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COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES 2014 MAY 12 AM 11:07

COMMONWEALTH OF PENNSYLVANIA	:	PA DEPARTMENT OF
DEPARTMENT OF BANKING AND	:	BANKING AND SECURITIES
SECURITIES, BUREAU OF SECURITIES,	:	
LICENSING, COMPLIANCE AND	:	
ENFORCEMENT	:	DOCKET No. 130069 (SEC-CAO)
	:	
v.	:	
	:	
VFG, LLC f/k/a	:	
VOYAGER FINANCIAL GROUP, LLC	:	

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department), Bureau of Licensing, Compliance and Enforcement ("Bureau") has conducted an investigation of the business practices of VFG, LLC f/k/a Voyager Financial Group, LLC ("Voyager") and its officers and employees. Based on the results of its investigation, the Bureau has concluded that Voyager has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). Voyager, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order ("Order").

**BACKGROUND**

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.
3. VFG, LLC f/k/a Voyager Financial Group, LLC ("Voyager") was, at all times

material herein, a Delaware limited liability corporation with a principal place of business at 801 Technology Drive, Suite F, Little Rock, Arkansas 72223.

4. At all times material herein, Voyager maintained a web site (Web Site) at <http://voyager-financial.com>. According to the Web Site, Voyager “is a national distributor, broker, and consulting firm for a diverse array of products, services, and contracts in the financial services arena.” Moreover, according to the Web Site, Voyager “specializes in the factored income stream market, working to satisfy the needs of both individuals and entities receiving structured payments and those wishing to take advantage of the stability and return on investment that these products can bring.”

5. At all times material herein, Voyager located individuals (“Sellers”) who agreed, for a specific period of time, to assign their rights to monthly payments from military, civil service, or corporate pensions to investors (“Investors”) in exchange for discounted, lump-sum amounts. Voyager facilitated all necessary transactions between the Investors and the Sellers using several contracts drafted by Voyager, which included a “Purchase Agreement,” a “Spousal Consent Form,” and an “Irrevocable Assignment of Cash Flow.”

6. Pursuant to the “Purchase Agreement,” a Seller appointed Voyager as a “buying agent.” As the “buying agent,” Voyager, through a sales force of agents, solicited an Investor who purchased an assignment of a Seller’s monthly pension payments (the “Assignment”) for a specific amount of time (the “Term”).

7. The Terms of the Assignments ranged from 6 to 10 years. The purchase price (“Purchase Price”) of an Assignment was determined by Voyager, and according to Voyager, the Purchase Price was based on the present value of the future monthly pension payments.

8. Voyager verified that the Seller was entitled to the monthly pension payments, and Voyager obtained the Seller's credit report to ensure that there were no liens against the Seller's monthly pension payments.

9. Voyager obtained a "Spousal Consent Form" from the Seller if the Seller's spouse was named as the primary beneficiary of the Seller's pension.

10. When an Investor purchased an Assignment through Voyager, the Investor submitted a check made payable to Voyager in the amount of the Purchase Price. Subsequently, pursuant to an "Irrevocable Assignment of Cash Flow" contract, the Seller assigned the rights to the Seller's pension payments to the Investor for the Term. The Seller then deposited the Seller's monthly pension payments into an escrow account which was designated by Voyager, and the Seller granted the escrow company a power of attorney so that the escrow company could manage the account and direct the monthly pension payments to the Investor.

11. Pursuant to the sale of an Assignment, Voyager required that a Seller maintain a life insurance policy on the Seller as the monthly pension payments were life-contingent. Voyager required that the Seller assign the policy to the Investor as collateral security for all liabilities between the Seller and the Investor.

12. Voyager offered Investors a rate of return of approximately 8% on the Assignments.

13. The Assignments described above are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t).

14. The Assignments were (a) not registered under Section 201 of the 1972 Act, 70 P.S. §1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. §1-202; and (c) not federally covered securities; and further, the securities transactions relating to the

Assignments were not exempt from registration under Section 203 of the 1972 Act, 70 P.S. §1-203.

15. From in or about March 2011 through June 2012, Voyager offered and sold Assignments to at least 23 Pennsylvania residents for an aggregate amount of at least \$3,650,366.

16. At all times material herein, at least one of the Pennsylvania residents was over age 60.

17. Some or all of the Assignments sold to the Pennsylvania residents were assignments of rights to monthly payments from military pensions, and the assignment of military pensions is prohibited by 38 U.S.C. §5301.

18. Voyager failed to provide some or all Pennsylvania residents with financial statements regarding Voyager, which disclosure would have been material for a reasonable investor to make an informed investment decision. To the extent that Voyager did not have disclosure documents, Voyager failed to disclose their nonexistence, which would have been material for a reasonable investor to make an informed investment decision.

