

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
whether there has been a violation
of the Securities Act of Washington by:

Federal Savings, LLC; First Bancshares
Inc.; JMA Northwest Investments, LLC;
Jeremy M. Stamper

Respondents.

Order Number S-07-054-07-CO01

CONSENT ORDER

INTRODUCTION

On March 8, 2007, the Securities Administrator of the State of Washington issued a Summary Order to Cease and Desist and Notice of Intent to Impose Fine, Order Number S-07-054-07-TO01, against Federal Savings, LLC; First Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy M. Stamper.

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions (“Securities Division”) and Respondents, Federal Savings, LLC; First Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy Stamper, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law stated below.

///

///

///

1 **FINDINGS OF FACT**

2 **I. Parties**

3 1. Federal Savings, LLC (“Federal Savings”) is a Delaware and a Nevada Limited Liability
4 Company with a principal place of business at 110 Lakeside Avenue, Suite H, Seattle, Washington. Federal
5 Savings is purportedly a subsidiary of First Bancshares, Inc.

6 2. First Bancshares, Inc. (“First Bancshares”) is a Delaware corporation with a principal place
7 of business at 110 Lakeside Avenue, Suite H, Seattle, Washington. (First Bancshares, Inc. is not affiliated
8 with First Bancshares, Inc. of Mountain Grove, Missouri which operates First Home Savings Bank.)

9 3. JMA Northwest Investments, LLC (“JMA Northwest”) is Washington Limited Liability
10 Company with a principal place of business at 120 Lakeside Avenue, Suite 230, Seattle, Washington. JMA
11 Northwest is purportedly doing business as Federal Savings.

12 4. Jeremy M. Stamper (“Stamper”) is a Washington resident and a principal of Federal Savings,
13 First Bancshares, and JMA Northwest Investments.

14 **II. Nature of the Offering**

15 5. Beginning no later than January 2007, Federal Savings and First Bancshares have been
16 offering and selling investments to Washington investors through the websites www.federalsavingsllc.com,
17 www.federalsavingssecure.com, and www.federalsavingscorp.com.

18 6. According to these websites, Federal Savings is and has been offering investments in the
19 form of 6 month certificates with annual percent yields of 6.25% and 8.85%.

1 financial institutions, have an operating history, and are insured by the Federal Deposit Insurance
2 Corporation (“FDIC”).

3 12. First Bancshares, which shares the same name of a publicly traded Missouri state holding
4 company that provides banking services through its subsidiary First Home Savings Bank, fails to disclose
5 that is not affiliated with the Missouri entity.

6 13. Investors may also be misled that Federal Savings is a FDIC insured bank because of a
7 reference to the FDIC on the websites and because the websites compare the returns being offered by
8 Federal Savings versus those offered by banks. Federal Savings is not FDIC insured and is not a state or
9 federally chartered bank.

10 14. The offering material provided by Respondents to investors fails to provide financial statements
11 for Federal Savings or First Bancshares. Additionally, investors are not provided with material information
12 regarding the ability of Federal Savings and First Bancshares to pay their stated rates of investment return.

13 IV. Registration Status

14 15. Neither Federal Savings nor First Bancshares is currently registered to sell its securities in
15 the State of Washington and have not previously been so registered.

16 16. Stamper is not currently registered as a securities salesperson or broker-dealer in the State of
17 Washington and has not previously been so registered.

18 Based upon the above Findings of Fact, the following Conclusions of Law are made:

19 **CONCLUSIONS OF LAW**

20 I. Securities

1 17. The offer or sale of the investment opportunities described above constitutes the offer or sale
2 of a security as defined in RCW 21.20.005(10) and (12), namely, the offer or sale of an investment contract.

3 II. Registration Status

4 18. The offer or sale of said securities is in violation of RCW 21.20.140 because no registration
5 for such offer or sale is on file with the Securities Administrator.

6 III. Registration of Broker-Dealer and Salesperson

7 19. Stamper has violated RCW 21.20.040 by offering or selling said securities while not
8 registered as a securities salesperson or broker-dealer in the state of Washington.

9 IV. Anti-Fraud Provision

10 20. The offer or sale of said securities was made in violation of RCW 21.20.010 because, as set
11 forth in the Findings of Fact, respondents misstated or omitted to state material facts necessary in order to
12 make the statements made, in the light of the circumstances under which they were made, not misleading.

13 **CONSENT ORDER**

14 Based upon the foregoing and finding it in the public interest:

15 IT IS AGREED AND ORDERED that Respondents, Federal Savings, LLC; First Bancshares Inc.;
16 JMA Northwest Investments, LLC; and Jeremy M. Stamper, their agents and employees each shall cease
17 and desist from offering or selling securities in violations of RCW 21.20.140, the securities registration
18 section of the Securities Act of Washington.

19 IT IS FURTHER AGREED AND ORDERED that Respondents, Federal Savings, LLC; First
20 Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy M. Stamper, their agents and employees
21 each shall cease and desist from acting as an unregistered securities broker-dealer or salesperson in
22

1 violation of RCW 21.20.040, the broker-dealer and securities salesperson registration section of the
2 Securities Act of Washington.

3 IT IS FURTHER AGREED AND ORDERED that Respondents, Federal Savings, LLC; First
4 Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy M. Stamper, their agents and employees
5 each shall cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of
6 Washington.

7 IT IS FURTHER AGREED AND ORDERED that Respondents, Federal Savings, LLC; First
8 Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy M. Stamper shall be jointly and severally
9 liable for and pay investigative costs in the amount of \$4,500 on or before the date of entry of this Consent
10 Order.

11 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

12 IT IS FURTHER AGREED that in consideration of the foregoing Respondents Federal Savings,
13 LLC; First Bancshares Inc.; JMA Northwest Investments, LLC; and Jeremy M. Stamper, each waive their
14 rights to a hearing in this matter and judicial review of this matter pursuant to RCW 21.20.440 and RCW
15 34.05.

16 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

17
18 SIGNED this 3rd day of May, 2007.

19 Signed by:

20 Federal Savings, LLC

21
22 By _____/s/_____

6

23 CONSENT ORDER

24 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
25 **Securities Division**
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Jeremy M. Stamper

Signed by:

First Bancshares, Inc.

By ___/s/_____

Jeremy M. Stamper

Signed by:

JMA Northwest Investments, LLC

By ___/s/_____

Jeremy M. Stamper

Signed by:

_____/s/_____

Jeremy M. Stamper, individually

Signed by:

McKay Chadwell, PLLC

_____/s/_____

Robert Chadwell, WSBA #22683
Attorney for Federal Savings, LLC,
First Bancshares, Inc., JMA Northwest
Investments, LLC and Jeremy M. Stamper

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SIGNED and ENTERED this 14th day of May, 2007

Michael E. Stevenson

MICHAEL E. STEVENSON
Securities Administrator

Approved by:

Presented by:

Suzanne Sarason

Tyler Letey

Suzanne Sarason
Chief Compliance and Examinations

Tyler Letey
Financial Legal Examiner