

RECITALS

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2 A. On October 10, 2016, the Commissioner issued a Desist and Refrain Order (Order),
3 attached hereto as Exhibit 1, to Larkin, among others, for the sale of unqualified, non-exempt
4 securities that were offered and sold by means of misrepresentations or omissions of material fact in
5 violation of Corporations Code sections 25110 and 25401 of the Corporate Securities Law of 1968
6 (CSL) (Corp. Code, § 25000 et seq.).

7 B. Larkin contested the Order by submitting a written hearing request to the
8 Commissioner on November 7, 2016.

9 C. Larkin, without admitting or denying the allegations contained in the Order, seeks to
10 resolve the concerns of the Commissioner by entering into this Consent Order.

11 D. The Commissioner finds that entering into this Consent Order is appropriate, in the
12 public interest, and consistent with the purposes fairly intended by the policy and provisions of the
13 CSL.

14 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
15 forth herein, the Parties agree as follows:

TERMS

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17 1. Purpose. It is the intention and desire of the Parties to resolve this matter without the
18 necessity of a hearing or other litigation for the purpose of judicial economy and expediency and to
19 avoid the expense of a hearing and possible further court proceedings.

20 2. Finality of the Consent Order. Larkin hereby agrees to comply with this Consent
21 Order and stipulates that the Consent Order is final.

22 3. Finality of the Desist and Refrain Order Issued. Larkin acknowledges that the
23 Commissioner issued a Desist and Refrain Order dated October 26, 2016 for violations of sections
24 25110 and 25401 of the Corporations Code (Order). The Order will be considered a final order.

25 4. Waiver of Hearing Rights. Larkin acknowledges and agrees that this Consent Order
26 shall have the effect of withdrawing his request for an administrative hearing in this matter. Larkin
27 acknowledges his right to an administrative hearing under the CSL in connection with the Order and
28 hereby waives such right to a hearing and to any reconsideration, appeal, or other rights which may

1 be afforded him under the CSL, the Administrative Procedure Act (Govt. Code, § 11370 et seq.), or
2 any other provision of law in connection with this matter. The Order is now final, and this Consent
3 Order is intended only to supplement its terms.

4 5. Consent Order Coverage. The Parties hereby acknowledge and agree that this Consent
5 Order is intended to constitute a full, final, and complete resolution of the matters set forth herein and
6 that no further proceedings or actions will be brought by the Commissioner in connection with these
7 matters under the CSL or any other provision of law, excepting therefrom any proceeding or action if
8 such proceeding or action is based upon facts not presently known to the Commissioner or which
9 were knowingly concealed from the Commissioner by Larkin.

10 6. Commissioner's Duties. The Parties further acknowledge and agree that nothing in
11 this Consent Order shall limit the Commissioner's ability to assist any other agency (city, county,
12 state, or federal) with any prosecution, administrative, civil, or criminal, brought by any such agency
13 against Larkin or any other person based on any of the activities alleged in this or other matters.

14 7. Third Party Actions. It is the intent and understanding between the Parties that this
15 Consent Order does not create any private rights or remedies against Larkin, create any liability for
16 Larkin, or limit defenses of Larkin for any person or entity not a party to this Consent Order.

17 8. Binding. This Consent Order is binding on all heirs, assigns, or successors in interest.

18 9. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
19 has received independent advice from its attorney(s) or representatives with respect to the
20 advisability of executing this Consent Order.

21 10. No Other Representation. Each of the parties represents, warrants, and agrees that in
22 executing this Consent Order it has relied solely on the statements set forth herein and the advice of
23 its own counsel. Each of the parties further represents, warrants, and agrees that in executing this
24 Consent Order it has not relied on any statement, representation, or promise of any other party, or any
25 other person or entity not expressly set forth herein, or upon the failure of any party or any other
26 person or entity to make any statement, representation, or disclosure of anything whatsoever. The
27 Parties have included this clause (1) to preclude any claim that any party was in any way fraudulently
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1 induced to execute this Consent Order and (2) to preclude the introduction of parol evidence to vary,
2 interpret, supplement, or contradict the terms of this Consent Order.

