

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300  
Facsimile: (512) 305-8310



## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

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**SSB Docket No. 03-044**

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IN THE MATTER OF  
NSI DEVELOPMENT CORPORATION;  
JOE LOOFBOURROW AND  
GEORGE EDWARDS

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**Order No. CDO-1542**

TO: NSI Development Corporation  
7804 N.W. 105th Terrace - Suite #1  
Oklahoma City, OK 73162

Joe Loofbourrow  
7804 N.W. 105th Terrace - Suite #1  
Oklahoma City, OK 73162

George Edwards  
7804 N.W. 105th Terrace - Suite #1  
Oklahoma City, OK 73162

### **EMERGENCY CEASE AND DESIST ORDER**

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2003).

The Staff of the Enforcement Division ("the Staff") of the Texas State Securities Board ("the Securities Board") has presented evidence sufficient for the Securities Commissioner to find that:

#### FINDINGS OF FACT

1. NSI Development Corporation ("Respondent NSID") purports to be a corporation with a business address of 7804 N.W. 105th Terrace - Suite #1, Oklahoma City, Oklahoma 73162.

2. In August, 2003, Respondent NSID placed, or caused to be placed, an advertisement in the *Houston Chronicle* which stated: "NSI DEV. CORP is now offering promissory notes w/ annual returns up to 25%. Check out our website at [www.nsidcorp.com](http://www.nsidcorp.com) or call George Edwards direct at 832-671-2688."
3. Joe Loofbourrow ("Respondent Loofbourrow") is listed as the administrative contact for the URL [www.nsidcorp.com](http://www.nsidcorp.com) ("the NSID website"), with an address of 7804 N.W. 105th Terrace, Oklahoma City, Oklahoma 73162, with a telephone number of (405) 722-3918.
4. In August, 2003, Respondents represented on the NSID website that:
  - a. "NSI Development Corporation is bringing together \$2 million for the purpose of expanding our promotion nationwide by issuing promissory notes to the investing community for real estate assets. We are also raising \$1 million for general promissory notes. This interesting investment project is paying well above bank certificate of deposit rates."
  - b. "We offer these 9 month promissory notes: Real estate promissory notes - 8% annual return General (unsecured) promissory notes - 12% annual return."
  - c. "Our minimal investment amount is \$500. For a limited time if you invest \$3,000 or more in our general promissory note you will get a 25% annual return."
  - d. "After completing our send in form you may send a check or money order to our office address listed below, or send it by priority mail at our expense. To further expedite transaction processing you may fax your check to us - our fax number is 815-352-2485. . . . NSI Development Corporation 7804 NW 105th Terrace - Suite #1 Oklahoma City, OK. 73162 "
5. In September, 2003, Respondent Loofbourrow, on behalf of Respondent NSID, offered to at least one Texas resident ("Offeree"), through e-mail, a payment of 10% commission on the sale of investments in Respondent NSID.
6. In September, 2003, Respondents represented the following on the NSID website:
  - a. "How will we be able to do this? Banks used to pay an 8 - 10% return, & we will be able to do this again by using the efficiencies of the internet. I have invested \$10,000 in addition to placing \$5,000 in reserve. We are searching for 12 investors that want a better return who will invest an average of \$3,000 each to complete phase I. Later we will issue a tracking stock which will offer investors the potential for stock appreciation & even more growth."
  - b. "After completing our send in form you may send a check or money order to our office address listed below, or send it by priority mail at our expense. To

further expedite transaction processing you may fax your check to us - our fax number is 815-352-2485. After we obtain your investment we will make out a limited partnership agreement form. If you have any questions please contact us at [nsidevelopment@hotmail.com](mailto:nsidevelopment@hotmail.com).”

- c. “Perhaps you have funds set aside in a money market account that you would like to invest. If you are serious about diversifying your investment portfolio away from CD’s in order to receive a better return, then please complete our intent form below at no obligation. There are no up front fees, management, or exit fees. The minimal investment amount is \$500.
7. There is no record with the Oklahoma Secretary of State of a domestic or foreign business entity doing business under the name NSI Development Corporation.
8. Respondents intentionally failed to disclose the material fact that on or about July 21, 1999, the Securities and Exchange Commission issued a Consent Cease and Desist Order in File No. 3-9934, In the Matter Joe Loofbourrow, ORDER INSTITUTING PUBLIC PROCEEDINGS, MAKING FINDINGS, AND ISSUING CEASE-AND-DESIST ORDER (“SEC Administrative Cease and Desist Order”) ordering that Loofbourrow cease and desist from committing or causing any violation and any future violation of Sections 5(a), 5(c), and 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.
9. For the period from September 1, 1998, to the present, Respondents have not been registered to offer or sell securities or to render investment advice within Texas.
10. The securities offered for sale by the Respondents have not been registered with the Securities Commissioner by qualification, notification or coordination and no permit has been granted for sales in Texas.

#### CONCLUSIONS OF LAW

1. The above-referenced investments offered by Respondents are “securities” as that term is defined in Section 4.A of The Securities Act, to wit; evidence of indebtedness, note, and investment contract.
2. Respondents are acting as “dealers” or “agents” as those terms are defined in Section 4.C and 4.D of The Securities Act.
3. Respondents violated Section 7 of the Texas Securities Act by offering for sale the above-described securities in Texas without the securities being registered with the Securities Commissioner.
4. Respondents violated Section 12 of The Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 12 of The Securities Act.

5. Respondents have made an offer to sell securities in Texas containing statements that are materially misleading or are otherwise likely to deceive the public by failing to disclose that Respondent NSID is not authorized to conduct business in Oklahoma, and in failing to disclose Respondent Loofbourrow's SEC Administrative Cease and Desist Order.
6. Respondents' conduct, acts and practices threaten immediate and irreparable harm to the public.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Texas Securities Act.

### ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering securities to Texas residents until the securities have been registered with the Securities Commissioner or an available exemption from registration is utilized.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers or agents in Texas until they are registered with the Securities Commissioner or an available exemption is utilized.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering for sale securities in Texas through the use of an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

### NOTICE

Pursuant to Section 23-2 of the Texas Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, stating the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and nonappealable.

You are advised under Section 29.D of the Texas Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$5,000, or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 10<sup>th</sup> day of October, 2003.

*Denise Voigt Crawford*

DENISE VOIGT CRAWFORD  
Securities Commissioner