

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89526 / August 12, 2020

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Admin. Proc. File No. 3-18831

Washington, DC

In the Matter of

SHAWN K. DICKEN

ORDER REQUESTING ADDITIONAL BRIEFING

On September 24, 2018, the Securities and Exchange Commission issued an order instituting administrative proceedings (“OIP”) against Shawn Dicken pursuant to Section 15(b) of the Securities Exchange Act of 1934.¹ The OIP alleged that Dicken had been convicted of violating various Michigan state laws for financial misconduct that occurred while she was associated with a broker-dealer. Dicken filed no answer to the OIP or otherwise responded and, on April 4, 2019, the Division of Enforcement filed a motion requesting that Dicken be found in default and barred from the securities industry and from participating in any offering of a penny stock. Dicken has not responded to the Division’s motion.

When determining whether remedial action, such as an industry bar, is in the public interest under Exchange Act Section 15(b), the Commission must consider the question with reference to the underlying facts and circumstances of the case.² The factors that the Commission considers are: the egregiousness of the respondent’s actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent’s assurances against future violations, the respondent’s recognition of the wrongful nature of his or her conduct, and the likelihood that the respondent’s occupation will present opportunities for future violations.³ Such analysis must do more than “recite[], in general terms,

¹ *Shawn K. Dicken*, Exchange Act Release No. 84272, 2018 WL 4562834 (Sept. 24, 2018).

² *See Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979), *aff’d on other grounds*, 450 U.S. 91 (1981).

³ *See id.*; *see also Lawrence Allen Deshetler*, Advisers Act Release No. 5411, 2019 WL 6221492, at *2-3 (Nov. 21, 2019) (applying *Steadman* factors in follow-on proceeding).

the reasons why [a respondent's] conduct is illegal," but rather "devote individual attention to the unique facts and circumstances of th[e] case."⁴

In this instance, the Division supported its motion with copies of the Judgment and the Information filed in the state criminal proceeding, in addition to the OIP. While in the case of default the OIP's allegations may be deemed to be true,⁵ the OIP here contains only allegations that Dicken's underlying convictions were based on certain allegations. According to the OIP, the Division "alleges that . . . a jury found Dicken guilty" of nine counts of violating various Michigan laws relating to fraud and embezzlement, and that "[t]he counts of the criminal Information as to which Dicken was convicted alleged," among other things, that she "made material misrepresentations" about the risks associated with a recommended real estate investment.⁶

Although Dicken's default would permit the Commission to deem as true the allegations that she was convicted of the nine counts identified (and to find that those counts all involved an enhanced level of intent),⁷ it would not appear, by itself, to permit a finding that the Information's underlying allegations are also true. The Judgment of Sentence summary, which is the only document the Division included that references Dicken's convictions, provides no details about the basis for those convictions. By implication, the convictions on these nine counts establishes that the Information's allegations supporting those counts were found by the jury to be true. But while the Information provides an overall summary of the alleged illegal conduct, including that Dicken made the material misrepresentations referenced in the OIP, it provides no factual details regarding the individual counts. Significantly, the count which would appear most relevant to the allegations made in the Information's summary, "Count 10: Securities – Fraudulent Sales," was, according to the Judgment of Sentence, "dismissed by court," and the summary fails to distinguish between the conduct underlying the counts as to which Dicken was convicted, and this dismissed final count.

Under the circumstances, the Commission would benefit from further briefing regarding the factual predicate for Dicken's convictions and the reasons for dismissal of the final count against her, as well as the Division's arguments as to why these facts establish that industry and

⁴ See *McCarthy v. SEC*, 406 F.3d 179, 189 (2d Cir. 2005) (vacating and remanding suspension for failing to meet this standard).

⁵ See Commission Rules of Practice 155(a), 220(f), 17 C.F.R. §§ 201.155(a), 201.220(f).

⁶ *Dicken*, 2018 WL 4562834, at *1.

⁷ See Michigan Compiled Laws §§ 750.218; 750.174a; 750.159i(1) (requiring that defendant act "with intent to defraud or cheat"; "through fraud, deceit, misrepresentation, coercion, or unjust enrichment" while "knowing or having reason to know"; and "knowingly", respectively).

penny stock bars are warranted. The Commission would also benefit from any further documentation relevant to such matters or otherwise relevant to its public interest analysis.

Accordingly, it is ORDERED that the Division shall file a brief by September 11, 2020, not to exceed 5000 words, limited to addressing facts underlying Dicken's convictions, the reasons for dismissal of the final count against her, and the appropriateness of the sanctions sought. To the extent the Division deems it necessary, any additional evidentiary materials shall be attached to the brief, which must contain specific citations to the evidence relied upon.⁸

It is further ORDERED that Dicken may file a brief by October 12, 2020, not to exceed 5000 words, addressing the same matters to be addressed by the Division. Dicken's brief should also address why she has failed to file an answer previously or to otherwise defend this proceeding until now, and why the Commission should not find her in default as a result.⁹ Dicken is reminded that when a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding a public hearing.¹⁰ If Dicken files a response to this order, the Division may file a reply within 14 days after its service.

The parties' attention is called to the Commission's March 18, 2020 order regarding the filing and service of papers, which provides that pending further order of the Commission parties to the extent possible shall submit all filings electronically at apfilings@sec.gov.¹¹

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman
Secretary



BY: Eduardo A. Aleman
Deputy Secretary

⁸ Rule of Practice 452, 17 C.F.R. § 201.452.

⁹ See *Shawn K. Dicken*, Exchange Act Release No. 85778, 2019 WL 1977070, at *1 (May 3, 2019) (show cause order warning Dicken that failure to respond may cause the Commission to find her in default, and noting that the OIP did the same).

¹⁰ Rules of Practice 155, 180, 17 C.F.R. § 201.155, .180.

¹¹ See *Pending Administrative Proceedings*, Exchange Act Release No. 88415, <https://www.sec.gov/litigation/opinions/2020/33-10767.pdf>

9-28-2020

Admin Proc. File No. 3-18831

[In the Matter of
Shawn K. Dicken]

[REDACTED]

WHVCF

[REDACTED]

Ypsilanti, MI
[REDACTED]

I've enclosed my requested brief. I've submitted this brief to the best of my ability. I'm willing to swear under oath to its contents and take a polygraph test if necessary.

