

ADMINISTRATIVE PROCEEDING
FILE NO. 3-18854

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of

Lawrence Allen DeShetler,

Respondent

**DIVISION OF ENFORCEMENT'S MOTION FOR ENTRY OF DEFAULT AND
SANCTIONS AGAINST RESPONDENT LAWRENCE ALLEN DESHETLER**

November 20, 2018

Division of Enforcement
Michelle I. Bougdanos
100 F. Street, N.E.
Washington, DC 20549-5020
(202) 551-5387 (phone)

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The Division of Enforcement (“Division”) hereby moves for the entry of default against Respondent Lawrence Allen DeShetler (“DeShetler”) pursuant to Commission Rules of Practice 220(f) and 155(a), 17 C.F.R. §§ 201.220(f) and 201.155(a), respectively, as well as for the entry of sanctions against DeShetler pursuant to the Investment Advisers Act of 1940 (“Advisers Act”) Section 203(f), 15 U.S.C. § 80b-3(f).

I. INTRODUCTION

This is a follow-on administrative proceeding based on an entry of criminal conviction against DeShetler. On September 28, 2018, the Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing (“OIP”) against DeShetler. As DeShetler failed to file an Answer to the OIP, the Division hereby moves for entry of default against DeShetler pursuant to Commission Rules of Practice 220(f) and 155(a), 17 C.F.R. §§ 201.220(f) and 201.155(a), respectively. The Division also requests, pursuant to Rule 155(a) of the Commission Rules of Practice, that the allegations of the OIP be deemed to be true and that the proceedings against DeShetler be determined upon consideration of the record and the allegations of the OIP. Finally, the Division moves for entry of an order barring DeShetler from association with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization pursuant to Investment Advisers Act Section 203(f), 15 U.S.C. § 80b-3(f).

II. BACKGROUND

A. Procedural Background of This Administrative Proceeding

On September 28, 2018, the Commission entered the OIP, ordering DeShetler to file his Answer to the allegations contained in the OIP within twenty days of service, as provided by Commission Rule of Practice 220(b), 17 C.F.R. § 201.220(b). (Bougdanos Decl. ¶2, Ex. 1). On October 1, 2018, the Office of the Secretary served DeShetler with the OIP via United States Postal Service Certified Mail. (Bougdanos Decl. ¶¶ 3-4, Exs. 2, 3). DeShetler failed to file an Answer. (Bougdanos Decl. ¶ 5).

B. Factual Background

DeShetler, age 66, was associated with various broker-dealers and investment advisers from 1994 until 2017. (Bougdanos Decl. ¶¶ 2, 6, Exs. 1, 4). DeShetler is a certified financial planner and was self-employed as an investment adviser and insurance agent. (*Id.*). From February 3, 2014 through December 31, 2017, DeShetler was an investment adviser registered with the State of Texas and doing business as “Partners Investment Advisors.” (Bougdanos Decl. ¶¶ 2, 6, 7, Exs. 1, 4, 5).

On June 8, 2017, DeShetler pleaded guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 before a Magistrate Judge for the United States District Court for the Eastern District of Texas, in *United States v. Lawrence Allen DeShetler*, No. 1:17-CR-00073-MAC-KFG (E.D. Tex.). (Bougdanos Decl. ¶¶ 2, 8, 9, Exs. 1, 6, 7). In a June 20, 2017 order, the Magistrate Judge recommended that the District Court accept DeShetler’s plea, and the District Court did so, pursuant to a Judgment entered on November 6, 2017. (Bougdanos Decl. ¶¶ 2,10, Exs. 1, 8). The mail fraud count to which DeShetler pleaded guilty alleged, among other things, that, beginning in early 2016, DeShetler began soliciting funds from clients by telling them he would

invest the funds or purchase a financial product, when, in fact, DeShetler deposited the funds in a bank account under his name and control and used the money for his personal benefit. (Bougdanos Decl. ¶ 2, Ex. 1).

In the Factual Basis and Stipulation accompanying his plea, DeShetler admitted certain facts. (Bougdanos Decl. ¶9, Ex. 7). DeShetler stated that he misappropriated client funds given to him for investment in his capacity as an investment adviser, using the funds for his own purposes. (*Id.*) Some of the clients whom DeShetler defrauded were seniors. (*Id.*)

In January 2016, DeShetler recommended to a 64-year-old client that she remove her retirement monies from a prior account he had recommended to a new investment that purportedly would provide a better return. (*Id.*) The client provided DeShetler with a check. She told DeShetler that it was all the money she had and that she could not afford to lose it. (*Id.*) DeShetler deposited the check into an account under his name and sole control. (*Id.*) He made monthly payments to the victim but used the remaining money for his own personal expenses, including building a house in Nicaragua. (*Id.*) When the victim tried to reach DeShetler, a neighbor informed her he had moved to Nicaragua. (*Id.*) In early 2016, DeShetler recommended to a 75-year-old client that she withdraw her retirement money from an account he had previously recommended and re-invest it with him in another account. He assisted her with completing the withdrawal process and had her sign the resulting check over to him. (*Id.*) He then deposited the check into an account under his name and that he owned and controlled. (*Id.*) DeShetler used the proceeds for his own personal use and expenses. (*Id.*) In May 2016, DeShetler met with an elderly client who had been widowed recently. (*Id.*) Previously, she and her husband had provided DeShetler with checks resulting from their liquidation of a trust in reliance upon DeShetler's assurances of a better investment. (*Id.*) DeShetler met with the

widow at her home, and she agreed to allow him to stay at her house while she was away, as she trusted him. (*Id.*) When she returned in June 2016, she found all her investment documents were missing, and DeShetler was gone. (*Id.*) When she attempted to contact him, she could not reach him. (*Id.*)

DeShetler stipulated that, in total, his five victims lost an aggregate amount of \$1,907,003.71 as a result of his fraudulent schemes. (*Id.*) He also admitted that he acted while he had “occupied a position of trust relative to the victims of the offense.” (*Id.*)

By Judgment entered on November 6, 2017, the District Court sentenced DeShetler to 60 months of incarceration followed by three years of supervised release and ordered him to make restitution in the amount of \$926,809.18. (Bougdanos Decl. ¶¶ 2, 10, Exs. 1, 8).

III. ARGUMENT

A. DeShetler Is in Default and the Findings of the OIP Should Be Deemed To Be True and Considered Along with the Record

Rule 220(f) of the Commission Rules of Practice specifies that, where a “respondent fails to file an answer . . . within the time provided, such person may be deemed in default pursuant to Rule 155(a).” 17 C.F.R. § 201.220(f). In turn, Commission Rule of Practice 155(a) allows the Commission to “determine the proceeding against [the respondent] upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed to be true.” 17 C.F.R. § 201.155(a).

As DeShetler failed to file an answer within twenty days of service, as ordered in the OIP, he should be deemed to be in default pursuant to Rule 155(a). Accordingly, the Division moves for default to be entered, for the findings of the OIP be deemed true, and for the factual record set forth above to be considered in this proceeding.

B. The Record Authorizes the Imposition of Sanctions Against DeShetler

Section 203(f) of the Advisers Act provides, in relevant part, that the Commission, by order, shall censure or place limitations on, suspend, or bar from association with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, any person who “has been convicted of any offense specified in [Section 203(e)(2)-(3)] within ten years of the commencement of the proceedings” if the person was associated with an investment adviser at the time of the alleged misconduct and the Commission finds that such a sanction is in the public interest. 15 U.S.C. § 80b-3(f). Section 203(e)(2) specifies “any felony or misdemeanor . . . which the Commission finds . . . involves the violation of section . . . 1341 . . . of title 18, United States Code.” 15 U.S.C. § 80b-3(e)(2). Section 202(a)(17) of the Advisers Act provides that the term “person associated with an investment adviser” includes “any employee of such investment adviser.” 15 U.S.C. § 80b-2(a)(17).

DeShetler was convicted of mail fraud in violation of 18 U.S.C. § 1341 for misconduct that occurred in 2016 and he was sentenced to 60-months incarceration. The misconduct occurred while he was an investment adviser. Accordingly, it is appropriate to consider sanctions against DeShetler.

C. A Permanent Associational Bar is in the Public Interest Pursuant to the *Steadman* Factors

The Commission considers the following factors in determining whether a sanction is in the public interest:

[1] the egregiousness of the [respondent's] actions, [2] the isolated or recurrent nature of the infraction, [3] the degree of scienter involved, [4] the sincerity of the [respondent's] assurances against future violations, [5] the [respondent's] recognition of the wrongful nature of his conduct, and [6] the likelihood that the [respondent's] occupation will present opportunities for future violations.

