

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. 2019-CDS-020

CONSENT ORDER

IN THE MATTER OF RANDOLPH W. GEORGE, JR.,

Respondent.

THIS MATTER is before Chris Myklebust, Securities Commissioner for the State of Colorado ("Commissioner"), on the Stipulation for Consent Order ("Stipulation") between the Staff of the Colorado Division of Securities ("Staff") and Respondent Randolph W. George, Jr., CRD #2265347. After reviewing the Stipulation and the grounds therein, the Commissioner makes the following Findings and enters the Order as follows:

FINDINGS

1. The Commissioner has jurisdiction over the Respondent and this matter pursuant to the provisions of the Colorado Securities Act, §§ 11-51-101 through 803, C.R.S.
2. The Respondent admits that he failed to disclose his outside business activity to the Division amending or authorizing to be amended his Form U4s on CRD.
3. The Respondent agrees to:
 - a. Permanent relinquishment of his Colorado investment adviser representative license, CRD #2265347; and
 - b. Never reapply for any Colorado securities licensure in the future.

NOW, THEREFORE, based on the foregoing, it is ORDERED as follows:

1. The terms of the Stipulation are incorporated herein and made a part of this Consent Order.

2. The Respondent shall comply with all agreements, undertakings, and directives contained in the Stipulation, to the extent any such agreements, undertakings, or directives remain unsatisfied on the date of this Order.

3. The Respondent's Colorado investment adviser license is hereby permanently relinquished

4. The Commissioner shall retain jurisdiction over this action to ensure the Respondent's compliance with this Order and reserves the power to enter additional orders as needed to ensure the compliance by the Respondent with this Order.

5. In the event the Respondent fails to comply with any of the terms or conditions for this Consent Order or the Stipulation, the Commissioner or the Staff, in their sole discretion, may initiate formal enforcement proceedings against Respondent for such noncompliance. The Stipulation and this Consent Order shall be admissible as evidence in any such proceeding.

6. This Consent Order, and the terms and conditions herein, shall be binding on all successors and assigns.



CHRIS MYKLEBUST
Securities Commissioner

8/6/2019

DATE

BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Case No. 2019-CDS-020

STIPULATION FOR CONSENT ORDER

IN THE MATTER OF RANDOLPH W. GEORGE, JR.,

Respondent.

The Staff of the Colorado Division of Securities ("Staff") and Respondent Randolph W. George, Jr., CRD #2265347, hereby enter into this Stipulation for Consent Order in this matter as follows:

BACKGROUND

1. The Respondent was licensed as a Colorado investment advisor representative, and affiliated with Ameriprise Financial since October 23, 2015.
2. The Respondent's Colorado investment advisor representative license is identified as CRD #2265347.
3. On or around June 11, 2018, the Staff received a public complaint that alleged the Respondent had referred the complainant to a third party lender for a purported loan of \$1.7 million. The loan was to purchase a clubhouse at the Plum Creek Golf Club in Castle Rock, Colorado. As part of this transaction, the complainant wire transferred \$170,000, as instructed by Respondent, to an escrow account managed by a Colorado Springs attorney.
4. The complainant had originally attempted to obtain a loan through US Bank, but when his application was denied, the loan officer referred the complainant to Respondent.
5. Respondent met with the complainant, and pitched an opportunity for the complainant to obtain funding through Caleb Seegar of JostSeegar Capital, a lender purportedly operating out of California.
6. The complainant indicated that the Respondent was to act as the "middle man" or "broker." The transaction would involve the complainant depositing \$170,000 in an escrow account, Respondent would receive 2-3% as a finder fee, and then in 30 days, the complainant would receive his \$1.7 million loan, as well as return of the \$170,000 minus fees.

7. The complainant was assured by the Respondent that the complainant's \$170,000 money would remain in escrow with the Colorado Springs attorney, that there was "no risk," and his monies could be returned to him at any time.

8. Based on the promises of the Respondent, the complainant wired transferred his \$170,000 to the escrow agent and signed an agreement with JostSeegar. The Agreement identified JostSeegar to be located in Wisconsin, not California.

9. Since deposit of the complainant's \$170,000 into the escrow account of the Colorado Springs attorney, the complainant has neither received his loan, nor a return of his \$170,000.

10. Based on the public complaint, the Staff conducted an investigation pursuant to §§ 11-51-409 and 11-51-601, C.R.S.

11. As part of the investigation, the Staff determined that the complainant's funds had been transferred from the escrow account of the Colorado Springs attorney to an account of an attorney located in Florida. Caleb Seegar contacted the Florida attorney, authorized the Florida attorney \$5,000 from the monies as a fee to then distribute the monies according to Mr. Seegar's instructions, which went to Mr. Seegar and other individuals.

