

DENISE VOIGT CRAWFORD
SECURITIES COMMISSIONER



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IN THE MATTER OF
THE AGENT REGISTRATION OF
JOSEPH ANDREW SUGG II

§
§
§

Order No. IC11-CDO-04

TO: Joseph Andrew Sugg II (CRD No. 5061692)
2308 Lakeshore Drive
Flower Mound, Texas 75028

DISCIPLINARY ORDER

Be it remembered that Joseph Andrew Sugg II ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order ("Order") and the Undertaking and Findings of Fact and Conclusions of Law contained herein.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this order; and (d) all other procedural rights granted to Respondent by the Securities Act, TEX. REV. CIV. STAT. ANN. art 581-1 et seq. (Vernon1964 & Supp. 2010) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2008 & Supp. 2010) ("Administrative Procedure Act").
2. From August 4, 2008 through October 29, 2009, Respondent was registered with the Securities Commissioner as an investment adviser representative of Findom Advisors LLC ("Findom Advisors"). Respondent owned Findom Advisors. From August 4, 2008 through October 28, 2009, Findom Advisors was registered with the Securities Commissioner as an investment adviser.
3. During the period from in or about December 2008 through in or about June 2009, Respondent offered for sale promissory notes issued by Findom, LLC ("Findom"), thereby raising approximately \$520,000 from investors.
4. In connection with the offer of the Findom promissory notes, Respondent used an offering memorandum dated November 3, 2008 to represent key terms to investors about the promissory notes offering. This offering memorandum described the investment opportunity as involving: a maximum offering size of \$10,000,000; a maturity date of 48 months; and an annual interest rate of 18%.

5. Significantly, the offering memorandum represented Findom's business plan and how Findom planned to use the funds raised through the sale of the promissory notes. Generally, the offering memorandum described Findom as a company that would provide capital for start ups and other companies in need of funding.
6. Furthermore, the offering memorandum contained various detailed statements about Findom's plans, including:
 - a. Findom "will focus on establishing and capitalizing joint ventures to simultaneously provide a more stable investment for second round financing and support faith-based initiatives";
 - b. "Findom will target growth-oriented companies that have a desire to grow their business."
 - c. "It will fund Christ-centered ministries, providing a double digit return for an investor."
7. In line with these statements, the "Use of Proceeds" section of the offering memorandum stated that between 56% and 63.5% of the funds raised through the offering would be used as investment capital.
8. Instead, Respondent and Findom used most of the funds raised through the sale of the promissory notes to pay Findom Advisor's payroll and expenses, which were incurred partially in connection with Findom. In addition, Respondent and Findom used funds to cover some of Respondent's personal expenses.

UNDERTAKING

Respondent undertakes and agrees that he will not act as a "dealer", "agent", "investment adviser", or "investment adviser representative" in the State of Texas (as those terms are defined by Section 4 of the Texas Securities Act). Respondent further undertakes and agrees that he will not apply for registration with the Securities Commissioner as a dealer, agent, investment adviser, or investment adviser representative.

CONCLUSIONS OF LAW

1. The Findom promissory notes offered for sale by Respondent constitute "securities" as the term "securities" is defined by Section 4.A of the Texas Securities Act.
2. Respondent's misrepresentations about the use of investor funds were misrepresentations of a relevant fact. Thus, Respondent engaged in a fraudulent practice in the offer for sale of securities.

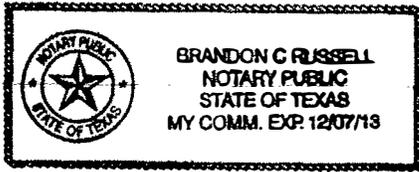
3. Pursuant to Section 23.A of the Texas Securities Act, Respondent's fraudulent practice in the offer for sale of securities constitutes a basis for the issuance of a cease and desist order prohibiting Respondent from engaging in fraudulent conduct in the sale of a security.

ORDER

1. It is therefore ORDERED that Joseph Andrew Sugg II immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
2. It is further ORDERED that Joseph Andrew Sugg II COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 15th
day of February, 2011.


DENISE VOIGT CRAWFORD
Securities Commissioner

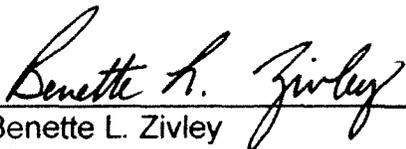


Respondent:



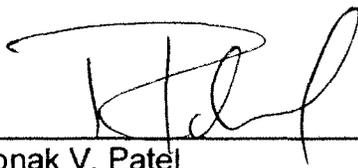
Joseph Andrew Sugg II

Approved as to Form:



Benette L. Zivley
Director
Inspections and Compliance Division

Brad D'Amico, Esq.
Attorney for Respondent



Ronak V. Patel
Assistant Director
Inspections and Compliance Division

Respondent:

Joseph Andrew Sugg II

Approved as to Form:

Benette L. Zivley
Director
Inspections and Compliance Division



Brad D'Amico, Esq.
Attorney for Respondent

Ronak V. Patel
Assistant Director
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 8th day of Feb, 2011, Joseph Andrew Sugg II ("Respondent") personally appeared before me, executed the foregoing Order and acknowledged that:

1. Respondent has read the foregoing Order;
2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and
4. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.



Texas

[affix notary seal here]

My commission expires on: 12-7-13