Steadman v. S.E.C., 603 F.2d 1126, 1140 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981); *see In The Matter of Gary M. Kornman*, Exchange Act Rel. No. 2840, AP File No. 3-12716, 2009 WL 367635, at *6 (Feb. 13, 2009) (Commission Opinion). The inquiry “into the appropriate sanction to protect the public interest is a flexible one, and no one factor is dispositive.” *In the Matter of Conrad P. Seghers*, Investment Advisers Act Rel. No. 2656, AP File No. 3-12433, 2007 WL 2790633, at *4 (Sept. 26, 2007) (Commission Opinion), *petition for review denied*, 548 F.3d 129 (D.C. Cir. 2008).

Here, DeShetler's fraudulent conduct was egregious. DeShetler repeatedly misappropriated for personal use client funds that were given to him in his capacity as a member of the securities industry. His misconduct spanned a year and involved the transfer of retirement funds from five clients, most of whom were elderly, into accounts that DeShetler owned and controlled. He falsely represented that the clients' funds would be placed in new retirement accounts, but instead used the investor monies to fund his own lifestyle. His victims suffered an aggregate loss of \$1,907,003.71. His misconduct thus demonstrates a repeated, egregious abuse of the trust placed in him as a securities professional. *See In the Matter of John S. Brownson*, Exchange Act Rel. No. 46161, AP File No. 3-10295, 2002 WL 1438186, at *3 (July 3, 2002) (Commission Opinion) (finding an egregious abuse of trust where respondent made recommendations to his clients motivated by potential personal gain), *petition for review denied* 592 F.3d 173 (D.C. Cir. 2010). DeShetler's actions evince a high degree of scienter. He stole investors' money and repeatedly lied to them about the investments. He stole investment

documents from one client and built a house in Nicaragua with another victim's money. When he pleaded guilty to mail fraud, DeShetler admitted that he acted while he "occupied a position of trust relative to the victims of the offense."

DeShetler worked in the securities industry, as an associated person of an investment adviser, for over 20 years prior to his conviction for mail fraud. He is currently 66 years old and serving a 60-month sentence. Without an associational bar, DeShetler might well attempt to re-enter the securities industry upon his release and could once again misappropriate client funds.

Thus, at least four of the *Steadman* factors favor the issuance of a permanent associational bar against DeShetler pursuant to Section 203(f) of the Investment Adviser Act. In sum, an associational bar against DeShetler is in the public interest.

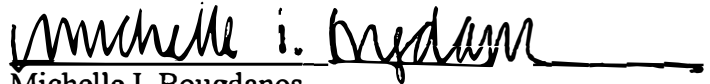
IV. CONCLUSION

The Supreme Court has explained that “[t]he primary objective of the federal securities laws [is the] protection of the investing public and the national economy through the promotion of a ‘high standard of business ethics . . . in every facet of the securities industry.’” *Bateman Eichler, Hill Richards, Inc. v. Berner*, 472 U.S. 299, 315 (1985). Moreover, the Commission has recognized that “[t]he securities industry presents a great many opportunities for abuse and overreaching and depends heavily on the integrity of its participants.” *In the Matter of Bruce Paul*, Exchange Act Release No. 21789, AP File No. 3-6271, 1985 WL 548579, at *7 (Feb. 26, 1985) (Commission Opinion). In order to recognize this objective and prevent future abuse, the Commission should enter an order finding DeShetler to be in default and imposing a permanent associational bar.

Dated: November 20, 2018

Respectfully submitted,

DIVISION OF ENFORCEMENT



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Counsel for the Division of Enforcement

In the Matter of Lawrence Allen DeShetler
Administrative Proceeding File No. 3-18854
Service List

Pursuant to Commission Rule of Practice 151, 17 C.F.R. § 201.151, I certify that the attached:

Division of Enforcement's Motion for Entry of Default and Sanctions Against
Respondent Lawrence Allen DeShetler

was filed with the Office of the Secretary of the Commission and served by U.S. Mail, on November 20, 2018, as follows:

Brent J. Fields, Secretary
Securities and Exchange Commission
100 F Street, NE, Mail Stop 1090
Washington, DC 20549

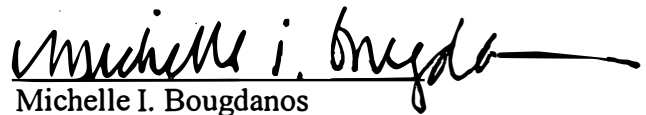
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(original and three copies)

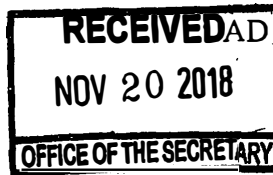
Lawrence Allen DeShetler
Register No. [REDACTED]
FCI Beaumont
[REDACTED]

(by U.S. Mail)

P.O. Box [REDACTED]
Beaumont [REDACTED]
Pro se

Dated: November 20, 2018


Michelle I. Bougdanos



ADMINISTRATIVE PROCEEDING
FILE NO. 3-18854

**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

In the Matter of

Lawrence Allen DeShetler,

Respondent

**DECLARATION OF MICHELLE I. BOUGDANOS IN SUPPORT
OF THE DIVISION OF ENFORCEMENT'S MOTION FOR
ENTRY OF DEFAULT AND SANCTIONS AGAINST RESPONDENT
LAWRENCE ALLEN DESHETLER**

November 20, 2018

Division of Enforcement
Michelle I. Bougdanos
100 F. Street, N.E.
Washington, DC 20549-5020
(202) 551-5387 (phone)

DECLARATION OF MICHELLE I. BOUGDANOS

I, Michelle I. Bougdanos, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am an attorney at law admitted to practice in the States of New York and Florida. I am employed as a Senior Counsel, in the Division of Enforcement, for the Home Office of the U.S. Securities and Exchange Commission, 100 F. Street N.E., Washington, DC 20549-5030, Telephone: (202) 551-5387. I have personal knowledge of each of the facts set forth in this Declaration and, if called as a witness, could and would competently testify thereto.

2. On September 28, 2018, this matter was instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act"). Attached hereto as Exhibit 1 is a true and correct copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, and Notice of Hearing ("OIP").

3. Attached hereto as Exhibit 2 is a true and correct copy of the U.S. Postal Service Certified Mail Receipt evidencing that the Office of the Secretary sent a copy of the OIP to Lawrence Allen DeShetler by certified mail with tracking number 7017 2400 0000 0836 0075.

4. Attached hereto as Exhibit 3 is a true and correct copy the Domestic Return Receipt for the mailing with tracking number 7017 2400 0000 0836 0075, received by the Office of the Secretary, showing that DeShetler received the OIP on October 1, 2018.

5. As of this filing, DeShetler has not filed an Answer.

6. Attached hereto as Exhibit 4 is a true and correct copy of an Investment Adviser Representative Public Disclosure Report for Lawrence Allen DeShetler (CRD # 1114673), maintained by the Securities and Exchange Commission.

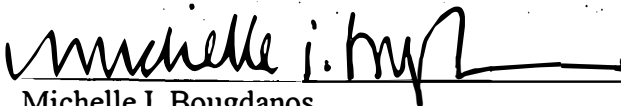
7. Attached hereto as Exhibit 5 is a true and correct copy of a printout of the Investment Advisers Registration Depository Snapshot Report, maintained by the Securities and

Exchange Commission, for Partners Investment Advisors (CRD # 165187) showing it was registered with the State of Texas as an investment adviser.

8. Attached hereto as Exhibit 6 is a true and correct copy of the June 8, 2017 Plea Agreement filed in *United States v. Lawrence Allen DeShetler*, No. 1:17-CR-00073-MAC-KFG (E.D. Tex.) (Docket Entry No. 13).

9. Attached hereto as Exhibit 7 is a true and correct copy of the June 8, 2017 Factual Basis and Stipulation filed in *United States v. Lawrence Allen DeShetler*, No. 1:17-CR-00073-MAC-KFG (E.D. Tex.) (Docket Entry No. 12).

10. Attached hereto as Exhibit 8 is a true and correct copy of the Judgment in a Criminal Case filed on November 6, 2017 in *United States v. Lawrence Allen DeShetler*, No. 1:17-CR-00073-MAC-KFG (E.D. Tex.) (Docket Entry No. 23).