Sincerely,

Shawn K. Dicken

~~Shawn Dicken~~

[REDACTED] WHVCF

[REDACTED] Ypsilanti MI [REDACTED]

IN THE MATTER OF

Shawn K. Dicken

Admin. Proc. File No. 3-18831

September 27, 2020

I would like to take the time to thank you for having written me and given me a chance to respond. I'd like to apologize for having not responded to your previous request. Honestly, this is probably one of the hardest things I've ever had to write and respond too. When I first received your letter in September 2018, i felt completely hopeless. I was already in prison for this case, and felt that my name, my reputation and future were completely ruined. i've been countlessly working on my appeals and continue to do so. i felt the participation in a penny stock offering or any other securities transaction, was the least of my problems. Additionally, I have no interest in returning to the Securities Industry, even if I can clear my name and have my charges vacated. This has not only destroyed my clients (now victims) lives, my life, my career and my future, in addition to those of my children that I haven't seen or spoke to in nearly 7 years.

I'm not sure where to begin, so I guess it's best to start from the beginning. I held a Series 6, 7, 63 and my insurance licenses. Thru-out my trial and my sentencing I was referred to as a Financial Advisor, however, I do not have a Series 64 or 65. I was unable to portray the difference between a Registered Representative and a Financial Advisor in my trial to that of the jury or the judge. I no longer worked for Chemical Bank as of

September 2009. When I left Chemical Bank/Primevest I had a one year no compete agreement, which is typical in the Industry. At no time, was I ever aware of ever having a no contact order. To date, one has never been introduced, and I have yet to see a copy of the no compete agreement I had supposedly signed. During my tenure at Chemical Bank i had over 5,000 clients and numerous accounts covering nearly 18 branches. I was terminated for having been accused of writing an annuity to obtain a commission advance. Early in 2009, I had difficulty with the money transfer of 3 to 5 clients. I had been in the process of doing 401k rollovers and or IRA transfers. At the time of opening the accounts, the annuities I had used thru Nationwide changed their variable annuity riders/benefits before the money had been able to transfer into the account, thus, resulting in doing a completely new annuity contract. Unfortanetly, Primevest the broker dealer paid an advance on the commision from the annuity carriers. As a result, I obtained a commision advance, then a return of the advance, followed by another advance. Unfortanetly, the market in early 2009 was rapidly declining which caused a lot of annuity companies to change their riders/benefits. After my termination, I attended a deposition at FINRA in Chicago, where I was represented by Attorney Bernie Doyle in Chicago, Illinois. Nothing materialized from my deposition, and that was that. I was able to explain the reason for the new contracts with credibilty.

In October 2009, I took a position with the Diversified Group. At the same time, I was caring for my elderly Grandmother whom had deceased in November 2009. I became more active with

the Diversified Group in January 2010. at that time, Diversified group was a new company that I had felt had a great amount of Potential. I felt this position could help my career in the Financial Securities Industries. They were about ready to become a publically traded company and I felt this would give me a chance to become part of something great. I had loved working with my clients from my previous accounts along with growing my client base. Many of my clients I had previously from Hantz Financial, Prudential and Chemical Bank continued to follow me and work with me at Diversified. Most had sought me out and or waited until after my one year no compete agreement with Chemical Bank/Primevest. I also aquired new clients along with referrals. As Diversified grew and begin to offer Limited Partnerships based on real estate investments, I began to take interest in the product they were offering. Mind you, I had no previous experience with Limited Partnerships. They were buying distressed homes and fixing them up and reselling them for profit. I saw I saw the real estate agents, as we shared office space. I went and toured the distressed properties when they were purchased, along with touring the properties after the renovations had been made. I recommended the same to my clients. i saw the construction workers whom renovated the homes. I saw many of the homes being purchased for \$10,000 to \$15,000 with another \$15,000 in renovations and the homes being sold for \$60,000 to \$75,000. I was under the impression this was a good investment, with the real estate to back it up. If it was a PONZI scheme, I was absolutely clueless. In turn, i liquidated my 401(k) from Chemical Bank for approximately

\$63,000 and rolled it over into an IRA with IRA Services invested in stock thru the Diversified Group (ANFD), known as American Reality Funds. I later invested an additional \$12,000 to \$15,000 in Diversified. I felt comfortable offering this product to my clients, as I myself had invested in the Diversified Group. I believed this to have been a good investment, as any investment has risks and doesn't have the liquidity that many other investments can offer, not to mention the risks associated with being in a limited partnership. The money was being invested locally in our community and it was something we could see and touch. Construction workers were being hired locally and the community had something we could see and touch. Construction workers were being hired locally and the community began to show improvements thru the renovations. Thru my recommendations some of my clients began to invest in the Limited Partnerships thru the Diversified Group. I outlined the risks associated with the investment, which was also on the brochures for the Limited Partnerships and included in the paperwork required to invest in the Limited Partnerships, along with filling out and determining risk tolerance. The brochures outlined the Limited partnerships as an asset backed security, along with disclosures stating this investment has risk and may lose some or all your investment.

Any time a client invested money in the Limited Partnerships, I went over all the risks as outlined on the paperwork and brochures thru Diversified Group, along with all the disclosures it included. I gave all investors brochures, copies of their completed paperwork to keep for their records. For IRA's thru IRA Services, brokerage

accounts thru Sterne Agee and another brokerage company the Diversified Group had used, sent copies to customers upon opening their account. Additionally, customers received monthly and quarterly statements from the Diversified Group. On the paperwork, there was listed the properties and the addresses of the distressed homes being renovated in that particular Limited Partnership, that allowed customers to go and see the homes themselves. When using Interactive Broker for the Diversified Investments, customers had to frequently call-in and confirm their transactions.

