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:

Order No. S-21-3131-21-CO01

Securities Act of Washington by:

CONSENT ORDER

MVP Group Inc.; SBL LLC;

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Jaime Radcliff;

Respondents.

INTRODUCTION

Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondents MVP Group Inc.; SBL LLC; and Jaime Radcliff do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents MVP Group Inc.; SBL LLC; and Jaime Radcliff neither admit nor deny the Findings of Fact and Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

- 1. MVP Group Inc. ("MVP"), d/b/a MVP Group The Technology Partners, was a Washington corporation formed on March 27, 2013. MVP Group Inc. used a business address in Seattle, Washington. MVP was administratively dissolved on August 3, 2021.
- 2. SBL LLC, d/b/a SBL Inc., d/b/a SecureBoxLive (hereinafter "SBL") is a Washington limited liability company formed on February 4, 2020. SBL used a business address in Seattle, Washington and the website www.secureboxlive.com. SBL is in the business of developing a "smart duty holster" for use by police and public safety officers.

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3. Jaime Radcliff ("Radcliff") is the founder and President of MVP Group Inc. and the Manager of SBL LLC. On May 11, 2011, Radcliff filed a bankruptcy petition in the United States Bankruptcy Court for the Western District of Washington. Radcliff was granted a discharge in August 2011. Radcliff is a resident of Washington.

Nature of the Conduct

- 4. Between 2013 and 2021, Radcliff raised a total of more than \$300,000 through the sale of securities to about two dozen investors in Washington and other states. Radcliff sold investments in two businesses that he formed, MVP and SBL. Beginning in 2013 and continuing until 2020, Radcliff and MVP issued convertible promissory notes to approximately 20 investors and raised approximately \$200,000. The convertible promissory notes had an annual interest rate of 10%, which was payable upon demand after a date that was specified in the note. In some cases, this portion of the promissory note was blank and no date was specified. According to the terms of the note, the unpaid principal and interest on the note was convertible into shares of MVP. In February 2020, Radcliff formed SBL and later raised more than \$100,000 through the sale of membership interests to approximately seven investors.
- 5. Radcliff solicited friends and acquaintances and found investors through word-of-mouth. Radcliff communicated with investors through phone calls, meetings, emails, and text messages. Radcliff emailed promotional materials about his company and sent agreements for the investors to sign and return to him. Radcliff also showed slides, videos, and prototypes to investors. Promotional materials described stated that the duty holster industry is a \$5 billion market in the United States and that SBL was developing the world's first "smart" duty holster. After executing convertible promissory notes or subscription agreements with investors, Radcliff arranged for their investment funds to be deposited into bank accounts in the name of MVP and SBL. Radcliff failed to execute or keep copies of the some of the agreements that he entered with MVP and SBL investors.

CONSENT ORDER

6. Radcliff emailed an executive summary to investors and a document that was described as a "Financial Plan." The Financial Plan included a "Projected Balance Sheet" containing misleading year-by-year financial projections such as net profit, cash flows, and ROI [Return On Investment]. The Financial Plan misleadingly stated that the first year ROI would be 116% and that it would increase each year to 487% in the fifth year. The Financial Plan indicated that the company's cash would increase from approximately \$14.75 million in the first year to approximately \$112 million in the fifth year. Radcliff failed to provide any reasonable basis for these projections and did not provide investors with financial statements or other information regarding the company's current financial condition. Offering materials failed to disclose that the company had not yet generated any revenue and that the company's business accounts were subject to charges for conducting transactions with insufficient funds.

