

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the matter of,

CONSENT ORDER TO
CEASE AND DESIST

STEVEN LIEBHERR,

Respondent.

DFI Case No. S-234003 (EX)

I.

The Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities (“Division”), having legal authority and jurisdiction to administer and enforce the Wisconsin Uniform Securities Law, Wis. Stats. Ch. 551 (“Ch. 551”) and rules and orders promulgated thereunder, and having determined that this action is necessary and appropriate in the public interest and for the protection of investors, hereby enters this Order as follows:

II.

Division staff have presented evidence sufficient for the Administrator to make the following findings of fact and conclusions of law:

A. Findings of Fact

Respondents

1. Steven Liebherr (“Liebherr”) is an adult male resident of Wisconsin with a last known business address of 825 Veal Court, Stoughton, Wisconsin 53589.

Conduct

2. At no time has Liebherr ever been registered to offer or sell securities in Wisconsin.
3. Dominion Private Client Group (“Dominion”) was a limited liability company organized in Virginia on or about October 7, 2008. Dominion was owned and controlled by Daryl Banks (“Banks”) at all times material. Dominion offered and sold securities in connection with acquiring and monetizing FCC licenses for 800 MHz spectrum, as well as offering and selling securities in connection with home monitoring technology.

4. WeMonitor, LLC (“WeMonitor”) was a limited liability company organized in Virginia on February 7, 2013 to facilitate capital funding for WeMonitor. WeMonitor purported to develop a home monitoring platform that would allow its users to save up to 30% on their monthly utility bill, remotely control basic home controls such as the locking and unlocking of doors, and provide alerts when an atypical event occurred within the home via the homeowner’s smartphone or through a web-based application.
5. Spectrum 100, LLC (“Spectrum 100”) was a limited liability company organized in Virginia on or about April 1, 2013. Spectrum 100 purported to acquire FCC licenses in large, metropolitan areas such as Washington D.C., New York City, and Chicago, which could be leased or sold to wireless service providers to generate an attractive income for investors.¹
6. Janus Spectrum, LLC is a limited liability company organized in New Mexico in or about October 2011. Janus was to handle the application, compliance, and license services on behalf of Spectrum 100. Banks was the managing member of Janus Spectrum through his entity Spectrum Management.
7. Kent Maerki (“Maerki”) is an adult male resident of Scottsdale, Arizona. Maerki was a founder and owner of Janus Spectrum, LLC from 2011 to January of 2014. From January 2014 onward, Maerki was also involved in Spectrum 100 as a senior advisor through Janus Spectrum, LLC. Maerki is described in the Spectrum 100 offering memorandum as:

“...recognized as an icon in the wireless industry. For his account and on behalf of his clients he has applied for and received more FCC licenses than anyone in the business. As a managing partner of The Cellular Corporation, Mr. Maerki and his clients invested \$75 million in an FCC lottery and was awarded spectrum that is currently valued at \$3.6 Billion. In addition to his involvement with Janus, Mr. Maerki also runs several other businesses including Infinite Banking Center, the IRA Institute and Dental Support Platform.”
8. Maerki previously filed for bankruptcy in Nevada in or about March 1986.
9. In or about 1977, Maerki was barred from association with any National Association of Securities Dealers (“NASD”) (now known as the Financial Industry Regulatory Authority “FINRA”) member in any capacity.
10. In or about 1984, the SEC obtained a permanent injunction against Maerki for violations of the registration and anti-fraud provision of federal securities laws.

¹ Spectrum 100’s sole managing member was Spectrum 100 Management, LLC (“Spectrum 100 Management”). Spectrum 100 Management’s sole managing member was Daryl Bank at all times material.