Thru my employment, Diversified Group began to grow. We went from a small office in Bay City, MI to moving to another bigger space in Bay City, followed by an additional office in St. Joseph, MI and an even larger space in Saginaw, MI. I saw more and more employees at Diversified, and it seemed as though the company was beginning to do very well. ANFD stock was originally offered for around 0.42¢ a share and eventually went up to nearly \$2 a share. I felt I had made a good investment and my clients were receiving between 9.25 and 10.44% interest on their investments, in the Limited Partnerships being paid monthly. Some chose to reinvest, while others used the interest payments. My clients, and myself, were receiving monthly statements thru the diversified Group, Sterne Agee, IRA Services and Interactive Broker, all outlining the risks as well. While also going thru a nasty divorce with my [REDACTED] [REDACTED] i began to have issues with my employer Joel Wilson. We weren't really seeing eye to eye and he began to keep me out of "the loop" on many issues. I was beginning to become suspicious of his behavior and by late March 2012 I no longer began

to offer the Limited Partnerships as an investment option to my clients. Perhaps I should have been paying more attention to what was going on around me at the time, but I had been dealing with my divorce at the time. Prior to that, while going thru my divorce I had felt confident about the future of the diversified Group, even so much as to hang on to my investment in the Diversified Group stock in my retirement account, rather than having transferred half to my soon to be ex-husband. Our divorce was finalized May 14, 2012. As I began to question Joel, he had kept me more and more in the dark as to what was happening in the company. As an employee, I didn't have access to the company bank accounts, nor was I privy to Mr. Wilson's meeting with staff employees. By the end of May 2012, I decided to move beyond my workings at Diversified and considered leaving the company. Upon attending a meeting with OFIR in Lansing, MI around late May 2012, I learned that the Diversified Group was under investigation. After testifying and talking with Lindsey Deroshia and her Male co-worker (whom's name I cannot recall), both working for OFIR, I had agreed to acquire and send as much information as possible thru my access to Diversified files and cloud drives. For a period of 2 to 3 weeks I continued to send them information via email and text. In mid June 2012, Mr. Wilson became very suspicious of my behavior and changed my keys and passwords so I no longer had entry into the Diversified Group. I had even went as far as recording my last meeting with him. After starting my own company, Triton Commercial Lending, with Matthew Pick in August 2012, I was subpoenaed by both FINRA and the SEC in Chicago, Illinois. During the FINRA deposition

I gave nearly an 8hour testimony. It was in this meeting I had discovered forgeries regarding my client signatures, most were forms I had never even seen before. As I began to analyze the forms I noticed the newer Diversified Group logo and the Saginaw address on the forms my clients had signed, but the problem was that the location in Saginaw, MI had not existed at that time and was also using a newer logo that hadn't existed at that time. There was numerous forged documents. I had actually went over to the window and placed the documents on top of each other realizing these were all the exact signiture. I kept in my client files copies of all their orginals and began to keep the originals after discovering Scott Bartlett, Mr. Wilson's assistant, in spring 2012 had been scanning the original forms and destroying them afterwards. They were kept electronically on PDF. I had requested that he give me back the originals, so I didn't need to make a copy for myself and could retain that for my files. In all my previous employment at a broker-dealer, I had never seen anyone destroy orginal documents before. I tried to keep all my files intact, and even kept them when I left the Diversified Group, without the knowledge of Mr. Wilson. I had left the originals I maintain in storage with my Attorney Jason Gower prior to coming to prison.

During the fall of 2011, Mr. Wilson had his assistant Kathy Lagalo, whom he was having a known affair with, "help organize" my files, under Mr. Wilson's direction. It appeared later that some of my files had been tampered with or removed, like for example, Steven Monaghan's Limited Partnership documents. When I was in trial, I was told he had purchased ANFD stock, which

I have absolutely no recollection of. Not only did this occur with Steven Monaghan, but I suspected it had happened with other clients as well. This would include Linda Beyer and John Barry, and possibly Lona Glass who testified at my trial sentencing. I am aware that the clients whom had originally purchased ANFD stock were sent a stock certificate in the mail via Mr. Wilson. During the entire month of June 2011, I had been overseas with my husband, and two children. During this time I had no contact with my clients. My clients were being directed to Mr. Wilson, Jessica Burch and Kathy Lagalo during my absence. I can verify my absence thru: phone records, airline tickets, accommodations and my passport that was only given judicial notice during my trial. I was never allowed the opportunity to share this information in my trial with the jury along with my OFIR testimony, SEC testimony and FINRA testimony. Had I been able to, I feel my trial would have had a different outcome. It's easier now to reflect back on things that I should have or could have done differently with my trial and my suspicions of Mr. Wilson, prior to my leaving the Diversified Group. That's why I tried to assist the state and send them anything I could that would help benefit my clients and even myself as a Diversified Group investor. Unfortunately, we were never able to have Joel Wilson testify, as he was still in Germany, where he had fled too, and any evidence I had been able to gather was inadmissible and considered hearsay. I had even recorded my last 2 meetings with him on my cell phone, which last I knew I still have. I now suspect That Mr. Wilson, not only in addition to forging my client signatures, changed some of the investments from LP's to ANFD stock without

my knowledge or the permission of my clients to acquire the needed investors when American Realty Funds (ANFD) had went public in it's initial offering. I feel this was the case with Steven Monaghan, LINDA Beyer, John Berry and Lona Glass. For whatever reason, Joel didn't want me involved with or talking to Lona Glass as of late 2011. Ironically, she had ANFD stock, even though I only sold her an LP, and so did Steven Monaghan. Steven Monaghan's wife testified at trial that she had spoken to me on June 14, 2011, even though it was impossible. I was overseas and didn't EVEN HAVE my cell phone or any contact with the U.S.. She had notes and everything. She had to have talked with Ms. Burch or Ms. Lagalo, who assisted Mr. Wilson at the time. I was out of the US from June 2, 2011 until leaving overseas on June 28, 2011. Judge Carras refused to allow any evidence in the trial that confirmed my absence. I can provide verification. In my resititution hearing, in August 2015, it was discovered that a check had been made out to the Monaghan's on June 14, 2011. Unfortanetly, this was never included in the discovery given over by the state. I have absolutely no idea as to how this came to be.

I'm going to try my best to reflect on each of my clients and the investments they had. Please note I currently don't have access to files or anything that may be of more assistance, but I'm going to try to describe everything to the best of my ability.