12. The Staff issued an inquiry letter to Ameriprise Financial, which resulted in an internal investigation by that firm. The Ameriprise investigation revealed the following:

a. In November 2016, the Respondent sought approval for outside business activity to be a loan originator for TriStar Funding ("TriStar"), but the request was denied by the firm.

b. In May 2017, Stone Capital Assets, LLC ("SCA") was registered with the Colorado Secretary of State with a business description of commercial real estate lending. The business address for SCA was the same business address that the Respondent used for his FINRA-registered Ameriprise office location.

c. In June 2017, the Respondent was sent an email to rgcorge@tsarfunding.com to assist with the purchase of a new home for two Ameriprise clients.

d. In October 2017, the Respondent's Registered Principal discovered the outside business activity entity of SCA, as well as a mortgage loan origination license that had been issued to the Respondent by the State of Colorado. Ameriprise issued the Respondent a letter of reprimand due to this non-disclosed outside business activity.

c. On May 10, 2018, the Respondent sent an email to Innovative Business Solutions concerning the complainant's request to "take over" the clubhouse at the Plum Creek Golf Course. The email had a signature line of the Respondent's name identified as the Managing Partner for SCA.

f. Following the inquiry letter sent by the Staff to Ameriprise, the Registered Principal discovered a website for SCA using the FINRA-registered Ameriprise office address for Respondent. The Respondent was listed on the website for SCA as the contact person and the business services listed indicated "debt and equity financing services."

g. As a result of the Ameriprise investigation, the firm suspended and terminated the Respondent on June 25, 2018. The suspension and termination was based, in part, on Respondent's failure to disclose his outside business activities.

13. To date, the complainant has not received his \$1.7 million loan or return of his \$170,000.

14. In connection with the Staff's investigation, it was discovered that the Respondent's filings with the Division were materially misleading as follows:

a. On July 12, 2017, the Respondent filed or authorized to be filed a Form U4 on CRD, which indicated he conducted outside business, but the Form did not disclose SCA.

b. On November 15, 2017, the Respondent filed or authorized to be filed an amended Form U4 on CRD, which disclosed outside business activity for SCA. The disclosure was materially misleading, as it did not disclose the work that the Respondent was conducting in June 2017 for TriStar.

c. On April 16, 2018, the Respondent filed or authorized to be filed an amended Form U4 on CRD, which disclosed outside business activity for SCA. The disclosure for the SCA outside business activity was "set and acquired for name protection only" and the Respondent attested that "[n]o business is done through this entity." But April 16, 2018 filing became materially misleading, as the Respondent did not file or authorize to be filed

an amended Form U4 to reflect that business was occurring in SCA related to the complainant's May 2018 request for loan funding.

d. Because of Respondent's failure to amend or authorize to be amended his November 2017 and April 2018 Form U4s, those filing was materially misleading in violation of § 11-51-502, C.R.S. and Commissioner Rule 51-4.4(IA).D

STIPULATION

The Staff and Respondents, in order to resolve this matter without commencing a formal hearing pursuant to §§ 11-51-606(1) and (4), hereby enter into this Stipulation for Consent Order in this matter as follows:

15. The Securities Commissioner for the State of Colorado has jurisdiction over the Respondent and the subject matter of this action.

16. The Respondent agrees to the entry of a Consent Order in the form attached hereto as Exhibit A and incorporated by reference

17. The Respondent makes the following admissions:

a. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding.

b. The Respondent failed to disclose to the Division his outside business activity by updating timely or at all his Form U4s on CRD.

18. The Respondent agrees to:

a. Permanent relinquishment of his Colorado investment adviser representative license, CRD #2265347; and

b. Never reapply for any Colorado securities licensure in the future.

c. The Respondent neither admits nor denies any of the remaining factual allegations in this Stipulation.

19. The Respondent understands that he has the following rights: (i) to have a formal hearing pursuant to §§ 11-51-606(1) and (4), 24-4-104 and 24-4-105, C.R.S; (ii) to be represented by counsel in that action; (iii) to present a defense through oral and/or documentary evidence; (iv) to cross-examine witnesses at such hearing; and (v) to seek judicial review of any final order as provided in §§ 11-51-

607 and 24-4-106, C.R.S. By entering into this Stipulation, the Respondent waives the rights set forth in this paragraph.

20. The Respondent acknowledges that he has entered into this Stipulation voluntarily, after the opportunity to consult with counsel, and with the understanding of the legal consequences of this Stipulation and Consent Order.

21. The Respondent further acknowledges that any violation of the Consent Order, when issued, may constitute grounds for further and formal proceedings against him for such violations.

22. This Stipulation is subject to approval by the Securities Commissioner, and shall become binding upon the parties hereto upon such approval.

BY THE RESPONDENT:

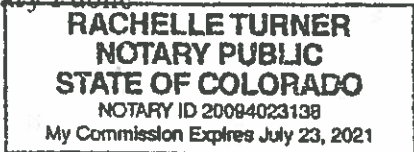
Randolph W. George Jr.
RANDOLPH W. GEORGE, JR.

Subscribed and sworn before me this 26 day of July, 2019 in the City/County of Pueblo, State of Colorado by Randolph W. George Jr.

Rachelle Turner

My Commission Expires: 07/23/2021

Notary Public



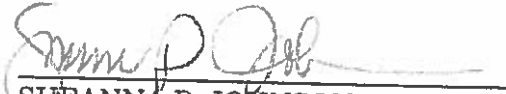
BY THE STAFF OF THE DIVISION OF SECURITIES:

David S. Cheval
David S. Cheval
Deputy Securities Commissioner

8-6-19
Date

APPROVED AS TO FORM:

PHILIP J. WEISER
ATTORNEY GENERAL


SUEANNA P. JOHNSON, #34840)
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