11. On or about March 3, 1986, Maerki entered into a consent decree with the Federal Trade Commission (“FTC”) regarding his conduct involving The Cellular Corporation (“TCC”) and Spectra Financial Corporation (“Spectra”). Maerki was enjoined from making misrepresentations and omissions of material fact concerning cellular telephone licenses and Federal Communications Commission (“FCC”) telephone license lotteries, the value or profit potential of any investment sold or any investment that might be obtained as a result of using any investment-related service sold by Maerki, the degree of risk involved in any investment or investment related service sold by Maerki, and any fact material to a customer’s decision to purchase any investment or any investment related service.
12. Per the March 3, 1986 FTC order, Maerki and other named defendants were ordered to jointly contribute \$400,000 to be used to complete the FTC application process initiated on behalf of consumers for the Non-Wireline Cellular Telephone Lottery. In addition, Maerki was individually ordered to pay an additional \$100,000 to the FTC to cover the application costs for consumers who had already initiated the application process through TCC.
13. Liebherr was aware of Maerki’s above-referenced bankruptcy and regulatory actions taken against Maerki on or about May 15, 2013 at the latest.
14. Dominion offered and sold securities issued by WeMonitor and Spectrum 100 through its independent contractor agents.
15. On or about July 30, 2013, Liebherr entered into an “Independent Consultant Agreement” with Dominion. Under the independent consultant agreement, Liebherr agreed to obtain new client relationships and assist in the development of additional “independent trust consultants” for Dominion in exchange for compensation. A true and accurate copy of the Independent Consultant Agreement executed by Liebherr is attached and referenced herein as Exhibit 1.

Investors PM and DM

16. Investors PM and DM are an adult married couple residing in Marshall, Wisconsin. Investors PM and DM met Liebherr through a Bible study group.
17. Neither Investor PM nor DM had individual or joint incomes exceeding \$200,000 or \$300,000 respectively during the two years prior to their investment in Spectrum 100. Neither Investor PM nor DM’s net worth exceeded \$1,000,000 excluding the value of their primary residence.
18. In early 2014, Liebherr approached Investors PM and DM about investing in Spectrum 100 through Dominion. Liebherr represented to Investors PM and DM that the return on

investment would double in approximately 18 months. Liebherr represented to Investors PM and DM that if they invested, their money would be used to obtain spectrum licenses from the FCC, which would generate revenue by being leased to other telecommunications companies. Liebherr also provided Investors PM and DM with an investment offering memorandum for Spectrum 100.

19. On or about February 14, 2014, Investor DM invested approximately \$52,000 in Spectrum 100 membership interests through Liebherr. Investor DM obtained the funds to invest by liquidating her pre-existing IRA account.
20. On or about March 6, 2014, Investor PM invested approximately \$24,000 in Spectrum 100 membership interests through Liebherr. Investor PM obtained the funds to invest by liquidating his pre-existing IRA account.
21. As a result of Investor DM's and Investor PM's investments into Spectrum 100, Liebherr received approximately \$3,120 in commission payments from Dominion.
22. Liebherr never informed Investors PM or DM about Maerki's prior bankruptcy or the regulatory actions taken against Maerki.
23. Liebherr never disclosed to Investors PM and DM that he would receive commissions in exchange for their investments in Spectrum 100.

Investor JS

24. Investor JS is an adult female resident of Janesville, Wisconsin. Investor JS and her husband do not have individual or joint incomes exceeding \$200,000 or \$300,000 respectively. Investor JS and her husband's net worth does not exceed \$1,000,000 excluding the value of their primary residence.
25. Liebherr contacted Investor JS and her husband after her husband made inquiries on the Internet about investments and annuity products in late 2013. Shortly after, Liebherr met with Investor JS and her husband at Investor JS's home in Janesville, Wisconsin. During the meeting at Investor JS's home, Liebherr discussed annuities and investment opportunities, including WeMonitor.
26. On or about January 27, 2014, Investor JS invested \$4,500 in WeMonitor membership interests through Liebherr.
27. As a result of Investor JS's investment in WeMonitor through Liebherr, Liebherr received a commission of \$225 on or about January 30, 2014.

28. In 2014, 2015, and 2016, Investor JS attempted to withdraw her investment funds from WeMonitor. Each time Investor JS made a withdrawal request, Liebherr assured her that her returns were about to be paid out.
29. On or about July 25, 2016 Investor JS received a letter from a company called BlueDot informing her that BlueDot would be taking over WeMonitor. She later learned from Liebherr that her “money was gone” and that WeMonitor had gone out of business.