John Beery became one of my clients during my employment at Chemical Bank (mid-50's). I had opened an IRA for him after his wife's passing, around 2008, and combined several different accounts into an IRA rollover for Mr. Beery from accounts that he had previously

along with his wife's 401(k) from Dow Corning. Mr. Beery's 401(K) accounts had been invested in stock and mutual funds which I had rolled into a variable annuity thru Nationwide at a moderately aggressive riskvtolerance. I also opened up an account with Mutual funds thru American Funds. Mr. Beery had worked as a physical therapist and had various retirement accounts with multiple former employers that I had combined into an IRA. He'd previously been invested in DOW Chemical stock and mutual funds. When I started at the Diversified Group flyers, mass mailings and newspapers had been used to announce my employment with Diversified. Mr. Beery had sought me out in late spring 2010. My cell number was still the same and had not changed. He wanted my assistance on his accounts. In addition to his Nationwide Annuity, American Funds, he had also had a John Hancock Variable annuity with me. I had Mr. Beery sign an affidavit stating he had sought me out to avoid being in violation of my 1 year no compete agreement with Bhemical Bank/Primevest. as best as I can recall, Mr. Beery had transferred a small portion into a limited partnership thru Diversified that was paying a monthly rate of 9.25 to 10.44%. I explained the risks to Mr. Beery, as he had had considerable previous investment experience. The risks were listed on the forms neccessary to open the investment, the brochures, as well, along with monthly statements thru diversified and quarterly statements thru IRA Services, where I had opened an IRA for Mr. Beery. I completed the paperwork in his presence. sent him copies, along with IRA Services sending him a copy as well. I even typed up paperwork for Mr. Beery listing all his investments along with

his potential risk associated with all his investments, for his records. I did assist Mr. Beery with organizing his statements with his various accounts. By fall of 2011, Mr. Beery had been considerably happy with his investments thru the Diversified Group and chose to transfer additional funds from his variable annuities into his IRA thru IRA services, which allowed him to invest into the LP's thru Diversified Group. During my employment there, Mr. Beery had transferred monies into the LP's between 7 to 9 times, each requiring new paperwork, again outlining the risks, for which I still retain original documents. This also provided for additional monthly and quarterly statements. At trial, Mr. Beery told jurors, etc. that I failed to tell him his risk, however, it was later discovered he had indeed turned over copies of his paperwork along with the Diversified brochures, explaining the risks involved with the LP's. These documents were given to Special Agent Pete Ackerly.

Mr. Ackerly solely interviewed all the victims for the AG. Mr. Beery contacted me in fall of 2012 wishing for me to remain his investment representative thru IRA Services. Late that fall Mr. Beery no longer continued to receive monthly interest payments from Diversified, which at that time, I was no longer employed there. It was at or around this time I was called to testify at both the SEC and FINRA in Chicago, IL, and either right before that or right after that interest payments began to cease.. When this happened, Mr. Beery, rightfully so, was no longer happy with his investment, as would anybody. Mr. Beery had been happy when he was receiving his monthly interest payments of 9.25 to 10.44%. During his trial he testified he had no previous investment experience, despite his

previous investments with me at Chemical Bank and the previous investments he had transferred into these accounts. Mr Beery testified I had never told him that he could loose money on his investments even though he had several documents he had signed multiple times over the years acknowledging his risks, in addition to the information I had given him and the multiple statements and copies of his paperwork mailed to him regularly on his precise accounts. Statements came monthly and quarterly thru Diversified, IRA Services, Nationwide, American Funds, John Hancock, Sterne Agee along with the ability to view on-line.

Judith Skrel was a referral from John Hancock (mid-sixties). She was not a previous client from Chemical Bank. Ms. Skrel had transferred funds into an LP from her John Hancock variable annuity. If she had been previously sick or ill, this was something she never conveyed to me. When she had originally invested money into the LP, I had talked to her multiple tmes regarding the investment. I had even left the paperwork, with all the risks disclosures and brochures for several days for her to review. I even suggested she have an attorney look it over. When she had finally decided upon the investment I had even read it all outloud to her. I wanted her to make an informed decision. She had transferred approximately \$32,000. Mr. Beery had transferred approximately \$72,000. Ms. Skrel had never talked about any health issues with me. Ms. Skrel received monthly statements from her account along with having taken out muliple distributions totalling approximately \$6,000 to \$8,000. When Ms. Skrel began to no longer receive her monthly interest payments, she began to call me multiple times per day, very angry

and very much upset, most of which was directed at me, that I had to ask her to refrain from calling me and my office, as I no longer worked at Diversified and had no way of assisting her. She had been calling both my cell phone and office phone 6 to 8 times per day.

Steven Monaghan (mid-fifties) was not a prior Chemical Bank/Primevest client of mine. He and his wife were referred to me by their daughter, a client and prior client of mine. Upon meeting with the Monaghans, they had mutual funds from a prior account they wished to have had liquidated. Ms. Monaghan wished to be conservative with her IRA funds and I placed her into a fixed John Hancock annuity. Mr. Monaghan decided upon a LP, with hopes that his risk would yield a better return. He invested approximately \$25,000, and as I recall, I believe he took a \$5,000 distribution. Upon going thru Mr. Monaghan's file at my trial, I was missing nearly all his paperwork, along with no copies of originals. When I went to view the electronic copies, they were missing papers as well. In addition to the fixed annuity, LP, I had also sold them new life insurance policies. Mr. and Ms. Monaghan had met with me several times, even joint meetings with their daughter Jennifer Milks, an accountant, and her husband Jesse Milks, a Midland Co. Police officer. I had helped them with their retirement accounts, mutual funds and life insurance. The Monaghans had several prior years of investment experience. During my trial Ms. Monaghan had taken the stand and insisted she talked with me regarding Mr. Monaghan's LB investment on June 14, 2011 via phone, and even

had considerable notes as to our supposed conversation. It was impossible that she had conversed with me, I was overseas at the time. My phone was at the airport in Detroit, along with my children's phones. Only my husband had a phone at the time and that number was never given out. I tried to provide my phone records, flight records, accomadations and passport at trial, however, Judge Carras only gave judicial notice of my passport. The jury never saw any of this. I believe she talked to somebody at Diversified, proclaiming to b me, but it wasn't me. Perhaps Ms. Burch or Ms. Lagato. The worst part was she looked right me as though I had conversed with her. Additionally, Ms. Monoghan complained about having missed a prior appointment with her. [REDACTED]

[REDACTED] I didn't wish to bring my [REDACTED] at the trial to confirm it with her scar to prove it. Perhaps looking back, I should have and she could have testified as to our whereabouts in June 2011, then I could have been there for her and her brother the past 6 1/2 years.