Michelle I. Bougdanos

In the Matter of Lawrence Allen DeShetler
Administrative Proceeding File No. 3-18854
Service List

Pursuant to Commission Rule of Practice 151, 17 C.F.R. § 201.151, I certify that the attached:

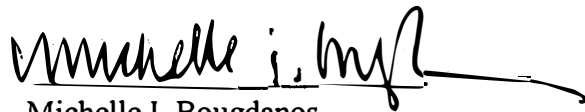
Declaration of Michelle I. Bougdanos in Support of Division of Enforcement's
Motion for Entry of Default and Sanctions Against Respondent Lawrence Allen
DeShetler

was filed with the Office of the Secretary of the Commission and served by U.S. Mail, on November 20, 2018, as follows:

Brent J. Fields, Secretary (by hand)
Securities and Exchange Commission (original and three copies)
100 F Street, NE, Mail Stop 1090
Washington, DC 20549

Lawrence Allen DeShetler (by U.S. Mail)
Register No. [REDACTED]
FCI Beaumont Low
[REDACTED]
P.O. Box [REDACTED]
Beaumont, TX [REDACTED]
Pro se

Dated: November 20, 2018


Michelle I. Bougdanos

EXHIBIT

1

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5053 / September 28, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18854

In the Matter of

**LAWRENCE ALLEN
DESHETLER,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Lawrence Allen DeShetler ("DeShetler" or "Respondent").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From February 3, 2014 through December 31, 2017, DeShetler was an investment adviser registered with the State of Texas. DeShetler, 66, is currently incarcerated in FCI Beaumont Low in Texas.

B. RESPONDENT'S CRIMINAL CONVICTION

1. On June 8, 2017, DeShetler pleaded guilty to one count of mail fraud in violation of 18 U.S.C. § 1341 before a Magistrate Judge for the United States District Court for the Eastern District of Texas, in United States v. Lawrence Allen DeShetler, No. 1:17-CR-00073-MAC-KFG (E.D. Tex.). By order dated June 20, 2017, the Magistrate Judge recommended that the District Court accept DeShetler's plea. The District Court adopted the Magistrate's recommendation and, pursuant to a Judgment entered on November 6, 2017, sentenced DeShetler to 60 months of incarceration followed by three years of supervised release and ordered him to make restitution in the amount of \$926,809.18.

2. The mail fraud count to which DeShetler pleaded guilty alleged, among other things, that, beginning in early 2016, DeShetler began soliciting funds from clients by telling them he would invest the funds or purchase a financial product, when, in fact, DeShetler deposited the funds in a bank account under his name and control and used the money for his personal benefit. In connection with this scheme, he knowingly caused to be placed in an authorized depository for mail, to be sent and delivered by the Postal Service, a cashier's check.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing before the Commission for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed by further order of the Commission, pursuant to Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.220(b).

IT IS FURTHER ORDERED that the Division of Enforcement and Respondent shall conduct a prehearing conference pursuant to Rule 221 of the Commission's Rules of Practice, 17 C.F.R. § 201.221, within fourteen (14) days of service of the Answer. The parties may meet in person or participate by telephone or other remote means; following the conference, they shall file

a statement with the Office of the Secretary advising the Commission of any agreements reached at said conference. If a prehearing conference was not held, a statement shall be filed with the Office of the Secretary advising the Commission of that fact and of the efforts made to meet and confer.

If Respondent fails to file the directed Answer, or fails to appear at a hearing or conference after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondent by any means permitted by the Commission's Rules of Practice.

Attention is called to Rule 151(b) and (c) of the Commission's Rules of Practice, 17 C.F.R. § 201.151(b) and (c), providing that when, as here, a proceeding is set before the Commission, all papers (including those listed in the following paragraph) shall be filed with the Office of the Secretary and all motions, objections, or applications will be decided by the Commission. The Commission requests that an electronic courtesy copy of each filing should be emailed to APFilings@sec.gov in PDF text-searchable format. Any exhibits should be sent as separate attachments, not a combined PDF.

The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that notwithstanding any contrary reference in the Rules of Practice to filing with or disposition by a hearing officer, all filings, including those under Rules 210, 221, 222, 230, 231, 232, 233, and 250 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.210, 221, 222, 230, 231, 232, 233, and 250, shall be directed to and, as appropriate, decided by the Commission, and that any motion for summary disposition shall be filed under Rule 250(a) or (b).

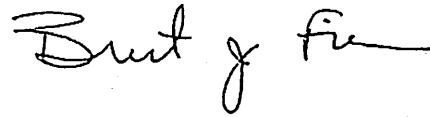
The Commission finds that it would serve the interests of justice and not result in prejudice to any party to provide, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), that the Commission shall issue a decision on the basis of the record in this proceeding, which shall consist of the items listed at Rule 350(a) of the Commission's Rules of Practice, 17 C.F.R. § 201.350(a), and any other document or item filed with the Office of the Secretary and accepted into the record by the Commission. The provisions of Rule 351 of the Commission's Rules of Practice, 17 C.F.R. § 201.351, relating to preparation and certification of a record index by the Office of the Secretary or the hearing officer are not applicable to this proceeding.

The Commission will issue a final order resolving the proceeding after one of the following: (A) The completion of post-hearing briefing in a proceeding where the public hearing has been completed; (B) The completion of briefing on a motion for a ruling on the pleadings or a motion for summary disposition pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250, where the Commission has determined that no public hearing is necessary; or (C) The

determination that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155, and no public hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

A handwritten signature in cursive script, appearing to read "Brent J. Fields".

Brent J. Fields
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice by certified mail:

Michelle I. Bougdanos, Esq.
Division of Enforcement
Securities and Exchange Commission
101 F Street, NE
Washington, DC 20549-5030

CERTIFIED MAIL

Mr. Lawrence Allen DeShetler

Register No. [REDACTED]

P.O. Box [REDACTED]

Beaumont, TX [REDACTED]



OFFICE OF
THE SECRETARY

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

100 F Street, N.E.
Washington, D.C. 20549

SEP 28 2018

Re: In the Matter of Lawrence Allen DeShetler

Please find enclosed the Order issued by the Securities and Exchange Commission in the above-referenced matter.

Your attention is directed to Section IV of the Order, which requires, among other things, that an answer be filed pursuant to Rule 220 of the Commission's Rules of Practice. The Commission's Rules of Practice include requirements for filing answers, notice of appearance, and other actions. The Rules of Practice can be found at <http://www.sec.gov/about/rulesofpractice.shtml>.

If you have any questions or wish to discuss any aspect of the proceedings, you may communicate with the Division of Enforcement attorney appearing on the service list attached to the enclosed Order.

A handwritten signature in cursive script, appearing to read "Brent J. Fields".

Brent J. Fields
Secretary

Enclosure

EXHIBIT

2

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee

\$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$ _____
- Return Receipt (electronic) \$ _____
- Certified Mail Restricted Delivery \$ _____
- Adult Signature Required \$ _____
- Adult Signature Restricted Delivery \$ _____

Postmark
Here

Postage

\$

Total Postage and Fees

\$

Send to Lawrence A. DeShelton

Street and Apt. No., or PO Box No. 3-18854

City, State, ZIP+4® 80466

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7017 2400 0000 0636 0075

EXHIBIT

3

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse
so that we can return the card to you.

1. Attach this card to the back of the mailpiece,
or on the front if space permits.

i. Article Addressed to:

Mr. Lawrence Allen DeShetler
SPECIAL MAIL. OPEN IN PRESENCE OF
INMATE
Register No. [REDACTED]
FCI Beaumont Low
[REDACTED]
P O Box [REDACTED]
Beaumont, TX [REDACTED]
9390 9402 33

3- 18854

8045611

OCT 1 - 2018

- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Registered Mail

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery

2. 7017 2400 0000 0836 0075

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

10-1-18

D. Is delivery address different from item 1? Yes No
If yes, address below:

USPS TRACKING #



9590 9402 3349 7227 3674 54

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

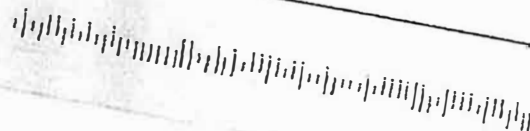
• Sender: Please print your name, address, and ZIP+4® in this box*

RECEIVED

OCT 09 2018

OFFICE OF THE SECRETARY

SECURITIES AND EXCHANGE COMMISSION
100 F. Street, N.E.
Washington, D.C. 20549-1090



EXHIBIT

4



Investment Adviser Representative Public Disclosure Report

LAWRENCE ALLEN DESHETLER MR.

CRD# 1114673

Report #30284-22109, data current as of Saturday, August 11, 2018.

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Qualifications	2 - 3
Registration and Employment History	4
Disclosure Information	5



IAPD Information about Investment Adviser Representatives

IAPD offers information on all current-and many former-Investment Adviser Representatives. Investors are strongly encouraged to use IAPD to check the background of Investment Adviser Representatives before deciding to conduct, or continue to conduct, business with them.