B. Conclusions of Law

Legal Authority and Jurisdiction

The Administrator has legal authority and jurisdiction over the conduct described above, pursuant to Wis. Stats. Ch. 551 and the rules and orders promulgated thereunder.

30. Per Wis. Stat. § 551.102(28)(d)(1), an investment contract is defined as any investment in a common enterprise with the expectation of profits to be derived through the essential managerial efforts of someone other than the investor, and included under the definition of a security.
31. The Spectrum 100, LLC membership interests offered and sold by Liebherr on behalf of Dominion to Investors PM and DM are securities, pursuant to Wis. Stat. § 551.102(28)(d)(1).
32. The WeMonitor, LLC membership interests offered and sold by Liebherr on behalf of Dominion to Investors PM and DM are securities, pursuant to Wis. Stat. § 551.102(28)(d)(1).
33. Liebherr transacted business as an agent in Wisconsin, as defined under Wis. Stat. § 551.102(2) and § DFI Sec. 1.02(5), Wis. Admin. Code.
34. Per Wis. Stat. § 551.402(1), it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration as an agent under Wis. Stat. § 551.402(2).
35. Per Wis. Stat. § 551.501(2), it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make an untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Violations

36. Through the conduct described above in ¶¶ 1-29, Liebherr violated Wis. Stat. § 551.402(1) when he offered and sold securities without being registered as an agent or properly exempted from registration as an agent.
37. Through the conduct described above in ¶¶ 1-29, Liebherr violated Wis. Stat. § 551.501(2) when he offered and sold securities to Investors PM and DM without informing them of Maerki's previous bankruptcies and regulatory actions.
38. Through the conduct described above in ¶¶ 1-29, Liebherr violated Wis. Stat. § 551.501(2) when he offered and sold securities to Investors PM and DM without informing them that he would receive a commission as the result of their investment into Spectrum.

III.

In view of the above findings of fact and conclusions of law, the Administrator deems it necessary and appropriate in the public interest and for the protection of investors, and pursuant to its legal authority and jurisdiction under Ch. 551, to wit Wis. Stat. § 551.604, to issue the following orders and notices:

A. Consent Orders issued pursuant to Wis. Stat. § 551.604(2)

- (a) IT IS ORDERED that STEVEN LIEBHERR, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of STEVEN LIEBHERR, shall cease and desist from making or causing to be made to any person or entity in Wisconsin any further offers or sales of securities unless and until such securities qualify as covered securities or are registered under Ch. 551 or successor statute, pursuant to Wis. Stat. §§ 551.604(1)(a) and (2).
- (b) IT IS FURTHER ORDERED that all exemptions from registration set forth at Ch. 551 or successor statute that might otherwise apply to any offer or sale of any security of or by STEVEN LIEBHERR, his agents, servants, officers, employees, successors, affiliates, and every entity and person directly or indirectly controlled or organized by or on behalf of STEVEN LIEBHERR, are hereby revoked, pursuant to Wis. Stats. §§ 551.604(1)(b) and (2).
- (c) IT IS FURTHER ORDERED that STEVEN LIEBHERR, his successors, affiliates, controlling persons, officers, agents, servants, employees and every entity and person directly or indirectly controlled or hereafter organized by or on behalf of STEVEN LIEBHERR, are prohibited from violating Wis. Stat. § 551.501 or successor statute.

- (d) IT IS FURTHER ORDERED that STEVEN LIEBHERR, his successors, affiliates, controlling persons, officers, agents, servants, employees, an every entity and person directly or indirectly controlled or hereafter organized by or on behalf of STEVEN LIEBHERR, are prohibited from offering or selling securities without first disclosing this Order to prospective investors.

B. Service of Order

- (e) IT IS FURTHER ORDERED that this order shall be sent promptly by certified mail to each party named in the order at his or her last known address or to the party's attorney of record, or shall be personally served upon the party or the party's attorney of record, pursuant to Wis. Admin. Code § DFI-Sec. 8.06.
- (f) PLEASE TAKE NOTICE that the date of the service of this order is the date it is placed in the mail.