I began working with Linda Beyer around 2006 at Chemical Bank. Ms. Beyer had worked at my high school and had known my family. I had assisted her with her reirement accounts, along with her 403(b) and her late husband's account. She was in her late 50's. i recall opening 1 or 2 different annuities with her. I want to say an AIG SunAmerica Annuity and an allstate annuity. Ms. Beyer had contacted me after leaving Chemical Bank and I assisted her

on her annuities. My contact with her was after my 1 year no compete agreement with Chemical Bank. As I recall, I originally had done an approximate \$60,000 bond investment thru Diversified, and later in March 2012 a small \$3,00 LP investment. Ms. Beyer had considerable previous investment experience, with her retirement accounts, and even managed a \$250,000 brokerage account for her mother thru another broker, which consisted of stocks, bonds and mutual funds. I had disclosed all risks with Ms. Beyer, along with copies of her paperwork that were provided to her from myself and IRA Services, and copies of brochures. She also received monthly and quarterly statements from IRA Services and Diversified with risk disclosures.

I started working with Ms. Nichols (late 50's early 60's) around 2008 or 2009. I opened brokerage accounts for her for both her individual shares of stock and for the purchases of stocks and other securities. She also had a brokerage account with another broker that she worked with. Ms. Nichols is a very sophisticated investor. Probably one of the most experienced investors I had ever met. I had opened an annuity thru both Allstate and a variable annuity thru MetLife, possibly even a Nationwide annuity to (variable). I recall purchasing a considerably large amount of shares of DOW Stock for her when it hit nearly \$6 a share. Ms. Nichols testified I didn't disclose the risks to her when she purchased an LP thru Diversified in December 2011, which was her 1st investment with me upon leaving Chemical Bank in September 2009, long past my 1 year no compete. She had not been happy with my replacement at Chemical Bank. Ms. Nichols was given

copies of her paperwork from me. She was also given a brochure and monthly and quarterly statements also describing the risks. I had met with Ms. Nichols several times prior to her investing approximately \$150,000 into an LP with Diversified, which I had given her copies of the paperwork prior to read thru and discuss. Ms. Nichols even showed an interest in purchasing ANED stock.

Ms. Harry had become my client at Chemical Bank in or around 2005. She was in her mid to late 60's. She had had a variable annuity she was not happy with thru maybe Jackson National. I recall transferring the account to Allstate, where she later changed to Metlife after doing well on her investment. I recall opening another annuity for her thru AIG SunAmerica, which was variable. Ms. Harry had other brokers she also worked with handling stocks, bonds and mutual funds too. She could have had other annuity investments as well. Ms. Harry was an experienced investor with a considerable amount of investment experience. I never violated my 1 year no compete agreement with Chemical Bank. We'd been in contact over the years when I had left Chemical Bank. I started talking to Ms. Harry regarding the LP's thru Diversified in the Spring 2011. I had given her information on the LP's, along with brochures, a copy of the paperwork outlining the risks and any additional paperwork months prior to her investing in an LP. In August 2011, Ms. Harry contacted me and I met her and we transferred approximately \$54,000 from her Metlife annuity into an LP with Diversified. Her main goal was to receive monthly interest payments. This was to be set up in a brokerage account with

Sterne Agee. We filled out at that time all the paperwork for the LP, and the transfer paperwork. Ms. Harry was her own decision maker and was completely coherent and confident to make her own decisions. She had never implied that anyone else was making financial decisions for her. Her monies were to be transferred to Sterne Agee and used to fund an LP with Diversified, thus of which, she would be taking monthly interest payments. In September 2011 Metlife had transferred her funds into a brokerage account thru Sterne Agee, however, apparently they required additional paperwork to fund the LP. So I had called several times to Ms. Harry's home to contact her. I was unable to reach her. In October 2011, Ms. Harry had contacted me via her cell phone, to let me know in September 2011, AFTER we had met in August 2011, [REDACTED]

[REDACTED] Even with discovery in the trial, [REDACTED]

[REDACTED] Ms. Harry when she called me wanted to know why she hadn't started receiving her monthly interest payments with the LP. I had explained to her that her funds were sitting in the brokerage account at Sterne Agee and that she needed to release the funds (fill out a form) to Diversified to fund her LP, and that Sterne Agee required their form for the monthly interest payments to be paid from Diversified. [REDACTED]

[REDACTED] We proceeded to set up a meeting with her nephew, whom was both her

beneficiary and POA. Ms. Harry had made Mr. Sova her POA 10 to 15 years prior to that [REDACTED] During that time Ms. Harry continued to make her own financial decisions and even continued [REDACTED] In November 2011, I met with Ms. Harry, Mr. Sova and his wife. We discussed the LP, the additional paperwork required along with her monthly interest payments. I had suggested that we could do either direct deposit or have a check sent monthly for Ms. Harry's monthly interest payments. Because Ms. Harry wasn't currently residing at her home, Mr. Sova and Ms. Harry both agreed to monthly interest payments, which at that time I was given a voided check for the direct deposits. Then in December, Sterne Agee had sent the funds from Ms. Harry's brokerage account to fund her LP, which required Ms. Harry's signature. So I contacted Ms. Harry to explain and set up a time to see her in Mt. Pleasant where she was residing. It happened that my [REDACTED] had a hockey game in Mt. Pleasant so we made arrangements for me to stop by at that time and get her signature. Afterwards, Ms. Harry would be able to get her monthly interest payments she had been so long waiting to receive. Her interest payments started in January 2012. Mr. Wilson had credited her account to make up for the wait of the transfer. Unfortunately, Sterne Agee was a new company for Diversified, and we weren't quite sure how everything worked when they started with them. Apparently, I had mispoke myself to Mr. Sova and Ms. Harry, I did not realize that Sterne Agee did not do direct deposit monthly. As a result, Ms. Harry received a check in the mail every month for her interest payments, which was mailed to her home address.

