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PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, BUREAU OF SECURITIES :
COMPLIANCE AND EXAMINATIONS :

v.

Docket No.: 18⁰⁰⁰⁴ (SEC-CAO)

WESLEYAN INVESTMENT :
FOUNDATION, INC. :

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau") has conducted an investigation of the business practices of Wesleyan Investment Foundation, Inc. ("WIF"). Based on the results of its investigation, the Bureau has concluded that WIF has engaged in activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). WIF, 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. WIF was, at all times material herein, an Indiana non-profit corporation with an address at 13300 Olio Road, Fishers, Indiana 46037.
4. WIF's Offering Circular, dated February 20, 2017, states the following:
 - a. WIF is offering for sale up to \$300,000,000 worth of deposit investments ("Investments"), which are unsecured debt obligations of WIF;
 - b. "We use the Investments to finance loans we make to member churches and other church related organizations of the Wesleyan Church Corporation (the "Wesleyan Church"), to churches and church related organizations of various other denominations, churches that are currently or historically similar to the churches of the Wesleyan Church, and to churches broadly defined as "evangelical" church for various capital purchases and building programs, and to purchase land and buildings and provide funding for other expenses and purchases undertaken or incurred by the churches or church related organizations"; and
 - c. The Investments offer variable interest rates, depending on the amount of investment, ranging from 1.00% to 2.00% per annum.
5. WIF offered at least one Investment to at least one Pennsylvania resident.
6. The Investments described above are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t).
7. WIF is the "issuer" of the Investments described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. §1-102(l).
8. The records of the Department disclose that the Investments are (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 Investments are not exempt under Section 203 of the 1972 Act, 70 P.S. §1-203.

VIOLATIONS

9. By engaging in the acts and conduct set forth in paragraphs 1 through 8 above, WIF offered and sold the Investments to Pennsylvania residents in violation of Section 201 of the 1972 Act, 70 P.S. §1-201

RELIEF

10. Within 30 days of the Effective Date of this Order, as defined in Paragraph 19, WIF shall pay the Department an administrative assessment of \$50,000. Payment shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 N. Second Street, Ste., 1300, Harrisburg, PA 17101.
11. This Order is not intended to indicate that WIF or any of its affiliates or current or former employees should be subject to any disqualification contained in the federal securities laws, the rules and regulations thereunder; the rules and regulations of self-regulatory organizations or various states' securities laws, including the provisions of the 1972 Act and regulations promulgated thereunder; and any disqualification from relying upon the registration exemptions or safe harbor provisions, and this Order is not intended to form the basis of any such disqualification.
12. WIF is ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 201.
13. Should WIF fail to pay the assessment as set forth in paragraph 10, above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording WIF the option of either paying the assessment or being indefinitely subjected to the sanctions.

14. Should WIF 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 WIF's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

15. Consent. WIF hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order, without admitting or denying the allegations herein, pursuant to the Bureau's authority under the 1972 Act and agrees that both understand all of the terms and conditions contained herein. WIF, 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.

16. Entire Agreement. This Order contains the entire agreement between the Department and WIF. 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 WIF.

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

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

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

20. 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 WIF in the future regarding all matters not resolved by this Order.

(b) WIF 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.

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

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

23. 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.

24. 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 Compliance and Examinations, and Wesleyan Investment Foundation, Inc., intending to be legally bound, do hereby execute this Consent Agreement and Order.

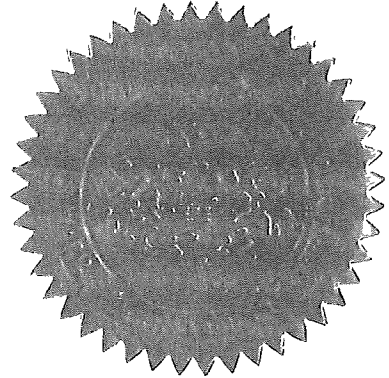
FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS

Redacted

Joséph J. Minisi
Deputy Secretary of Securities

Date:

1/18/18



FOR WESLEYAN INVESTMENT FOUNDATION, INC.

Redacted

(Officer Signature)

Craig A. Dunn

(Print Officer Name)

C.E.O.

(Title)

Date:

1/18/2018