- **What is included in a IAPD report?**
- IAPD reports for individual Investment Adviser Representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.
-
- It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
-
- **Where did this information come from?**
- The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD®, (see more on CRD below) and is a combination of:
 - information the states require Investment Adviser Representatives and firms to submit as part of the registration and licensing process, and
 - information that state regulators report regarding disciplinary actions or allegations against Investment Adviser Representatives.
 -
- **How current is this information?**
- Generally, Investment Adviser Representatives are required to update their professional and disciplinary information in IARD within 30 days.
-
- **Need help interpreting this report?**
- For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>.
-
- **What if I want to check the background of an Individual Broker or Brokerage firm?**
- To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.
-
- **Are there other resources I can use to check the background of investment professionals?**
- It is recommended that you learn as much as possible about an individual Investment Adviser Representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>.



Investment Adviser Representative Report Summary

LAWRENCE ALLEN DESHETLER MR. (CRD# 1114673)

The report summary provides an overview of the Investment Adviser Representative's professional background and conduct. The information contained in this report has been provided by the Investment Adviser Representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the Investment Adviser Representative, a previous employing firm, or a securities regulator on 12/05/2017.

CURRENT EMPLOYERS

This individual is not currently registered as an Investment Adviser Representative.

QUALIFICATIONS

This individual is not currently registered as an Investment Adviser Representative.

Note: Not all jurisdictions require IAR registration or may have an exemption from registration. Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This Investment Adviser Representative was previously registered with the following Investment Adviser firms:

FIRM (IARD#) - LOCATION	REGISTRATION DATES
PARTNERS INVESTMENT ADVISORS (IARD# 165187) - THE WOODLANDS, TX	02/03/2014 - 12/31/2017
JEFFERSON PILOT SECURITIES CORP (IARD# 3870) - THE WOODLANDS, TX	08/01/1994 - 12/31/2004

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this Investment Adviser Representative? **Yes**

The following types of events are disclosed about this Investment Adviser Representative:

Type	Count
Criminal	2
Customer Dispute	1



Investment Adviser Representative Qualifications

REGISTRATIONS

This section provides the states and U.S. territories in which the Investment Adviser Representative is currently registered and licensed, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the Investment Adviser Representative is currently employed, the address of each location where the Investment Adviser Representative works.

This individual is not currently registered as an Investment Adviser Representative.



Investment Adviser Representative Qualifications

PASSED INDUSTRY EXAMS

This section includes all required state securities exams that the Investment Adviser Representative has passed. Under limited circumstances, an Investment Adviser Representative may attain registration after receiving an exam waiver based on a combination of exams the Investment Adviser Representative has passed and qualifying work experience. Likewise, a new exam requirement may be grandfathered based on an Investment Adviser Representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed the following exams:

Exam	Category	Date
Uniform Securities Agent State Law Examination (S63)	Series 63	08/31/1983

PROFESSIONAL DESIGNATIONS

This section details that the Investment Adviser Representative has reported 1 professional designation(s).

Certified Financial Planner

This Investment Adviser Representative holds or did hold 1 professional designation(s) that may have been used to qualify as an Investment Adviser Representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



Investment Adviser Representative Registration and Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING INVESTMENT ADVISER FIRMS

This section indicates that state registration records show this Investment Adviser Representative previously held registrations with the following firms:

Registration Dates	Firm Name	IARD#	Branch Location
02/03/2014 - 12/31/2017	PARTNERS INVESTMENT ADVISORS	165187	THE WOODLANDS, TX
08/01/1994 - 12/31/2004	JEFFERSON PILOT SECURITIES CORP	3870	THE WOODLANDS, TX

EMPLOYMENT HISTORY

Below is the Investment Adviser Representative's employment history for up to the last 10 years.

Please note that the Investment Adviser Representative is required to provide this information only while registered and the information is not updated after the Investment Adviser Representative ceases to be registered, with a state regulator. Therefore, an employment end date of "Present" may not reflect the Investment Adviser Representative's current employment status.

Employment Dates	Employer Name	Employer Location
01/2005 - Present	LAWRENCE DESHETLER	THE WOODLANDS, TX

OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the Investment Adviser Representative regarding other business activities the Investment Adviser Representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

INSURANCE SALES: GENERAL LINES AGENT
I'M AN AFFILIATE OF THE ESTATE PLAN OF RENO, NEVADA. THEY ARE AN ESTATE DOCUMENT COMPANY.



Investment Adviser Representative Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this Investment Adviser Representative:

Type	Count
Criminal	2
Customer Dispute	1

Criminal

This disclosure event involves a criminal charge against the Investment Adviser Representative that has resulted in a dismissal, plea, acquittal or conviction. The criminal matter may relate to any felony or certain misdemeanor offenses (e.g., bribery, perjury, forgery, counterfeiting, extortion, fraud, wrongful taking of property).

Disclosure 1 of 2

Reporting Source: Regulator

Formal Charges were brought in: Federal Court

Name of Court: UNITED STATES DISTRICT COURT

Location of Court: EASTERN DISTRICT OF TEXAS BEAUMONT DIVISION

Docket/Case #: 1:17-CR-00073-001

Charge Date: 11/02/2017

Charge(s) 1 of 1

Formal Charge(s)/Description: MAIL FRAUD

No of Counts: 1

Felony or Misdemeanor: Felony

Plea for each charge: GUILTY

Disposition of charge: Pled guilty

Current Status: Final

Status Date: 11/06/2017

Disposition Date: 11/06/2017

Sentence/Penalty: SENTENCED TO SERVE 60 MONTHS IN THE US BUREAU OF PRISONS, 3 YEARS OF SUPERVISED RELEASE. AND TO PAY RESTITUTION IN THE AMOUNT OF \$926,809.18.

Disclosure 2 of 2

Reporting Source: Regulator



Formal Charges were brought in:	State Court
Name of Court:	9th DISTRICT COURT
Location of Court:	MONTGOMERY COUNTY, TEXAS
Docket/Case #:	16-08-09845-CR
Charge Date:	11/10/2016
Charge(s) 1 of 1	
Formal Charge(s)/Description:	THEFT
No of Counts:	1
Felony or Misdemeanor:	Felony
Plea for each charge:	N/A
Disposition of charge:	Dismissed
Current Status:	Final
Status Date:	11/16/2017
Disposition Date:	11/16/2017
Sentence/Penalty:	N/A - PLEASE SEE US DISTICT COURT CAUSE NO. 1;17-CR-00073-001



Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 1

Reporting Source: Firm

Employing firm when activities occurred which led to the complaint: JEFFERSON PILOT SECURITIES CORPORATION

Allegations: IN JANUARY OF 2000 REP. REPLACED TWO LIFE POLICIES WITH ONE INFERIOR VUL POLICY.

Product Type: Insurance

Alleged Damages: \$0.00

Customer Complaint Information

Date Complaint Received: 08/12/2005

Complaint Pending? No

Status: Closed/No Action

Status Date: 06/27/2006

Settlement Amount:

Individual Contribution Amount:

Firm Statement COMPENSATORY DAMAGES ARE UNKNOWN



End of Report

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EXHIBIT

5

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

Page 1 of 9

Notice

CRD® or IARD(TM) Information: This report contains information from the CRD (Central Registration Depository) system, or the IARD system (Investment Advisers Registration Depository), which are operated by FINRA, a national securities association registered under the Securities Exchange Act of 1934. The CRD system primarily contains information submitted on uniform broker-dealer and agent registration forms and certain other information related to registration and licensing. The IARD system primarily contains information submitted on uniform investment adviser and agent registration forms and certain other information related to registration and licensing. The information on Uniform Forms filed with the CRD or IARD is deemed to have been filed with each regulator with which the applicant seeks to be registered or licensed and shall be the joint property of the applicant and such regulators. The compilation constituting the CRD database as a whole is the property of FINRA. Neither FINRA nor a participating regulator warrants or guarantees the accuracy or the completeness of the CRD or IARD information. CRD information consists of reportable and non-reportable information.

FINRA operates the CRD system in its capacity as a registered national securities association and pursuant to an agreement with the North American Securities Administrators Association, Inc. (NASAA).

FINRA operates the IARD system as a vendor pursuant to a contract with the Securities and Exchange Commission and undertakings with NASAA and participating state regulators.

Reportable Information: Information that is required to be reported on the current version of the uniform registration forms.

Non-Reportable Information: Information that is not currently reportable on a uniform registration form. Information typically is not reportable because it is out-of-date; it was reported in error; or some change occurred either in the disposition of the underlying event after it was reported or in the question on the form that elicited the information. Although not currently reportable, this information was once reported on a uniform form and, consequently, may have become a state record. Users of this information should recognize that filers have no obligation to update non-reportable data; accordingly, it may not reflect changes that have occurred since it was reported.