Mr. Sova was infuriated with me. Because the checks now went to Ms. Harry's home address and not direct deposit, this meant that Mr. Sova, whom lived in Ionia, MI, would have to drive to Ms. Harry's home address in Alma, MI every month to pick up her mail, then the bank to deposit it. This was a major inconvenience to Mr. Sova. As I recall, it was at that time I learned Sterne Agee would only direct deposit quarterly. Ms. Harry's \$54,000 was funded and paid to the Diversified Group in December 2011 and deposited into an account with the Diversified Group. I can provide copies of this check and the deposit. At that time, when Ms. Harry began receiving monthly interest payments from Diversified, I recall she had received approximately 10 months of payments before Diversified began to stop making payments. Ms. Harry was of sound mind making her own investments and other decisions. Ms. Harry didnt testify in trial in March 2014, Mr. Sova had testified on her behalf. At the trial, no copies of her POA were provided, and as of yet today, I've never seen copies. When I met with Mr. Sova and Ms. Harry, it was Ms. Harry who was the decision maker. [REDACTED]

[REDACTED] During the trial, Mr Special Agent Ackerly escorted Mr. Sova to and from the trial, as they were from the same area. The entire time I had met with Ms. Harry she was of sound mind and I was never informed that she could not make her own financial decisions.

I was having [REDACTED] with my husband and began to take the steps necessary to file for Divorce in August 2011. [REDACTED]

[REDACTED] So much so,

that in the [REDACTED]

[REDACTED] So when I had decided to file for divorce in August 2011, my employer Joel Wilson had suggested a deffered compensation account, which wouldn't give my husband access to my income. So I took \$2,500 a month income and had the remainder of my monthly wages placed in the deferred compensation account. This can be verified thru payroll and via both staff at Diversified and Debra Kazee, who did the payroll. The deferred compensation account was set up at Brankenmuth Credit Union in Saginaw, MI on Bay Rd. Diversified recently had started banking with them. Prior they banked at 5/3 rd Bank. Mr. Wilson attended the meeting along with co-owner Mr. Kazee. This was the only accessable account I had at Diversified. I had no access to any other accounts. For several months I took \$2,500 in wages with the remainder placed in my deferred compensation account. In late April, early May 2012 (I think April 28, 2012) I liquidated the account with around \$54,000. All deposits to this account can be verified, nor did I have access to any other accounts at Diversified. It's completely coincidental of the dollar amount being near that of Ms. Harry's investment. Ms. Harry's money was deposited into a Diversified account in December 2011 for her LP investment, which can be verified. I never had access to her money or any other client's money at Diversified. My divorce was finanalzed in May 2012.

Was having seperated my wages at Diversified the most ethical, while going thru a divorce, probably not, nor was it probably the best decision. However, when Mr. Wilson suggested it to me,

it seemed the best solution at the time. I'm not proud of what I did, even though a deferred compensation account is legal. I was desperate. I'm not looking for any sympathy from anyone. To this day, I cannot even bring myself to talk to others about my 16 year marriage. I should have left sooner, but I stayed because I thought it was what was best for my children. After my divorce I had full custody of my children prior to coming to prison. Everything can be verified with this account. This was a completely separate account from the account where Ms. Harry's funds had been deposited and what she drew interest off of. I never had access to the Diversified accounts. Honestly, with my divorce and my relationship with my husband, I feel it distracted me from things with Joel Wilson and happenings with Diversified. Maybe I should have been paying better attention and maybe I would have realized something was wrong, and for that I deeply regret.

Ms. Lee, in her mid to late 60's, became my client at Chemical Bank in maybe 2007 or 2008. I had been working with her son Michael Lee prior. I had assisted Mr. Lee on various investment accounts at Chemical Bank. I recall some mutual fund accounts, with American Funds and some variable annuities. I helped Mr. Lee with his 401(k) rollovers from GM (thru Fidelity). Mr. Lee had referred his mother Ruth Lee. I did not break my 1 year no compete with Ms. Lee. Ms. Lee had opened a couple annuities with me at chemical bank. I think she had a Nationwide Annuity and maybe a John Hancock or AIG SunAmerica Variable annuity. Ms. Lee was an experienced investor. She had various prior securities, annuities, mutual funds etc. I met with Ms. Lee in the fall of

2010, after she had contacted me or vice versa as I had met with her so Michael Lee to assist him on his IRA rollover. Around November or December 2010, Ms. Lee had invested in a bond investment thru the Diversified Group and later a small portion in a LP in 2011. I think between the two she had invested around \$22,000. I recall having met with her several times prior to her investing and also having discussed the investment with her son, giving them both paperwork on the investment prior all disclosing the risks associated with the investment. I recall one account was an IRA thru IRA Services, which would have also sent her copies of her paperwork outlining the risks. She would have received both monthly and quarterly statements from IRA Services and Diversified.

I started working with Ms. Kroll in or around 2005 at Chemical Bank. She was in her early 60's. I also worked with her husband Walter at or about the same time. Ms. Kroll may have even been still in her 50's at the time. Mr. and Mrs. Kroll were both highly sophisticated investors, with considerable investments and investment experience. Ms. Kroll had contacted me around May or June 2010, after receiving a mailing. She was dissapointed in the performance of a brokerage account thru another broker she had been working with. This was not an account held at Chemical Bank. When I had worked with Mr. And Ms. Kroll at Chemical Bank I had opened up various investment accounts over the years, which included annuities both fixed and variable thru Principle, Allstate, Metlife, AIG SunAmerica, Nationwide, mutual funds and a Jackson National Variable annuity. At the time when Ms. Kroll contacted