3 11. Modification and Qualified Integration. No amendment, change or modification of
4 this Consent Order shall be valid or binding to any extent unless it is in writing and signed by all of
5 the parties affected by it.

6 12. Full Integration. This Consent Order is the final written expression and the complete
7 and exclusive statement of all the agreements, conditions, promises, representations, and covenants
8 between the Parties with respect to the subject matter hereof, and supersedes all prior or
9 contemporaneous agreements, negotiations, representations, understandings, and discussions between
10 and among the Parties, their respective representatives, and any other person or entity, with respect to
11 the subject matter covered hereby.

12 13. No Presumption from Drafting. In that the Parties have had the opportunity to draft,
13 review and edit the language of this Consent Order, no presumption for or against any party arising
14 out of drafting all or any part of this Consent Order will be applied in any action relating to,
15 connected to, or involving this Consent Order. Accordingly, the Parties waive the benefit of Civil
16 Code section 1654 and any successor or amended statute, providing that in cases of uncertainty,
17 language of contract should be interpreted most strongly against the party who cause the uncertainty
18 to exist.

19 14. Voluntary Agreement. Larkin enters into this Consent Order voluntarily and without
20 coercion and acknowledges that no promises, threats, or assurances have been made by the
21 Commissioner or any of her officers, or agents about this Consent Order.

22 15. Authority for Settlement. Each party warrants and represents that such party is fully
23 entitled and duly authorized to enter into and deliver this Consent Order. In particular, and without
24 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to
25 enter into the covenants, and undertake the obligations set forth herein.

26 16. Waiver. The waiver of any provision of this Consent Order shall not operate to waive
27 any other provision set forth herein, and any waiver, amendment and/or change to the terms of this
28 Consent Order must be in writing and signed by the parties affected by it.

1 17. Counterparts. This Consent Order may be executed in any number of counterparts by
2 the Parties, and when each party has signed and delivered at least one such counterpart to the other
3 party, each counterpart shall be deemed an original and taken together shall constitute one and the
4 same Consent Order.

5 18. Signatures. This Consent Order may be executed by facsimile or scanned signature,
6 and any such facsimile or scanned signature by any party hereto shall be deemed to be an original
7 signature and shall be binding on such party to the same extent as if such facsimile or scanned
8 signature were an original signature.

9 19. Capacity to Contract. Each signator hereto covenants that he or she possesses all
10 necessary capacity and authority to sign and enter into this Consent Order.

11 20. Headings and Governing Law. The headings to the paragraphs of this Consent Order
12 are inserted for convenience only and will not be deemed a part hereof or affect the construction or
13 interpretation of the provisions hereof. This Consent Order shall be construed and enforced in
14 accordance with and governed by California law.

15 21. Public Record. Larkin acknowledges that this Consent Order and the Order referenced
16 herein are public records.

17 22. Effective Date. This Consent Order shall become final and effective when signed by
18 all parties and delivered by the Commissioner's agent by to Larkin's counsel at
19 travis.creed@bycex.com.

20 23. Notice. Any notices required under this Consent Order shall be provided to each party
21 at the following addresses:

22 If to Larkin to: Stephen C. Larkin
23 923 College Street, Suite 200
24 Bowling Green, KY 42101

25 If to the Commissioner to: Marlou de Luna, Senior Counsel
26 Department of Business Oversight
27 320 West 4th Street, Suite 750
28 Los Angeles, California 90013

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IN WITNESS WHEREOF, the Parties hereto have approved and executed this Consent Order on the dates set forth opposite their respective signatures.

Dated: August 23, 2017

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: August 22, 2017

By: _____
Stephen C. Larkin, an individual

APPROVED AS TO FORM:

Travis Creed, Esq.
Counsel for Stephen C. Larkin