CRD® or IARD(TM) System Current As Of: 09/27/2018
Snapshot - Firm
CRD® or IARD(TM) System Report provided to: Texas
Request Submitted: 9/28/2018 3:20:24 PM

Page 2 of 9

Details for Request#: 21417144
Report: Snapshot - Firm
Requested By: MAM

<u>Parameter Name</u>	<u>Value</u>
Organization CRD #	165187
Snapshot Type	IA
Include Current Administration Information?	Yes
Include Current Reportable Disclosure Information?	Yes
Include Current Non-Reportable Disclosure Information?	Yes
Include Part 2 Brochure Information? (only valid for IA firms)	Yes

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

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Organization: 165187 - PARTNERS INVESTMENT ADVISORS

Administrative Information

Organization CRD#: 165187

SEC#:

Primary Business Name: PARTNERS INVESTMENT ADVISORS

Legal Name: DESHETLER, LAWRENCE ALLEN

Additional CRD Numbers:

CIK Numbers assigned by SEC:

Registers more than one investment adviser under umbrella registration?

Contact Information:

Main Office Address:

Phone: 9363217639

74 LYRIC ARBOR CIR

THE WOODLANDS, TX 77381-7301 United States

Total number of offices, other than your Principal Office and place of business:

Mailing Office Address:

P O BOX 132498

THE WOODLANDS, TX 77393

United States

Chief Compliance Officer Name:

LAWRENCE ALLEN DESHETLER (MR)

Phone:

9363217639

Name of other person compensating CCO:

Additional Regulatory Contact Name :

Additional Regulatory Contact Person Telephone :

Public Reporting Company:

No

Registrations:

Regulator	Registration Status	Status Effective Date
Texas	Failure to Renew	12/31/2017

Notice Filings:

<<No notice filings found for this Organization.>>

Exempt Reporting Statuses:

<<No Exempt Reporting Status found for this Organization.>>

Form Of Organization:

Legal Status: Sole Proprietorship

Month Fiscal Year Ends: December

State Of Formation: Texas

Country Of Formation: United States

Disclosure Questions:

CRD® or IARD(TM) System Report – See notice regarding CRD Data on cover page.

SEC-E-0000074

Organization: 165187 - PARTNERS INVESTMENT ADVISORS

Administrative Information

Yes Answers: None

No Answers: 11A(1),11A(2),11B(1),11B(2),11C(1),11C(2),11C(3),11C(4),11C(5),11D(1),11D(2),11D(3),11D(4),11D(5),11E(1),11E(2),11E(3),11E(4),11F,11G,11H(1)(a),11H(1)(b),11H(1)(c),11H(2),2(C),2(D),2E(1),2E(2),2E(3),2E(4),2E(5),2F(1),2F(2),2F(3),2F(4),2F(5)

Unanswered: None

Non-Disclosure Questions:

Yes Answers: 1(I),5F(1),6B(1),6B(2),8A(2),8C(1),8C(2),8C(3),8E

No Answers: 1(L),1(M),1(N),1(O),4A,5J,6B(3),7B,8A(1),8A(3),8B(1),8B(2),8B(3),8C(4),8D,8F,8G(1),8G(2),8H,8I,9A(1)(a),9A(1)(b),9B(1)(a),9B(1)(b),9D(1),9D(2),10A

Unanswered: 5I(1),12A,12B(1),12B(2),12C(1),12C(2)

Types Of Advisory Services:

Financial planning services	Yes
Portfolio management for individuals and/or small businesses	Yes
Portfolio management for investment companies/BDCs	No
Portfolio management for pooled investment vehicles	No
Portfolio management for businesses (other than small businesses) or institutional clients	No
Pension consulting services	No
Selection of other advisers	No
Publication of periodicals or newsletters	No
Security ratings or pricing services	No
Market timing services	No
Educational seminars/workshops	No
Other	No
Other detail	

Direct Owners and Executive Officers:

Full Legal Name: DESHETLER, LAWRENCE, ALLEN

Title or Status: MR

Date Acquired: 07/1998

Ownership Code: 75% or more

D/F/I: Individual

Control Person: Yes

Public Company: No

ID #: 1114673

Indirect Owners:

<<No Indirect Owners found for this Organization.>>

Other Business Names:

Name: LAWRENCE ALLEN DESHETLER

Jurisdiction(s): TX

Other Offices:

<<No Other Office for this Organization.>>

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

Page 5 of 9

Organization: 165187 - PARTNERS INVESTMENT ADVISORS

Administrative Information

Other Business Activities:

Broker-dealer	No
Registered representative of a broker-dealer	No
Commodity pool operator, or commodity trading advisor	No
Futures commission merchant	No
Real estate broker, dealer, or agent	No
Insurance broker or agent	Yes
Bank (including a separately identifiable department or division of a bank)	No
Trust company	No
Registered municipal advisor	No
Registered security-based swap dealer	No
Major security-based swap participant	No
Accountant or accounting firm	No
Lawyer or law firm	No
Other financial product salesperson	Yes

Succession Information:

<<No Succession Information found for this Organization.>>

Private Funds:

Adviser to Private Funds: No
Count of Private Funds - 7.B.(1): 0
Count of Private Funds - 7.B.(2): 0

Organization: 165187 - PARTNERS INVESTMENT ADVISORS

Custody Information:

Advisor Custodian

Cash/Bank Accts: No

Securities: No

U.S. Dollar Amount:

Total Number of Clients:

Qualified Custodian: No

Related Persons

Cash/Bank Accts: No

Securities: No

U.S. Dollar Amount:

Total Number of Clients:

Qualified Custodian: No

Reports

Quarterly Statements: Yes

Annual Audit: No

Surprise Exam: No

Internal Control Report: No

Schedule R Information:

<<No Relying Advisors Information found for this Organization.>>

Reportable Disclosures

Occurrence: 52869

Public Disclosable: Yes

Disclosure Type: Judgment/Lien

Reportable: Yes

Disclosure Review Comments:

Form: ADV

Source: IA

Questions: 2(D)

Received: 02/12/2015

PART I

<<No Part I information for this DRP.>>

Judgment/Lien DRP Content

1. Judgment/Lien Amount: \$97,000.00

2. Judgment/Lien Holder: IRS

3. Judgment/Lien Type: TAX

4. Date filed/Explanation: 12/01/2007
I OWED 1040 TAXES FROM 2005. I SOLD OUR HOME IN 2009 AND PAID OFF ALL TAXES OWED

5. Outstanding: No

Status Date/Explanation: 12/10/2009
PAID TAXES IN FULL

Resolution: Satisfied

6. Court Name/Location and Docket/Case Number: LIEN WAS IN MONTGOMERY COUNTY TEXAS MY COUNTY OF RESIDENCE

7. Summary: [REDACTED] AND GOT BEHIND ON INCOME TAXES. IRS WAS FULLY PAID OFF IN DECEMBER 2009.

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

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Organization: 165187 - PARTNERS INVESTMENT ADVISORS

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

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Organization: 165187 - PARTNERS INVESTMENT ADVISORS

Non-Reportable Disclosures

<<No non-reportable disclosures found for this Organization.>>

CRD® or IARD(TM) System Current As Of: 09/27/2018

Snapshot - Firm

CRD® or IARD(TM) System Report provided to: Texas

Request Submitted: 9/28/2018 3:20:24 PM

Page 9 of 9

Organization: 165187 - PARTNERS INVESTMENT ADVISORS

PART 2 Brochures

<<No brochures found for this Organization.>>

EXHIBIT

6

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

JUN 08 2017

UNITED STATES OF AMERICA

§
§
§
§
§

BY
DEPUTY _____

v.

No. 1:17-CR-73

Judge

LAWRENCE ALLEN DESHETLER

PLEA AGREEMENT

The defendant, Lawrence Allen DeShetler, the defendant's attorney Gary Bonneaux, and the United States Attorney for the Eastern District of Texas agree to the following pursuant to Fed. R. Crim. P. 11(c)(1)(C):

1. RIGHTS OF THE DEFENDANT: The defendant understands that accused individuals have the following rights:

- a. to plead not guilty;
- b. to have a trial by jury;
- c. to have guilt proved beyond a reasonable doubt;
- d. to confront and cross-examine witnesses and to call witnesses in defense; and
- e. to not be compelled to testify against oneself.

2. WAIVER OF RIGHTS AND PLEA OF GUILTY: The defendant waives these rights and agrees to enter a plea of guilty to Count One of an information, which charges a violation of 18 U.S.C. § 1341, Mail Fraud. The defendant understands the nature and elements of the crime to which guilt is admitted and agrees that the factual resume defendant has signed is true and will be submitted as evidence.

