



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2021-AH-0028**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

AGREED ORDER

JERRY FUQUA

RESPONDENT

STATEMENT OF FACTS

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

2. Jerry Fuqua was the president and registered agent on behalf of Consumer Services Fuqua Corporation (hereinafter “Fuqua Corporation,,”), a corporation formed in Kentucky with a principal address at 71 Cavalier Blvd. Suite 215, Florence KY. 41042.

3. On November 22, 2017, The Department’s Division of Securities received a referral from FINRA regarding a complaint by a consumer, hereinafter referred to as “R.S.,,”

4. R.S. stated in her complaint that she had invested ten thousand dollars (\$10,000) in Fuqua Corporation in 2009, and another ten thousand dollars (\$10,000) in Fuqua Corporation in 2014.

5. In exchange for the investment money R.S. provided Fuqua Corporation, Respondent agreed to pay R.S. ten percent (10%) interest each month and gave R.S. “investment certificates,,” at the time of investment.

6. R.S. contacted Respondent and Respondent told R.S. that he had lost her money, he was closing Fuqua Corporation, and he would be filing bankruptcy.

7. On November 30, 2018, the Kentucky Secretary of State administratively dissolved Fuqua Corporation for failure to file its 2018 annual report within sixty days after it was due.

8. On May 21, 2019, a Department investigator interviewed Respondent and Respondent's statements confirmed the substance of R.S.'s allegations.

9. On July 30, 2019, the Hamilton County Ohio grand jury indicted Respondent for charges related to the facts alleged in R.S.'s complaint.

10. On October 19, 2019, Respondent pled guilty in Hamilton County, Ohio to one charge of Theft from the Elderly, and one charge of Securing Writings by Deception. As part of Respondent's plea, he admitted that he issued certificates of common shares in his company to R.S. in exchange for twenty thousand dollars (\$20,000), and that he promised to pay her ten percent (10%) interest each month. He further admitted that he issued R.S. certificates as evidence of indebtedness, and that he fabricated the information on them in order make R.S. more comfortable investing in his company.

STATUTORY AUTHORITY

11. KRS 292.320(1)(a) states, "It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:...To employ any device, scheme, or artifice to defraud....,"

12. KRS 292.340 states, "It is unlawful for any person to offer or sell any security in this state, unless the security is registered under this chapter, or the security or transaction is exempt under this chapter, or the security is a covered security.,,"

13. KRS 292.470 states, in pertinent part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:...

(3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any

person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

(a) To cease and desist from the activity;

(b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or

(c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

14. KRS 292.500(14) states, "The commissioner may impose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter. The fine shall not exceed twenty thousand dollars (\$20,000) per violation....,

VIOLATION

15. Respondent devised a scheme to defraud by issuing fraudulent certificates of common shares in exchange for a twenty thousand dollar (\$20,000) investment in Fuqua Corporation, which is in contravention of KRS 292.320(1)(a).

16. Respondent offered and sold securities unregistered securities, through common shares of Fuqua Corporation, which is in contravention of KRS 292.340.

AGREEMENT AND ORDER

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

18. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

i. Respondent agrees to pay a contingent civil fine in the amount of **ten thousand dollars (\$10,000.00)** for the violations described herein, such fine being suspended as of the entry of this Agreed Order and becoming due and payable contingent

upon Respondent's future violation of the Securities Act of Kentucky or if Respondent seeks registration in an attempt to re-enter the securities industry;

ii. In the event the contingency occurs, all payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to Respondent, or by a certified check or money order made payable to "Kentucky State Treasurer,, and mailed to the Department of Financial Institutions, Securities Division, 2021-AH-0028, 500 Mero Street, Frankfort, Kentucky 40601;

iii. Respondent shall cease and desist from any future violations of the Securities Act of Kentucky;

iv. Respondent waives the right to demand a hearing at which he would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on his own behalf, or to otherwise appeal or set aside this Agreed Order;

v. Respondent consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

vi. In consideration of execution of this Agreed Order, Respondent for himself, and for his successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, 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 Respondent ever had, now has, 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 investigation, this disciplinary action, this settlement or its administration;

vii. 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; and

viii. This Agreed Order shall constitute the Final Order in this matter.

SO ORDERED on this the 16th day of November, 2021.

Is! Charles A. Vice

CHARLES A. VICE
COMMISSIONER

Charles
A. Vice

Digitally signed by: Charles A. Vice
DN: CN = Charles A. Vice email =
charles.vice@ky.gov C = US O =
Dept. of Financial Institutions OU =
PPC/DFI/Commissioner
Date: 2021.11.16 13:35:56 -05'00'

CERTIFICATE OF SERVICE

22ND I certify that a true and correct copy of the foregoing Agreed Order was sent on this the day of November, 2021 by the method indicated below to the following:

Via certified mail, return receipt requested:

Jerry Fuqua
7246 Cedar Crest Blvd
Lakeland, FL
Respondent

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
brandon.adcock@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed

Title: Executive Staff Advisor