C. Notifications

- (g) IT IS NOTICED that this Order consented to by STEVEN LIEBHERR prohibits STEVEN LIEBHERR from transacting business in the State of Wisconsin per the terms of the consent orders issued pursuant to Wis. Stat. § 551.604(3), is effective upon the date issued, and shall have the same effect on STEVEN LIEBHERR as a permanent injunction entered by a circuit court pursuant to Wis. Stat. § 551.603(2)(a).
- (h) IT IS FURTHER NOTICED that this Order is effective on the date it is issued. STEVEN LIEBHERR is advised that any willful violation of an Order issued by the Division under Ch. 551 is a criminal offense punishable under the provisions of Wis. Stat. § 551.508.

EXECUTED at Madison, Wisconsin, this 19th day of August, 2019.



Leslie M. Van Buskirk

Leslie Van Buskirk
Administrator

Division of Securities
Department of Financial Institutions
State of Wisconsin
4822 Madison Yards Way
Madison, Wisconsin 53705

Independent Consultant Agreement

THIS AGREEMENT made this 30th day of July, 20 13, by and between Dominion Private Client Group LLC ("Dominion") of Virginia Beach, Virginia, Steven Liebherr ("Provider"), and Summit Trust Company ("Summit"), a Nevada trust company.

Provider Information:

Social Security Number

Address

City, State Zip

Phone number

Email Address

WITNESSETH

WHEREAS, Dominion is desirous of obtaining the services of the Provider, and

WHEREAS, the Provider is engaged in the practice of providing assistance, guidance or advice to selected clients, and

WHEREAS, Summit is willing to provide trust services to Dominion's and/or Provider's clients, and

WHEREAS, it is the intention of the Provider to fully comply with Regulations of the States in which he or she is rendering consulting services, and to not engage in providing investment advice relative to the Investment Advisors Act of 1940, and/or the Investment Advisors Act, or other appropriate securities regulations, as the case may be, and

WHEREAS, Dominion employs tools and techniques, which are proprietary and exclusive in nature, and provider agrees to the confidential nature of the materials provided to the Provider. Provider agrees not to disclose said information without the express written permission of Dominion. It is acknowledged that future information to be furnished in this relationship is in all respects confidential in nature, other than information which is in the public domain and is available through other means, and that any disclosure or use of same by Provider, may cause serious harm or damage to Dominion. Upon request any materials provided by Summit are to be immediately returned to Dominion, and

WHEREAS, the Provider is acting as an Independent Consultant agreeing to certain minimum performance levels in terms of new accounts as negotiated with the management of Dominion, and to initiate and maintain new client relationships, and to assist in developing other Independent Consultants.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

FIRST: Dominion hereby agrees to engage the Provider to provide the services appropriate for the activities selected above with respect to Summit's trust services, in relation to any trust clients referred to Summit by the Provider.

SECOND: it is hereby agreed by Dominion and the Provider that any and all data submitted in accordance with paragraph FIRST, above, shall be treated on a strictly confidential basis.

THIRD: The Provider hereby agrees to provide the services described above for the fee(s) outlined on the Schedule A-NL attached. Additional Comments:

FOURTH: The Provider hereby agrees to furnish Dominion and Summit with information and reports of a substantive nature to the degree that is appropriate for the given relationship, and in conjunction with the client's situation. Both Dominion and the Provider understand that neither Dominion, Summit nor the Provider nor any of their respective principals, is qualified to practice law or accounting. It shall be further agreed by and between the parties hereto that the Provider shall not take possession or control of any securities or funds of the client(s) of Summit, except to the extent Provider is legally permitted to do so under the Regulatory and Compliance provisions applicable to Provider.

FIFTH: It is expressly agreed by and between the parties hereto that Dominion and Summit reserve and retain the right to change, reverse, cancel, terminate or take any other action in relation to any transaction performed by the Provider that either of them deems, each in their sole discretion, is in the best interests of the client and/or Summit.