3. SENTENCE: The maximum penalties the Court can impose include:

- a. imprisonment for a period not to exceed 20 years;
- b. a fine not to exceed \$250,000, or twice any pecuniary gain to the defendant or loss to the victim(s);
- c. a term of supervised release of not more than 3 years, which may be mandatory under the law and will follow any term of imprisonment. If the defendant violates the conditions of supervised release, the consequence could be imprisonment for the entire term of supervised release;
- d. a mandatory special assessment of \$100, which must be paid by cashier's check or money order to the United States District Clerk;
- e. forfeiture of property involved or traceable to the criminal offense;
- f. restitution to victims or to the community; and
- g. costs of incarceration and supervision.

4. AGREEMENT PURSUANT TO FED. R. CRIM. P. 11(C)(1)(C): The parties agree that the following stipulations yield the appropriate sentence in this case:

- a. The defendant will be sentenced to a term of imprisonment for 60 months.
- b. The defendant will pay restitution of \$948,058.55 as set forth in paragraph 5 of this Agreement.
- c. The defendant will pay the mandatory special assessment of \$100.00 at or prior to the sentencing hearing.
- d. The Court will determine and impose any fine, community service, or term of supervised release deemed appropriate.
- e. The government agrees to recommend his federal sentence run concurrent with any state sentence he may receive.

- f. The government agrees to recommend that the defendant receive credit toward his federal sentence starting from the date of his arrest on related state charges.

5. **RESTITUTION:** The defendant understands that restitution may be ordered by the Court. The defendant agrees that restitution in this case is not limited to the offense of conviction and may include restitution for all losses caused by the defendant's criminal conduct, even if such losses resulted from crimes not charged or admitted by the defendant in the factual statement. The defendant waives any defense or objection to any action to enforce the collection of the financial obligations to be imposed in connection with this prosecution, including, but not limited to, all collection procedures authorized by 28 U.S.C. § 3001, 18 U.S.C. § 3664(j)(2), or 18 U.S.C. § 3613(f).

The parties further stipulate that the currently unreimbursed losses caused by the defendant's criminal violations are \$948,058.55 and that this is the appropriate amount should the Court order restitution. The defendant agrees to pay full restitution to the victims on the count of conviction and all relevant conduct. The defendant understands that the amount of restitution owed will be determined at or before sentencing.

6. **GOVERNMENT'S AGREEMENT:** The United States Attorney for the Eastern District of Texas agrees not to prosecute the defendant for any additional non-tax-related criminal charges based upon the conduct underlying and related to the defendant's plea of guilty. After sentencing, the government will dismiss any remaining charges against this defendant.

7. **VIOLATION OF AGREEMENT:** The defendant understands that upon violation of any provision of this agreement or any Court order or rule, or if the guilty plea

pursuant to this agreement is vacated or withdrawn, the government will be free from its obligations under this agreement and may prosecute the defendant for all offenses of which it has knowledge. In such event, the defendant waives any objections based upon delay in prosecution.

8. **VOLUNTARY PLEA:** This plea of guilty is freely and voluntarily made and is not the result of force, threats, or promises other than those set forth in this agreement.

9. **WAIVER OF RIGHT TO APPEAL OR OTHERWISE CHALLENGE SENTENCE:** Except as otherwise provided herein, the defendant expressly waives the right to appeal the conviction, sentence, fine and/or order of restitution or forfeiture in this case on all grounds. The defendant further agrees not to contest the conviction, sentence, fine and/or order of restitution or forfeiture in any post-conviction proceeding, including, but not limited to a proceeding under 28 U.S.C. § 2255. The defendant, however, reserves the right to appeal the following: (a) the failure of the Court, after accepting this agreement, to impose a sentence in accordance with the terms of this agreement; and (b) a claim of ineffective assistance of counsel that affects the validity of the waiver or the plea itself.

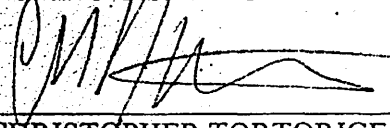
10. **REPRESENTATION OF COUNSEL:** The defendant has thoroughly reviewed all legal and factual aspects of this case with defense counsel and is fully satisfied with defense counsel's legal representation. The defendant has received satisfactory explanations from defense counsel concerning each paragraph of this plea agreement, each of the defendant's rights affected thereby, and the alternatives to entering a guilty plea. After conferring with counsel, the defendant concedes guilt and has concluded that it is in the defendant's best interest to enter this agreement rather than proceeding to trial.

11. **LIMITATIONS ON THIS AGREEMENT:** This agreement is only binding on the United States Attorney's Office for the Eastern District of Texas and does not bind any other federal, state, or local prosecuting authority. Nothing in this agreement shall be construed to release the defendant from possible related or consequential civil liability to any individual, legal entity, or the United States.

12. **ENTIRETY OF AGREEMENT:** The defendant, the defendant's attorney, and the government acknowledge that this is a complete statement of the parties' agreement in this case. It supersedes all other plea agreements and may not be modified unless the modification is in writing and signed by all parties. No other promises have been made or implied.

Respectfully submitted,

BRIT FEATHERSTON
ACTING U.S. ATTORNEY

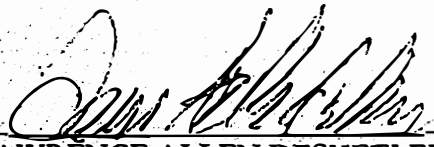


CHRISTOPHER TORTORICE
Assistant United States Attorney
Eastern District of Texas
350 Magnolia, Suite 150
Beaumont, Texas 77701
(409)839-2538
(409)839-2550 Fax
Texas Bar No. 24048912

Dated: June 8th, 2017

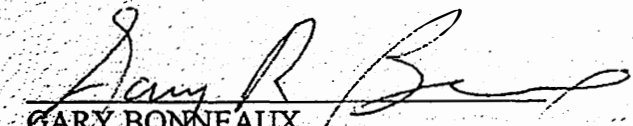
I have read or had read to me this plea agreement and have carefully reviewed every part of it with my attorney. I fully understand it and voluntarily agree to it.

Dated: June 8, 2017


LAWRENCE ALLEN DESHETLER
Defendant

I am counsel for the defendant. I have carefully reviewed every part of this plea agreement with the defendant. To my knowledge and belief, my client's decision to enter into this plea agreement is an informed and voluntary one.

Dated: June 8, 2017


GARY BONNEAUX
Attorney for Defendant

EXHIBIT

7

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION

JUN 08 2017

UNITED STATES OF AMERICA

§
§
§
§
§

BY
DEPUTY _____

v.

No. 1:17-CR- 73
Judge

LAWRENCE ALLEN DESHETLER

FACTUAL BASIS AND STIPULATION

The government presents to the Court, by and through the undersigned Assistant United States Attorney in and for the Eastern District of Texas, joined by the defendant Lawrence Allen DeShetler, and the defendant's attorney Gary Bonneaux, and presents this factual basis and stipulation in support of the defendant's plea of guilty to Count One of the information and in support thereof, would show the following:

1. That the defendant Lawrence Allen DeShetler hereby stipulates and agrees to the truth of all matters set forth in this factual basis and stipulation, and agrees that such admission may be used by the Court in support of his plea of guilty to Count One of the information, which charges a violation of 18 U.S.C. § 1341, Mail Fraud.
2. That the defendant, Lawrence Allen DeShetler who is pleading guilty to such indictment, is one and the same person charged in the indictment.
3. That the events described in the indictment occurred in the Eastern District of Texas and elsewhere.
4. That had this matter proceeded to trial, the government, through the testimony of witnesses, including expert witnesses, and through admissible exhibits, would

have proven, beyond a reasonable doubt, each and every essential element of the offense alleged in the indictment; specifically, the government would have proven the following stipulated facts:

a. Lawrence Allen DeShetler (DeShetler), defendant, has been a certified financial planner (CFP) and investment advisor since 1994, and has been president of DeShetler & Company, Inc. since 1988. In his capacity as a CFP and investment advisor, DeShetler would advise clients on investment strategies and act as a broker for financial products, such as annuities and insurance policies. However, beginning in early 2016, DeShetler began soliciting funds from clients by telling them he would invest them or purchase a financial product, when, in fact, DeShetler would deposit the funds in a bank account under his name and control, and use the money for his personal benefit. In total, DeShetler defrauded five clients, as described below.

b. Victim R.H.

i. Victim R.H. is a 64-year-old resident of Lumberton, Texas. DeShetler began as her financial advisor sometime in or around 2010. In 2010, DeShetler advised R.H. to place her retirement funds into an individual retirement account (IRA) at Voya Financial (Voya). In January 2016, DeShetler told R.H. that she was losing money in the Voya IRA and she should move it to an IRA with JP Morgan Chase (Chase), where she would get a better return on her investment. R.H. agreed, but informed DeShetler that this was her retirement and all the money she had, and

could not afford to lose it. R.H. and DeShetler met at a restaurant in Lumberton, Texas, where R.H. gave DeShetler a check for \$726,985.19, which represented her entire Voya IRA. DeShetler took the check and deposited the money in a non-IRA Chase account under his name and under his sole control. DeShetler began to make monthly payments to R.H., and used what money he did not disperse to R.H. for his personal benefit, including food, alcohol, personal housing rental payments, and personal travel. DeShetler further used R.H.'s funds for a down payment to begin construction of a house in Nicaragua. In mid-June, 2016, R.H. attempted to contact DeShetler, but was unable to reach him. R.H. was able to reach DeShetler's neighbor, who told her that DeShetler moved to Nicaragua.