- 7. Offering documents described Radcliff as an inventor and product developer with experience in various fields such as banking, healthcare, mortgage, and real estate. Radcliff failed to disclose in written offering documents that he filed for personal bankruptcy in 2011 before commencing fundraising in 2013.
- 8. Radcliff failed to provide investors with a written offering document containing material information regarding the MVP and SBL offerings, including the risks of the investment, the results of prior fundraising efforts (including the amount of funds raised and the number of note holders and investors), the prior use of investor funds, and the intended use of future offering proceeds. Offering materials failed to disclose any information regarding the relationship between MVP and SBL. Offering materials described SBL as a company with "Patented smart technology" but failed to provide any detailed information regarding the company's patents.
- 9. Radcliff failed to disclose any information regarding his compensation or the compensation of other officers and consultants to the company. Radcliff failed to disclose to investors that between 2016 and 2020, he made more than 100 ATM and other withdrawals totaling more than \$100,000 as "owner

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draws." Radcliff failed to disclose that he commingled funds from MVP and SBL business checking accounts. Radcliff failed to disclose that he commingled investor funds with funds from his remodeling and real estate businesses. Radcliff failed to disclose that he used investor funds to pay taxes that were owed by his remodeling business.

10. In April 2021, the Securities Division sent a warning letter to Radcliff. The letter stated that Radcliff had not registered any securities offering or filed any claim of exemption. The letter warned Radcliff against making any additional unregistered offers or sales of securities and directed him to provide records and information regarding his prior sales of securities. After receiving the letter, Radcliff continued to sell securities to Washington residents and raised an additional \$25,000 from existing investors in May 2021.

Registration Status

- 11. MVP Group Inc. is not currently registered to sell its securities in the state of Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.
- 12. SBL LLC is not currently registered to sell its securities in the state of Washington and has not previously been so registered, nor has it filed a claim of exemption from registration.
- 13. Jaime Radcliff is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not previously been so registered.

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

CONCLUSIONS OF LAW

- 1. The offer and/or sale of the investments described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(14) and (17).
- 2. MVP Group Inc., SBL LLC, and Jaime Radcliff have each violated RCW 21.20.140, because, as set forth in the Tentative Findings of Fact, they offered and sold securities for which no registration is on file with the Securities Administrator.

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- 3. Jaime Radcliff has violated RCW 21.20.040 by offering and/or selling said securities while not being registered as a securities salesperson or broker-dealer in the state of Washington.
- 4. MVP Group Inc., SBL LLC, and Jaime Radcliff have each violated RCW 21.20.010, because, as set forth in the Findings of Fact, they made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

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

CONSENT ORDER

IT IS AGREED AND ORDERED that Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff, and their agents and employees, shall each cease and desist from violating RCW 21.20.140.

IT IS FURTHER AGREED AND ORDERED that Respondent Jaime Radcliff shall cease and desist from violating RCW 21.20.040.

IT IS FURTHER AGREED AND ORDERED that Respondents MVP Group Inc., SBL LLC, Jaime Radcliff and their agents and employees shall each cease and desist from violating RCW 21.20.010.

IT IS FURTHER AGREED AND ORDERED that Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff shall be liable for and shall pay a fine of \$20,000. The payments shall be made as follows. Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff shall make an initial payment of \$10,000 on or before the date of entry of the Consent Order. Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff shall then make an additional payment of \$10,000 no later than May 24, 2022. Failure to make said payment shall be grounds to vacate this Consent Order.

IT IS FURTHER AGREED AND ORDERED that Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff shall be liable for and shall pay investigative costs of \$9,000 on or before August 22, 2022. Failure to make said payment shall be grounds to vacate this Consent Order.

CONSENT ORDER

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order					
IT IS FURTHER AGREED that Respondents MVP Group Inc., SBL LLC, and Jaime Radcliff entered					
into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.					
IT IS FURTHER AGREED that in consideration of the foregoing, Respondents MVP Group Inc					
SBL LLC, and Jaime Radcliff waive their right to a hearing and to judicial review of this matter pursuant t					
RCW 21.20.440 and Chapter 34.05 RCW.					
WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.					
Signed this17day ofFebruary2022.					
Signed by:					
/s/					
Jaime Radcliff, individually					
Signed by: MVP Group Inc.					
Jaime Radcliff, President					
Signed by:					
SBL LLC					
Jaime Radcliff, Manager					

CONSENT ORDER

SIGNED and ENTERED this <u>1st</u>	day of	<u>March</u>	, 2022.
		Millian	eats
		William M. Beatty Securities Administrator	
Approved by:		Presented by:	
Fin James		体版	
Brian J. Guerard Chief of Enforcement		Robert Kondrat Financial Legal Examiner	