SIXTH: It is understood by the Provider that Summit is a Nevada corporation, regulated by the Financial Institutions Division of the State of Nevada and that it has fully complied with the regulations of the State or Nevada in relation to the trust services to be rendered to the client(s) referred by Provider.

SEVENTH: The Provider agrees to provide full disclosure information as required by his or her governing agencies, and to refer clients needing insurance or investment advice to appropriately licensed or registered persons. Provider shall at all times maintain itself in good standing with the regulatory licenses applicable to Provider and its business operations. Provider shall notify Dominion and Summit of any complaints against Provider made to any regulatory authority or any changes in Provider's status under any regulatory license or authority.

EIGHTH: The Provider hereby retains the express right, for whatever reason, to terminate its engagement with respect to this Agreement. However, Dominion shall have the same right, for whatever the reason, to terminate its relationship with the Provider. Summit shall have the right upon written notice to terminate this agreement for any reason.

NINTH: Provider shall indemnify and hold Dominion and Summit, and their respective officers, directors, owners, agents, and employees (respectively, "Dominion Indemnitees" and "Summit Indemnitees") harmless from and against any claim, loss, liability or expense, including reasonable attorneys' fees and the costs of costs of responding to a subpoena, investigation, suit or other proceeding, that may be incurred by any Dominion Indemnitee or Summit Indemnitee as a result of (i) the breach of any provision of this Agreement, (ii) any act or omission by Provider or its employees or affiliates including, but not limited to malpractice or professional liability, (iii) any claim by Provider's client arising from or relating to the performance of any product or service provided by Provider to such client, or any alleged breach by Provider or its affiliates of a contractual obligation owed to Provider's clients or any third party, (iv) any claim of patent, trademark/service mark and copyright infringement, (v) any violation of your obligations under the laws pertaining to social security, unemployment insurance, worker's compensation, income tax and other reports and filings required by state and federal law, (vi) injury or death to any person or damage to any person's property, or (vii) a violation of any law, rule, regulation or order applicable to Provider, its products or services, or its business activities, whether related to this Agreement or otherwise. Dominion agrees to indemnify and hold Summit Indemnitees harmless from and against any claim, loss, liability or expense, including reasonable attorneys' fees and the costs of responding to a subpoena, investigation, suit or other proceeding, that may be incurred by any Summit Indemnitee as a result of any act or omission by Dominion or its employees or affiliates. Any controversy or claim arising out of or relating to this contract or the breach thereof, shall be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

TENTH: This agreement does not create an employer/employee relationship among any of the parties, and all activities related to this agreement shall be in the context of the Provider acting as an independent contractor of Dominion. The Provider shall be responsible for his or her own salary or the salaries of the Provider's employee, agents or subordinates, and all other expenses of the Provider's office, travel, marketing, and any other expenses whatsoever. The Provider shall not bind Dominion or Summit to any contracts, expenses or other agreements in any way and shall make no representations other than that the Provider is acting as an Independent Contractor.

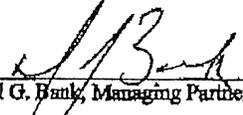
ELEVENTH: It is agreed by and between the parties hereto that this agreement encompasses and embodies all terms, understandings and agreements by and between the parties, and that any agreements undertaken as referenced in the attached schedule shall be incorporated herein, and the terms may not be amended except in writing by the parties hereto.

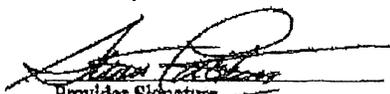
TWELFTH: This Agreement shall be considered a VIRGINIA contract and shall be construed and interpreted according to the laws of the COMMONWEALTH OF VIRGINIA.