- ii. In total, DeShetler made 5 monthly payments of \$4,250 to R.H., for a total of \$21,250. As such, the parties agree that the intended loss for R.H. is the total investment of \$726,985.19, minus the money returned, for a total intended loss of \$705,735.19. After discovery of the scheme, the Montgomery County District Attorney's Office seized \$633,517.68 in the Chase account, leaving \$93,467.51 in restitution owed to R.H.

c. Victim J.S.

- i. Victim J.S. is a 75-year-old resident of Orange, Texas. DeShetler was J.S.'s financial advisor for "several years." DeShetler advised J.S. to invest her retirement funds with Voya. However, in early 2016,

DeShetler advised her that Voya was losing money and to withdraw it from Voya so she could give it to him to re-invest with Chase.

DeShetler assisted J.S. in completing the withdrawal process, and Voya mailed J.S. a cashier's check in the amount of \$243,382.21 via United States Postal Service. These funds represented the entire amount of J.S.'s retirement funds. DeShetler went to J.S.'s home and had J.S. sign the check over to him, and told her that he would deposit it in the Chase branch in Orange. DeShetler, however, ultimately deposited the funds into a Mid-South Bank (Mid-South) account in Magnolia, Texas, which was in his name and under his control. DeShetler used the proceeds from J.S. for his own personal use and expenses.

- ii. The parties agree that the intended loss was \$243,382.21. The large deposit made by DeShetler aroused the suspicion of Mid-South's security officer, who contacted J.S. After speaking with J.S., the account was frozen and the remaining balance of \$198,842.63 was returned to J.S., leaving \$44,539.58 due in restitution to J.S.

d. Victims C.S. & D.S.

- i. C.S. & D.S. are a married couple living in Nederland, Texas. C.S.'s father, G.S., engaged CLA Estate Services (CLA) to create a revocable trust, and DeShetler managed that trust account. In May 2014, G.S. passed away and sometime thereafter, DeShetler contacted C.S. & D.S. and advised them to liquidate part of the trust and purchase a whole life

insurance policy from Ohio National Life Insurance Company (Ohio National). C.S. & D.S. did as DeShetler advised, and provided DeShetler a check, for \$700,000. DeShetler told C.S. & D.S. that he would purchase the Ohio National policy and pay the initial premium and all subsequent premiums from the funds they provided him, and that the balance would be held with Merrill Lynch Wealth Management (Merrill Lynch). DeShetler did make the initial premium payment of \$172,850.00, but failed to make subsequent payments. As a result, the policy lapsed, and the initial premium was lost with no residual value. In late 2015, C.S. & D.S. attempted to contact DeShetler, but all of his phone numbers were disconnected and they were unable to locate him. C.S. & D.S. further attempted to contact Merrill Lynch about releasing the remaining funds to them, but Merrill Lynch was unable to provide them any information on the account because C.S. & D.S. were not included as beneficiaries or co-owners of the account.

- ii. The parties agree that the intended loss to the victim was \$700,000.

C.S. & D.S. were able to recover \$175,075.39 by suing DeShetler, minus \$72,123.96 in attorney's fees and costs, leaving C.S. & D.S. with \$102,951.43 of the amount recovered. Accordingly, the parties agree that restitution owed to C.S. & D.S. is the original \$700,000. less the amount recovered by C.S. & D.S., which totals \$597,048.04

e. Victim N.D.

- i. N.D. is an 83-year-old resident of Pearland, Texas. In 2013, N.D. and her husband set up a trust with CLA. In approximately 2014, DeShetler visited N.D. and advised that she should liquidate the account and provide the funds to DeShetler, who could better invest them. N.D. and her husband agreed and gave \$187,699.45 to DeShetler in 4 checks, which he deposited in an account at Chase Bank. In late 2015, N.D.'s husband passed away. Around May 16th, 2016, N.D. met with DeShetler and agreed to allow him to stay at her home while she went to visit her son. N.D. allowed DeShetler to stay at her home because she trusted DeShetler, knew that he was going through a divorce and she felt it would be best if someone was at her home while she was away. On approximately June 21st, 2016, N.D. returned home and found that all of her investment documents were missing and DeShetler was gone. N.D. attempted to contact DeShetler, but was unable to reach him.
- ii. The parties agree that the intended loss is \$187,699.45. The Montgomery County District Attorney's Office was able to seize \$44,882.89 from the Chase Bank account and return it to N.D. The parties agree that the unpaid restitution to N.D. is \$142,816.56.

f. Victim F.P.

- i. F.P. is an 88-year-old resident of Corpus Christi, Texas. Investigators spoke with F.P.'s family, who reported that F.P. was a client of DeShetler and that he invested F.P.'s money. They confirmed that F.P.

lost the majority of the funds invested with DeShetler, although they were unsure regarding the particulars of the investments. A review of records shows that F.P. provided DeShetler three checks in January and February of 2016, two of which represent proceeds from a policy held at Athene Annuity and Life Company, for a total of \$100,696.86.

DeShetler made monthly payments between March 1, 2016 and December 3, 2016 back to F.P. from a Chase Bank account that was otherwise used for his personal expenses. Those payments totaled \$30,510.

- ii. The parties agree that the intended loss and restitution due to F.P. is the total investment, minus the amount of money paid back to F.P., which equals \$70,186.86.
- g. The total intended loss from all five victims is \$1,907,003.71, and the actions of DeShetler caused financial hardship to at least one, but less than five, victims. Further, as their financial advisor, DeShetler occupied a position of trust relative to the victims of the offense. The total restitution due is \$948,058.55.

DEFENDANT'S SIGNATURE AND ACKNOWLEDGMENT

- 5. I have read this factual basis and stipulation and the indictment or have had them read to me and have discussed them with my attorney. I fully understand the contents of this factual basis and stipulation and agree without reservation that it accurately describes the events and my acts.

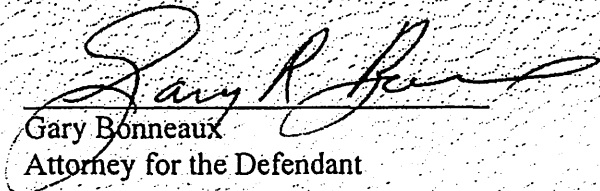
Dated: 5/15/17


LAWRENCE ALLEN DESHETLER
Defendant

DEFENSE COUNSEL'S SIGNATURE AND ACKNOWLEDGMENT

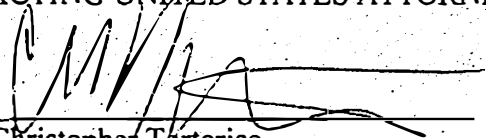
6. I have read this factual basis and stipulation and the indictment and have reviewed them with my client, Lawrence Allen DeShetler. Based upon my discussions with the defendant, I am satisfied that the defendant understands the factual basis and stipulation as well as the indictment, and is knowingly and voluntarily agreeing to these stipulated facts.

Dated: May 15, 2017


Gary Bonneau
Attorney for the Defendant

Respectfully submitted,

BRIT FEATHERSTON
ACTING UNITED STATES ATTORNEY


Christopher Tortorice
Assistant United States Attorney
Eastern District of Texas
350 Magnolia, Suite 150
Beaumont, Texas 77701
(409) 839-2538
(409) 839-2550 Fax
Texas Bar No. 24048912

EXHIBIT

8

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS BEAUMONT DIVISION

UNITED STATES OF AMERICA

v.

