

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2020-AH-0026

ENTERED
SEP 17 2020
1:57 PM
COMMISSIONERS OFFICE

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

CROSSROADS COMMUNITY CHURCH, INC.
BRIAN TOME

RESPONDENTS

FACTUAL BACKGROUND

1. The Kentucky Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 292, the Securities Act of Kentucky (“the Act”), as well as any applicable rules and regulations enacted thereunder.

2. Crossroads Community Church, Inc. is an Ohio nonprofit corporation with a registered business address of 3500 Madison Road, Cincinnati Ohio 45209. Brian Tome is the president, pastor and member of the board of directors for Crossroads Community Church, Inc.

3. The Securities Division of DFI was informed by the Ohio Department of Commerce’s Division of Securities that Crossroads Community Church, Inc. (“Crossroads”) and Mr. Brian Tome (“Tome”) entered into a Consent Agreement regarding the unregistered solicitation of securities in Ohio and Kentucky. (Ohio Division Order 19-038). The Order states that Crossroads and its president Tome received a line of credit from Wesleyan Investment Foundation (“WIF”), which was to be secured by investments made by Crossroads’ supporters.

4. Based on this information, DFI opened an investigation and determined that Crossroads and Tome solicited the sale of securities to Kentucky residents, on behalf of WIF, as an unregistered broker-dealer and agent, respectively, in violation of KRS 292.330(1) and (3) and by

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COMMISSIONER OF FINANCE

describing the WIF investments as “savings accounts” made misleading statements and failed to disclose material risks, in violation of KRS 292.320(1).

5. The DFI possesses a range of administrative authority in addressing compliance with the Act, including the ability to enter into Agreed Orders.

6. To resolve this matter without litigation or adversary proceedings, the DFI and Respondents agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

ACTIONS FOR COMPLIANCE AND SETTLEMENT

The DFI, Crossroads and Tome, in the interest of economically and efficiently resolving this matter, agree as follows:

7. Respondents will refrain from any further violations and comply with the Act.

8. Respondents waive their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their behalves, or to otherwise appeal or set aside this Agreed Order.

9. Respondents consent to and acknowledge the jurisdiction of the DFI over this matter. This Order is a matter of public record and may be disseminated as such.

10. The terms of this Agreed Order do not constitute an admission on behalf of Respondents.

11. In consideration of the execution of this Agreed Order, Respondents for themselves, and for their successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity,

that Respondents ever had, now have, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this settlement.

12. Respondents agrees to pay a fine in the amount of Ten Thousand dollars (\$10,000.00) as full settlement of this matter.

13. Respondents agrees to pay the fine no later than the effective date of the Agreed Order, which shall be in the form of an ACH payment via secure website, pursuant to instructions provided to Respondents, or a certified check or money order made payable to the "Kentucky State Treasurer". Failure to do so shall render the agreement void.

14. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties. This Agreed Order shall constitute the final resolution of this matter.

AGREED on this the 17th day of September, 2020.

Charles A. Vice

Digitally signed by: Charles A. Vice
DN: CN = Charles A. Vice email = charles.vice@ky.gov C = US O = DFI OU = KY PPC
Date: 2020.09.17 14:38:55 -04'00'

CHARLES A. VICE
COMMISSIONER

Consented to:

This 9th day of September 2020.

Maei G. Df

Maei Gibson, Director
Division of Securities
Department of Financial Institutions

AND

This 31 day of August 2020

A. H. Schumme, Attorney

Representative of Respondents,
Crossroad Community Church, Inc., and
Brian Tome

ACKNOWLEDGEMENT

STATE OF OHIO)
COUNTY OF HAMILTON)

On this the 31 day of August, 2020, before me Courtney L. Watson,
the undersigned, A. H. Schumme, did personally appear and acknowledge
himself/herself to be the authorized representative of the Respondents and that being authorized to
do so did enter into and execute the foregoing instrument for the purposes therein contained.

In witness whereof I hereunto set my hand.

My Commission Expires: _____



COURTNEY L. WATSON
Notary Public, State of Ohio
My Commission Expires 03-17-2023

Courtney L. Watson
Notary Public

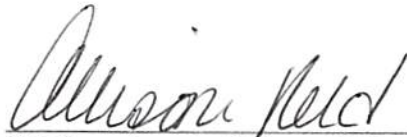
Certificate of Service

I, Allison Reed, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 1st day of September, 2020, by email and first class mail to:

Mr. Arthur H. Schlemmer
Barron, Peck, Bennie, & Schlemmer
3074 Madison Road
Cincinnati, Ohio 45209
ahs@bpbslaw.com
Counsel for Respondents

hand delivered to:

Catherine Falconer, General Counsel
Kentucky Department of Financial Institutions
500 Mero Street, 2 SW 19
Frankfort, KY 40601



KY Department of Financial Institutions

Name: Allison Reed

Title: Executive Staff Advisor