me unhappy about her brokerage account thru another Broker, Diversified was going thru their IPO of ANFD stock. Mr. and Ms. Kroll were both aware of the risks, and transferred approximately \$40,000 to the offering. I had Mr. and Ms. Kroll sign an affidavit that they had contacted me to avoid being in noncompliance with my 1 year no compete agreement, even though this wasn't a prior Chemical Bank account and was entirely new business. Later that year, maybe around September 2010, after my 1 year no compete agreement was thru Mr. Kroll had made a bond investment thru Diversified. When Mr. and Ms. Kroll had done investments with me at Chemical Bank, I had always discussed their risk with the investment, risk tolerance questionnaire's along with the risk being brought out on all paperwork, brochures, pamphlets and monthly and quarterly statements. When they had purchased the ANFD stock their was multiple disclosures. They had to initial pages and multiple lines of disclosures, requiring both signatures from them and initials. The same was true when Mr. Kroll purchased the Bond investment thru Diversified, which was thru IRA Services. In addition to my copies of the paperwork I had sent them, IRA Services had also sent them copies of the paperwork. They received both monthly and quarterly statements from Diversified and IRA Services. In or around the summer or maybe early fall of 2011, Mr and Ms. Kroll had invested into an LP with Diversified. Again, they received both monthly and quarterly statements, brochures and copies of their paperwork all outlining their risk. They were aware that I myself had also invested in Diversified. Late fall, Ms. Kroll had invested herself into an LP for around \$8,600, again going thru all the risk

disclosures. Several times Mr. and Ms. Kroll had reinvested, all requiring new paperwork. It was on the particular \$8,600 I was charged. All in all, Mr. and Ms. Kroll re-invested several times, each requiring new paperwork thru Diversified. I can provide originals almost for all their accounts. During my trial, Ms. Kroll had testified that Mr. Kroll was [REDACTED] now, that he sits and watches tv. I was assessed points for my sentencing for [REDACTED] [REDACTED] to Mr. Kroll for watching tv, even though this was never verified thru a Dr. and he wasn't a charged victim. After I left Diversified, Ms. Kroll had some tax issues with an annuity she had liquidated because she had to pay taxes on the gains. There was nothing I could do to help her, I'm not a CPA and I'm not sure what she was looking for me to do. In fact, she had called and left me a voicemail on my cell phone telling me she was going to ruin me. I believe, or last I knew I still have my cell phone and had saved this message, which never got brought out in trial. Mr. and Ms. Kroll received a stock certificate for their ANFD stock in the mail from Mr. Wilson. The Kroll's had been very good customers and I'm very sorry for their losses as I am for all my customers. I wish I could take it all back and had never went to work for Diversified and having had recommended their products.

Here's a breakdown of the clients I was charged with and the losses I was charged with:

JoAnn Kroll	\$6,800
Linda Beyer	\$3,500
John Beery	\$58,000
Judith Skrel	\$32,000
Gladys Nicols	\$150,000
Ryith Lee	\$22,000

Steven Monaghan	\$20,000
Beverly Harry	\$54,000

This doesn't include any monies withdrawn from the accounts. All in all, I made about \$32,000 over the course of 2010 to 2012 on these accounts. When I testified both times for FINRA, and when I had testified for the SEC, I was represented by Bernie Doyle in Chicago, IL, where Mr. Doyle also practices. I wish he could have represented me in my trial, however, he's not licensed in MI. He may be of assistance to you. When I testified at the SEC in Chicago, I had brought a laptop I had been given from Ms. Burch who assisted Mr. Wilson, which still contained emails between them both. Ms. Burch forgot to delete everything before she gave it to me. I had tried to be of the best assistance possible. After my testimony, when Diversified got shut down by FINRA and the SEC, Mr. Wilson had fled to Germany, where he resided with his wife from Germany. At that time, all the assets of the Diversified Group had been put into a Federal receivership, including approximately 72 homes and the office in Saginaw, MI. All customers had lost all access to their monies, including myself and my investments. This made most furious. While Mr. Wilson was still residing in Germany, in September 2013, I was arrested for false pretenses on the sale of a security between \$1,000 to \$5,000 for Monaghan, Beery, Lee, Beyer, Skrel, MoAnn Kroll, and Nichols. I was charged with embezzlement of a vulnerable adult over \$50,000 under \$100,000. Because I had 2 or more false pretenses I had been given a directed verdict for Criminal Enterprise, even though I have nothing to sustainiate for a Criminal Enterprise charge. The charge for

David Dishaw I was found not guilty, fraudulent sale of a security. I had met Mr. Dishaw while employed at Chemical Bank. It was past my 1 year no compete with Chemical Bank. He had been late 50's when I started working with him or early 60's.

One of my biggest mistakes in my trial was not being able to afford a securities attorney or even have an expert to rebuttal Mr. Spiegel, the state's expert witness. Nobody understood anything about securities, not the judge, prosecutor, Mr. Ackerly, or even my attorney. My next mistake was waiving venue, which combined all clients (victims) in the same court room. I know the jury was confused, as even I was confused. I was charged in Midland County, even though I worked in Saginaw and Bay county. The victims were from Midland, Gladwin, Bay, Saginaw and whatever county Alma, MI is in. AG Schuette brought charges against me, a former judge and prosecutor in Midland. I was offered a 59 month plea both prior and after my trial. I declined, proclaiming my innocence along with my guidelines only being 27 to 41 months, I was given 10 pts for [REDACTED] for Walter Kroll which was used to bump me up to 51 to 84 months. My PSI recommendation on that was 53 months. During my trial, the main focus had been on forgeries, making me out to be the forger. Mind you I discovered the forgeries during my FINRA/SEC hearings. Come to find out Mr. Ackerly had withheld a police report where Scott Bartlett, Mr. Wilson's IT, had admitted to the fogies and another with Ms. Burch, Mr. Wilson's assistant, had seen Bartlett doing it. I had no clue I'd be found guilty. I invested my own money and everything. I was unable to use my FINRA, SEC and OFIR testimonies. I

wasn't able to use my passport to verify my whereabouts in June 2011. I had assisted the OFIR in their investigation by sending them as much information as possible, over 1,500 pages worth to Ms. DeRoshia and her co-worker (I think his name was Nate Soniker). I gave a laptop to the SEC. I ended up with 140 months, kids I have not seen or talked to in 6 1/2 years, and an MBA that's worthless and both financially and individually broken. I wished I had taken that plea now. After my sentencing, Mary Faher who worked in the St. Joseph MI office was arrested. She took the 23 month plea they offered her, cannot say I blame her. Mr. Wilson was extradited after my trial. He was rightfully found guilty. He was sentenced to 8 years, 3 1/2 years less than me. I want to say 2 1/2 years ago, the Federal receivership out of Bay County, MI distributed the funds from the federal receivership amongst investors. I wasn't included in that. They did a fire sale of the properties, while having been receiving funds from renters and buyers up to then. They were paying themselves pretty well over the years and eating up most of what was to go back to investors. Unfortunately, the Judge, Mr. Carras, wouldn't allow any of the Federal receivership information into the trial either. I didn't have access to the info about Joel or Ms. Faher, not sure if it would have helped or not.