LAWRENCE ALLEN DESHETLER

§ **JUDGMENT IN A CRIMINAL CASE**
 §
 §
 § Case Number: **1:17-CR-00073-001**
 § USM Number: XXXXXXXXXX
 § **Gary R Bonneaux**
 § Defendant's Attorney

THE DEFENDANT:

<input type="checkbox"/>	pleaded guilty to count(s)	
<input checked="" type="checkbox"/>	pleaded guilty to count(s) before a U.S. Magistrate Judge, which was accepted by the court.	1 of the Information
<input type="checkbox"/>	pleaded nolo contendere to count(s) which was accepted by the court	
<input type="checkbox"/>	was found guilty on count(s) after a plea of not guilty	

The defendant is adjudicated guilty of these offenses:

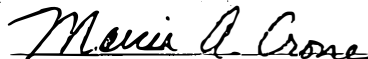
<u>Title & Section / Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18:1341 Mail Fraud	01/01/2016	1

The defendant is sentenced as provided in pages 2 through 7w of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

- The defendant has been found not guilty on count(s)
 Count(s) is are dismissed on the motion of the United States

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

November 2, 2017
Date of Imposition of Judgment


Signature of Judge

MARCIA A. CRONE
UNITED STATES DISTRICT JUDGE
Name and Title of Judge

11/6/17
Date

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(1)

IMPRISONMENT

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of:

60 months. This term of imprisonment shall run concurrently to his Theft of Property Charge, Case No. 16-08-09845, Montgomery County.

The court makes the following recommendations to the Bureau of Prisons:

The Court recommends to the Bureau of Prisons that the defendant receive appropriate drug treatment while imprisoned.

While incarcerated, it is recommended that the defendant participate in the Inmate Financial Responsibility Program at a rate determined by Bureau of Prisons staff in accordance with the requirements of the Inmate Financial Responsibility Program.

The Court recommends that defendant be incarcerated in FCI, Beaumont, TX, if available and defendant is eligible.

The defendant is remanded to the custody of the United States Marshal.

The defendant shall surrender to the United States Marshal for this district:

at a.m. p.m. on

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on

as notified by the United States Marshal.

as notified by the Probation or Pretrial Services Office.

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to

at _____ with a certified copy of this judgment.

UNITED STATES MARSHAL

By
DEPUTY UNITED STATES MARSHAL

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(1)

SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of: **three (3) years.**

MANDATORY CONDITIONS

1. You must not commit another federal, state or local crime.
2. You must not unlawfully possess a controlled substance.
3. You must refrain from any unlawful use of a controlled substance. You must submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the court.
 The above drug testing condition is suspended, based on the court's determination that you pose a low risk of future substance abuse. *(check if applicable)*
4. You must cooperate in the collection of DNA as directed by the probation officer. *(check if applicable)*
5. You must comply with the requirements of the Sex Offender Registration and Notification Act (42 U.S.C. § 16901, et seq.) as directed by the probation officer, the Bureau of Prisons, or any state sex offender registration agency in which you reside, work, or a student, or were convicted of a qualifying offense. *(check if applicable)*
6. You must participate in an approved program for domestic violence. *(check if applicable)*

You must comply with the standard conditions that have been adopted by this court as well as with any other conditions on the attached page.

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(1)

STANDARD CONDITIONS OF SUPERVISION

As part of your supervised release, you must comply with the following standard conditions of supervision. These conditions are imposed because they establish the basic expectations for your behavior while on supervision and identify the minimum tools needed by probation officers to keep informed, report to the court about, and bring about improvements in your conduct and condition.

1. You must report to the probation office in the federal judicial district where you are authorized to reside within 72 hours of your release from imprisonment, unless the probation officer instructs you to report to a different probation office or within a different time frame.
2. After initially reporting to the probation office, you will receive instructions from the court or the probation officer about how and when you must report to the probation officer, and you must report to the probation officer as instructed.
3. You must not knowingly leave the federal judicial district where you are authorized to reside without first getting permission from the court or the probation officer.
4. You must answer truthfully the questions asked by your probation officer.
5. You must live at a place approved by the probation officer. If you plan to change where you live or anything about your living arrangements (such as the people you live with), you must notify the probation officer at least 10 days before the change. If notifying the probation officer in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
6. You must allow the probation officer to visit you at any time at your home or elsewhere, and you must permit the probation officer to take any items prohibited by the conditions of your supervision that he or she observes in plain view.
7. You must work full time (at least 30 hours per week) at a lawful type of employment, unless the probation officer excuses you from doing so. If you do not have full-time employment you must try to find full-time employment, unless the probation officer excuses you from doing so. If you plan to change where you work or anything about your work (such as your position or your job responsibilities), you must notify the probation officer at least 10 days before the change. If notifying the probation officer at least 10 days in advance is not possible due to unanticipated circumstances, you must notify the probation officer within 72 hours of becoming aware of a change or expected change.
8. You must not communicate or interact with someone you know is engaged in criminal activity. If you know someone has been convicted of a felony, you must not knowingly communicate or interact with that person without first getting the permission of the probation officer.
9. If you are arrested or questioned by a law enforcement officer, you must notify the probation officer within 72 hours.
10. You must not own, possess, or have access to a firearm, ammunition, destructive device, or dangerous weapon (i.e., anything that was designed, or was modified for, the specific purpose of causing bodily injury or death to another person such as nunchakus or tasers).
11. You must not act or make any agreement with a law enforcement agency to act as a confidential human source or informant without first getting the permission of the court.
12. If the probation officer determines that you pose a risk to another person (including an organization), the probation officer may require you to notify the person about the risk and you must comply with that instruction. The probation officer may contact the person and confirm that you have notified the person about the risk.
13. You must follow the instructions of the probation officer related to the conditions of supervision.

U.S. Probation Office Use Only

A U.S. probation officer has instructed me on the conditions specified by the court and has provided me with a written copy of this judgment containing these conditions. I understand additional information regarding these conditions is available at the www.uscourts.gov.

Defendant's Signature _____

Date _____

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(1)

SPECIAL CONDITIONS OF SUPERVISION

You must pay any financial penalty that is imposed by the judgment.

You must provide the probation officer with access to any requested financial information for purposes of monitoring restitution payments and employment.

You must not participate in any form of gambling unless payment of any financial obligation ordered by the Court has been paid in full.

You must participate in a program of testing and treatment for alcohol abuse, and follow the rules and regulations of that program until discharged. The probation officer, in consultation with the treatment provider, will supervise your participation in the program. You must pay any cost associated with treatment and testing.

You must not incur new credit charges or open additional lines of credit without the approval of the probation officer unless payment of any financial obligation ordered by the Court has been paid in full.

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(I)

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments on Sheet 6.

	Assessment	JVTA Assessment*	Fine	Restitution
TOTALS	\$100.00		\$0.00	\$926,809.18

- The determination of restitution is deferred until *An Amended Judgment in a Criminal Case (AO245C)* will be entered after such determination.
- The defendant must make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

Restitution of \$926,809.18 to:

CLIFFORD AND DENISE SPONSLER
\$597,048.57

FREDA MAE PLUMB
\$70,186.86

JANICE BATTISTE SYLVESTINE
\$44,539.58

NITA DOUGLAS
\$142,816.56

REGINA HANCOCK
\$72,217.61

- Restitution amount ordered pursuant to plea agreement \$
- The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The court determined that the defendant does not have the ability to pay interest and it is ordered that:
 - the interest requirement is waived for the fine restitution
 - the interest requirement for the fine restitution is modified as follows:

* Justice for Victims of Trafficking Act of 2015, Pub. L. No. 114-22

** Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT: LAWRENCE ALLEN DESHETLER
CASE NUMBER: 1:17-CR-00073-MAC-KFG(1)

SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A Lump sum payments of \$ 926,909.18 due immediately, balance due
 - not later than _____, or
 - in accordance C, D, E, or F below; or
- B Payment to begin immediately (may be combined with C, D, or F below); or
- C Payment in equal _____ (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in equal 20 (e.g., weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Payment during the term of supervised release will commence within _____ (e.g., 30 or 60 days) after release from imprisonment. The court will set the payment plan based on an assessment of the defendant's ability to pay at that time; or
- F Special instructions regarding the payment of criminal monetary penalties:
 It is ordered that the Defendant shall pay to the United States a special assessment of \$100.00 for Count 1 which shall be due immediately. Said special assessment shall be paid to the Clerk, U.S. District Court.

Unless the court has expressly ordered otherwise, if this judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to: the Clerk, U.S. District Court. Fine & Restitution, 211 West Ferguson Street Rm 106, Tyler, TX 75701.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

- Joint and Several
See above for Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.
 - Defendant shall receive credit on his restitution obligation for recovery from other defendants who contributed to the same loss that gave rise to defendant's restitution obligation.
 - The defendant shall pay the cost of prosecution.
 - The defendant shall pay the following court cost(s):
 - The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) JVT Assessment, (8) penalties, and (9) costs, including cost of prosecution and court costs.