19. Voyager failed to disclose some or all of the following material information concerning Voyager to some or all of the Pennsylvania residents:

- a. The financial condition of Voyager;
- b. The identity and relevant background of the corporate officers of Voyager;
- c. Voyager's operating history; and
- d. The assignment of military pensions is prohibited by 38 U.S.C. §5301.

## **VIOLATIONS**

20. By engaging in the acts and conduct set forth in paragraphs 1 through 16 above, Voyager offered and sold the Assignments to Pennsylvania residents in willful violation of Section 201 of the 1972 Act, 70 P.S. §1-201.

21. By engaging in the acts and conduct set forth in paragraphs 1 through 19 above, Voyager, in connection with the offer and sale of the Assignments to Pennsylvania residents, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in willful violation of Section 401(b) of the 1972 Act, 70 P.S. §1-401(b).

22. By engaging in the acts and conduct set forth in paragraphs 1 through 19 above, Voyager, in connection with the offer and sale of the Assignments to Pennsylvania residents, engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person, in willful violation of Section 401(c) of the 1972 Act, 70 P. S. §1-401(c).

## **AUTHORITY**

23. Because Voyager offered and sold the Assignments, which were not registered, in Pennsylvania in willful violation of Section 201 of the 1972 Act, 70 P.S. §1-201, the Department may permanently bar Voyager pursuant to Section 512 of the 1972 Act, 70 P.S. §1-512.

24. Because Voyager, in connection with the offer and sale of the Assignments to Pennsylvania residents, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in willful violation of Section 401(b) of the 1972 Act, 70 P.S. §1-401(b), the Department may permanently bar Voyager pursuant to Section 512 of the 1972 Act, 70 P.S. §1-512.

25. Because Voyager, in connection with the offer and sale of the Assignments to Pennsylvania residents, engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person, in willful violation of Section 401(c) of the 1972 Act, 70 P. S. §1-401(c), the Department may permanently bar Voyager pursuant to Section 512 of the 1972 Act, 70 P.S. §1-512.

#### **RELIEF**

26. Pursuant to Sections 512(a)(1), (2), (3), (4) and (5) of the 1972 Act, 70 P.S. §1-512(a) (1), (2),(3),(4), and (5), Voyager is **PERMANENTLY BARRED** from the date of this order from:

- a. Representing an issuer offering or selling securities in this State;
- b. Acting as a promoter, officer, director, or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities in this State or of a person who controls or is controlled by such issuer;
- c. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act;
- d. Being an affiliate of any person registered under Section 301 of the 1972 Act; or
- e. Relying upon an exemption from registration contained in Section 202, 203, or 302 of the 1972 Act.

27. Voyager is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Sections 201 and 401 of the 1972 Act, 70 P.S. §§201, 401.

28. Should Voyager fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to Voyager's right to a hearing pursuant to the 1972 Act.

## FURTHER PROVISIONS

29. Consent. Voyager hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. Voyager, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

30. Entire Agreement. This Order contains the entire agreement between the Department and Voyager. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Voyager.

31. Binding Nature. The Department, Voyager, and all officers, owners, directors, employees, heirs and assigns of Voyager intend to be and are legally bound by the terms of this Order.

32. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

33. Effectiveness. Voyager hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order ("Effective Date").

34. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Voyager in the future regarding all matters not resolved by this Order.

(b) Voyager acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

35. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

36. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

37. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

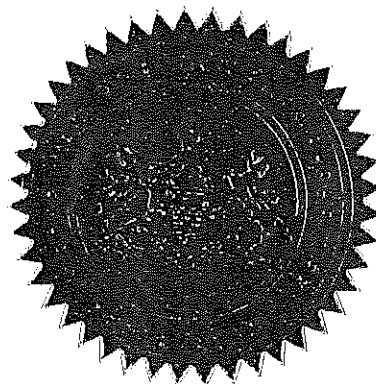
38. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities, Licensing, Compliance and Enforcement and VFG, LLC f/k/a Voyager Financial Group, LLC intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES  
BUREAU OF SECURITIES, LICENSING, COMPLIANCE AND ENFORCEMENT**

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James A. Klutinoty  
Chief, Western Region

Date: May 9, 2014





**FOR VFG, LLC f/k/a VOYAGER FINANCIAL GROUP, LLC**

\_\_\_\_\_  
(Officer Signature)

*Andrew Gamber*  
\_\_\_\_\_  
(Print Officer Name)

*Member*  
\_\_\_\_\_  
(Title)

Date: *4-29-14*  
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