Mr. Spiegel was the State's expert witness for securities. He only turned over to my attorney about a paragraph of what he was to talk about, thus my lawyer was unable to prepare a rebuttal. Mr. Spiegel mixed ethics rules with State laws, even though the judge is supposed to discuss the laws. He basically nailed my

my coffin shut in the trial. He portrayed me as a licensed financial planner with a fiduciary responsibility to my clients. I was a registered Representative and did not possess the Licenses for that of a financial planner. He said I should have been going thru my employers bank accounts and finances, even though I never had access. He testified I was supposed to read the contracts word for word to my clients as part of the law, which actually I had done, however, my clients stated I never told them they could lose money on their investment. In my preliminary, Jason Juritech from LARA, testified I didn't have to read the contracts word for word, it was up to the purchaser. After my trial, Mr. Spiegel helped form a class action lawsuit for Diversified Investors, against Mr. Wilson, to my knowledge. This in turn, would be financially beneficial to Mr. Spiegel. He also discussed Series 10's, which I think they quit doing those in the 70's. I wish I had had someone knowledgeable to have rebuttaled.

I was absolutely clueless as to a ponzi scheme. I saw the homes, the buyers, the real estate agents and the listings. I had no access to go thru Mr. Wilson's finances or that of the company. What I didn't like was near the end of my employment watching Mr. Wilson make frivolous purchases; that was taking away from investor returns etc. In the end and after I left, Mr. Wilson ran that company into the ground. He had unnecessary employees, overhead (paying \$5,000 for a custom desk for himself), eating out, buying cars, and the list goes on. Him and I didn't see eye to eye. After I had left Diversified, I found out he took the entire office to Las Vegas for a weekend to celebrate his 30th Birthday party,

needless to say, I wasn't included. He tried near the end of my employment to make sexual advances towards me. He had already been involved with his assistant Kathy Lagalo.

I guess honestly, I don't know what more I can say. It was never my intention to mislead investors. I discussed with all my clients the risks and risk disclosures. I gave them copies of their paperwork, they got copies from IRA Services too, brokerage statements and Diversified statements monthly and quarterly and I gave them brochures outlining the risks. As, I'd later found out, client signatures had been forged under Mr. Wilson's direction via Scott Bartlett. I've retained as many possible originals as possible. I even invested my own kid's college monies and my own retirement account in Diversified as well. I'm aware my clients all testified that I'd never told them they could loose money on their investment, I know I had told them. And some, invested multiple times signing all the sames disclosures again. Mr Ackerly, was the only individual to interview my clients, whom also sat next to each other outside the courtroom before and after their interview (testimony) in the courtroom. Mr. Sova rode with Mr. Ackerly to and from the courteroom. I understand my investors (clients) had been furious with me and sustained substantial losses. I'm furious with myself. I had no idea, or I'd never sold this Diversified products to anyone. I'm so sorry, and I mean that with everything in me heart and soul. I'm so sorry I had disappointed so many people. Joel Wilson played me for a ^{- FOOL -} ~~fool~~ I was gulliable and nieve and believed I was selling a good product to my clients. I was the first one to invest prior to my clients. I hope that someday,

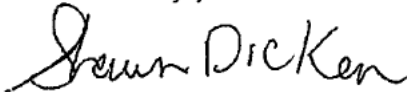
before I get too much older (I'm almost 47) I can go home and try to make a career of something and be able to help pay back some of my investor's monies they had lost, to try and make things right, even if I never win my appeal or clear my name. I know when I took the stand and when they took the stand, they wanted somebody to pay for so many losses to so many people... and Joel Wilson was in Germany. I never lied to any of those people, I just sold them a really bad investment that I had been duped into believing was a really good product. If only I could have seen the future. Judge Carras at my sentencing said I didn't show remorse. This was because I had said, "clients" with victims in parenthesis. Trust me, everyday I wake up regretting having ever worked for that company. I'm sorry for everyone's losses, I really am. We've all lost. I lost my money, kids and freedom and everything I had worked so hard to own. Everyday I understand the loss and the financial ones.

I have no interest in pursuing another career in the securities and industry. It has destroyed my life. I just want to clear my name and my reputation, and have my kids and my freedom back. I'm willing to swear under oath to everything I've said in this brief. I will also willingly take a lie detector test if necessary. I've given you my attorney in Chicago's name Bernie Doyle and Mr Gower in Bay City, MI was my trial attorney. Feel free to contact them or myself. I'm very sorry I didn't take the plea, I could be home right now. I have considered speaking for companies at annual compliance meetings to warn Registered ReB/Planners, etc. about knowing the product your selling, and be sure the investors are

are both aware of the risks and willing to take them, and can afford the potential losses. I wish I hadn't let people invest so much into the same product and had recommended better diversification. But once people started seeing the returns, they kept wanting to invest more, unfortunately it only greatened the losses. As I was duped, believing in the products.

Thank you for your consideration. This is the first time I've spoken out and hope you can appreciate this brief and my honesty. Thank you for your time.

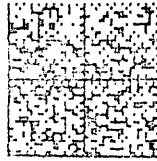
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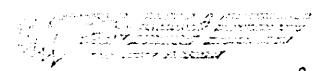
Shawn K. Dickson

[REDACTED]
WHVCF

[REDACTED]
Ypsilanti, MI [REDACTED]



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