reason of the foregoing, the Defendants have violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a501(2).

SIXTH CAUSE OF ACTION

K.S.A. 17-12a501(1): Fraud (Against All Defendants)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 98 above.

99. The Defendants, in connection with the offer and/or sale of the *Transferee Agreements* and *Promissory Notes*, directly or indirectly employed a device, scheme, or artifice to defraud.
100. By reason of the foregoing, the Defendants have violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a501(1).

SEVENTH CAUSE OF ACTION

K.S.A. 17-12a501(3): Deceit (Against All Defendants)

The KSC realleges and incorporates by reference each and every allegation contained in Paragraphs 1 through 100 above.

101. The Defendants, in connection with the offer and/or sale of the *Transferee Agreements* and *Promissory Notes*, directly or indirectly engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person.
102. By reason of the foregoing, the Defendants have violated, may be violating, and unless enjoined will continue to violate K.S.A. 17-12a501(3).

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing, and pursuant to the authority specifically granted by K.S.A. 17-12a603, the KSC prays for the Court to grant the following relief:

I.

A temporary restraining order to issue *instanter* and a temporary and permanent injunction, restraining and enjoining the Defendants, their agents, servants, employees, assigns, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive

actual notice of the restraining order or temporary and/or permanent injunction, by personal service, mail, facsimile, electronic mail, or otherwise, and each of them from:

- a. offering or selling any security in this state; and
- b. transacting business in this state as an issuer, broker-dealer, agent, investment adviser, and/or investment adviser representative.

II.

An order to issue *instanter* prohibiting the Defendants, their agents, servants, employees, assigns, attorneys, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice by personal service, mail, facsimile, electronic mail, or otherwise, and each of them from tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer disks, tapes or other data recordings of any type, pertaining to or referring to the Defendants, the *Transferee Agreements*, the *Promissory Notes*, or any other financial transactions by the Defendants or to which the Defendants were parties.

III.

An order to issue *instanter* freezing the assets of the Defendants, and ordering that all banks, brokerage firms or other financial institutions, and other persons or entities holding any funds or other assets in the name, for the benefit, or under the control of the Defendants, to hold and retain such funds or other assets within their control and prohibit

the withdrawal, transfer, assignment, pledge, sale or other disposal of any such funds or other assets.

IV.

An order to issue *instanter* prohibiting the Defendants, their agents, servants, employees, assigns, attorneys, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, who receive actual notice by personal service, mail, facsimile, electronic mail, or otherwise, and each of them from withdrawing, transferring, assigning, pledging, selling or otherwise disposing of any assets of the Defendants held by them, for their benefit, or under their control.

V.

An order to issue *instanter* appointing Eric L. Johnson as receiver for Defendants, ancillary to the receivership proceedings established in the District Court of Oklahoma County, Oklahoma, styled *Okla. Dep't of Sec. v. Premier Global Corp., et al.*, No. CJ-2022-5066 (Dist. Ct. Okla. Cty. Oct. 13, 2022).

VII.

An order requiring the Defendants to make restitution to any and all investors who purchased securities from the Defendants, including pre-judgment and post-judgment interest.

VIII.

An order requiring the Defendants, their agents, servants, employees, assigns, and all those persons, directly or indirectly, acting on their behalf, under their direction and control, and/or in active concert or participation with them, to disgorge all ill-gotten gains, and including pre-judgment and post-judgment interest.

IX.

An order imposing civil penalties against Defendants Steven Parish and Richard Dean in the amount of \$1 million each, including post-judgment interest, with said civil penalty to be subordinate to satisfaction of restitution ordered in favor of investors.

X.

An order assessing the costs of this action against the Defendants, including attorneys fees, costs of the receivership, and costs associated with any other provisional or ancillary relief ordered by the Court.

XI.

Such other equitable relief as the Court may deem necessary, just, and proper.

Respectfully submitted,



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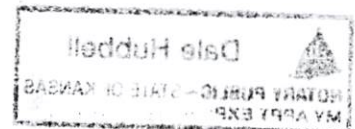
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Attorneys for Plaintiff



STATE OF KANSAS)
) SS.
COUNTY OF SHAWNEE)

Daniel J. Klucas, of lawful age, being first duly sworn, deposes and says: I am the Securities Commissioner of Kansas and Administrator of the Kansas Uniform Securities Act for the Office of the Kansas Securities Commissioner. I have read the foregoing *Verified Petition for Permanent Injunction and Other Equitable Relief, and Civil Penalties* and know the contents thereof. The matters and things stated therein have been provided to me by staff members of the Office of the Kansas Securities Commissioner under my authority and direction, and are true and correct to the best of my knowledge, information, and belief.


Daniel J. Klucas Commissioner
SECURITIES COMMISSIONER OF KANSAS

Subscribed and sworn before me this 1 day of November, 2022.


Notary Public

(notarial seal)