IN WITNESS WHEREOF, the parties have executed this INDEPENDENT CONSULTANT AGREEMENT on the above date at

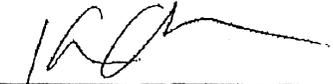
DOMINION PRIVATE CLIENT GROUP:

PROVIDER:

By: 
Daryl G. Bank, Managing Partner


Provider Signature

SUMMIT TRUST COMPANY

By: 
Kevin Brown, President

DOM006332

Regarding the Agreement Dated _____ between DPCG and -----

Schedule A-NL

The fees to be paid to the Independent Consultant are as follows:

1. The Independent Consultant will obtain new client relationships and assist in the development of Independent Trust Consultants.
2. Dominion Private Client Group will compensate the Independent Consultant with a referral fee as a percentage of Assets placed with Separately Managed Accounts ("SMA") with Summit Trust Company.

Schedule B

Independent Consultant Agreement

Act as an Independent Consultant on all non-insurance or non-investment related services needed by Dominion or by Summit Trust Company clients, including general business planning, coordinating efforts of Independent Trust Consultant, Dominion, to assure full services are provided to clients, assist clients in improving their progress toward achievement of their objectives, advise Dominion and Summit Trust Company as to any changes in the client's circumstances that need to be addressed.

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

WAIVER AND CONSENT TO ORDER

STEVEN LIEBHERR,

Respondent.

DFI Case No. S-234003 (EX)

The undersigned Respondent, STEVEN LIEBHERR, having decided not to contest the issuance of the attached Order, hereby waives his right to a hearing with respect to this matter, including waiving findings of fact and conclusions of law as may otherwise be required for the Order, and hereby consents to the issuance of the Order.

Respondent hereby acknowledges that, in exchange for Respondent's voluntary consent and agreement to cease and desist from further violations of Ch. 551, the revocation of certain exemptions, and other conditions as described in the attached Order, the Division agrees to forgo further legal action, including injunction proceedings in a circuit court pursuant to Wis. Stat. § 551.603, and to resolve this matter by issuance of the attached Order. Respondent reserves all defenses for any proceeding not covered by this consent order.

The undersigned Respondent understands and agrees that the attached Order shall prohibit Respondent from transacting any securities business in the State of Wisconsin, effective on the date the Order is issued. The undersigned Respondent understands the Order, when signed by the Administrator of the Division of Securities, is effective on the date issued and that a willful violation of an Order signed by the Administrator is a criminal offense pursuant to Wis. Stat. § 551.508.



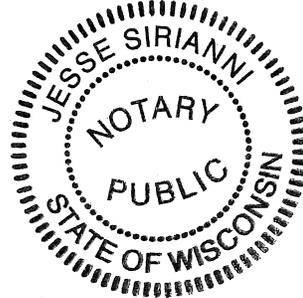
STEVEN LIEBHERR

State of Wisconsin)
County of Dane)
Subscribed before me this
30th of July, 2019.



Notary Public

My commission is permanent/expires 10/19/19





State of Wisconsin
Department of Financial Institutions

Tony Evers, Governor

Kathy Blumenfeld, Secretary

AFFIDAVIT OF SERVICE
AND COMPLIANCE WITH WIS. STAT. § 551.611

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, KATHERINE CLEMENTI, first being duly sworn, depose and state:

- 1. I am employed with the State of Wisconsin, Department of Financial Institutions, Division of Securities.
2. On the date of this Affidavit and in the course of regularly conducted activity, I have caused to be served by certified mail upon Respondent Steven Liebherr at his last known business address of 825 Veal Court, Stoughton, Wisconsin 53589:
i. A copy of the signed Waiver and Consent to Order, a copy of the signed Consent Order to Cease and Desist, DFI Case No. S-234003 (EX); and
ii. A copy of this Affidavit of Service.
3. In compliance with Wis. Stat. §§ 227.48, 551.611, and 891.46; and Wis. Admin. Code. §§ DFI-Sec 8.06 and 8.07, I have also caused to be served copies of those same documents upon the Administrator for the Division of Securities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Katherine Clementi

KATHERINE CLEMENTI

State of Wisconsin
Department of Financial Institutions
Division of Securities

Subscribed and sworn to before me

This 19th day of August, 2019.

[Signature]

Notary Public, State of Wisconsin

My commission is permanent.

