

ADMINISTRATIVE PROCEEDING
File No. 3-18061

SEC Charges Unregistered Brokers in the Unregistered Sales of Securities

July 6, 2017—The Securities and Exchange Commission today announced charges against Texas-based companies Retirement Surety LLC and Crescendo Financial LLC, and principals Thomas Rose, David Leeman, and David Featherstone, for acting as unregistered brokers in the unregistered sales of securities issued by Verto Capital Management LLC.

In an order instituting administrative and cease-and-desist proceedings, the SEC's Enforcement Division alleges that, on radio shows broadcast on Christian radio networks, the respondents touted promissory notes issued by Verto and directed radio listeners to the Retirement Surety website for more information. In brokering the Verto note sales, even though they were not registered, the respondents allegedly expressly held themselves out as financial advisors providing specialized knowledge on investments. From 2014 through 2016, Rose allegedly sold 70 notes and received commissions of nearly \$300,000, Leeman allegedly sold 53 notes and received commissions of approximately \$244,000, and Featherstone allegedly sold 25 notes and received commissions of more than \$120,000.

Earlier this year, Verto and its CEO [agreed to pay more than \\$4 million](#) to settle charges that they mislead investors about the safety of the Verto promissory notes, used new investor money to repay earlier investors, and tapped investor funds for the CEO's personal use.

The SEC's order against Retirement Surety LLC, Crescendo Financial LLC, Rose, Leeman, and Featherstone alleges that they violated Section 15(a)(1) of the Securities Exchange Act of 1934 and Section 5(a) and (c) of the Securities Act of 1933 in connection with their acting as unregistered broker-dealers in these sales. The matter will be scheduled for a public hearing before an administrative law judge to adjudicate and determine what if any remedial actions are appropriate.

The SEC also instituted settled proceedings today against two other individuals for their sales of the Verto notes.

The SEC's investigation was conducted by Jennifer K. Vakiener, Vincent T. Hull, Christopher Mele, Thomas Feretic, and Steven G. Rawlings in the New York office. The case is being supervised by Lara S. Mehraban. The SEC examination that led to the investigation was conducted by Steven C. Vitulano, Terrence P. Bohan, and Edward J. Janowsky in the New York office.

See also: [Order](#) – Retirement Surety LLC, Crescendo Financial LLC, Thomas Rose, David Leeman, and David Featherstone
 [Order](#) – Randal Wallis
 [Order](#) – Ronald Howard Willis