BEFORE THE SECURITIES COMMISSIONER

STATE OF COLORADO

Order No. 14-L-05

STIPULATION FOR CONSENT ORDER

IN THE MATTER OF SECURE RETIREMENT GROUP, INC., d/b/a SECURE FINANCIAL GROUP, INC. and DAVID L. GONZALES

Respondents

The Staff of the Colorado Division of Securities ("Staff"), Secure Retirement Group, Inc., d/b/a Secure Financial Group, Inc. ("SFG") and David L. Gonzales ("Gonzales") (collectively referred to as the "Respondents") hereby enter into this Stipulation for Consent Order to resolve the Staff's investigation of this matter. The Staff and Respondents hereby stipulate and agree as follows:

- 1. Pursuant to the authority provided in §§ 11-51-601 and 11-53-201, C.R.S., the Staff has conducted an investigation into the conduct of Respondents in offering and selling precious metals and operating as a Colorado licensed investment adviser and investment adviser representative respectively.
 - 2. Based upon the information collected, the Staff alleges as follows:
 - a. SFG is an investment adviser licensed in the state of Colorado and Gonzales is the president and control person of SFG, and also licensed in the state of Colorado as an investment adviser representative. During this time frame, Respondents were engaged in the business of providing investment advisory services to their clients.
 - b. Between January, 2010 and April, 2013, Gonzales and SFG offered and sold precious metals, including American Eagle Gold and Silver coins, to both their investment advisory clients and their non-investment advisory clients. The precious metals were offered to their clients as an investment that would operate as a hedge against inflation.
 - c. In conducting these precious metal transactions, SFG first would obtain payments for the purchase of the precious metals from their clients, then deposit these funds in a bank account controlled by SFG. SFG then would purchase the precious metals from a wholesaler, and deliver the precious metals to the client or a depository in the client's name.

- d. In brokering these precious metal transactions, Respondents would charge most of their clients a markup above both the wholesale and market price for the precious metals. The markups charged to these customers could range from as low as 4% to as high as 20% above the wholesale price. In sales to some customers, Respondents did not mark up the price at all.
- e. The markups on the precious metal transactions were generally not disclosed to Respondents clients. Respondents disclosed the markups only when their clients requested such information.
- f. Although all client funds were accounted for and there was no improper taking, by placing their investment advisory clients' funds to be used to purchase the precious metals in SFG's bank account, Respondents took custody of client funds in a manner contrary to the requirements for custody found at § 11-51-407(5), C.R.S.
- 3. Respondents have cooperated with Staff's investigation by responding to inquiries and providing documentary evidence and access to facts relating the investigation. Respondents further adopted policies under which a disclosure statement regarding the terms of sale of precious metals, including the disclosure that the Respondents charge a mark-up on metals sold, will be provided to each prospective purchaser henceforth.

The Staff and Respondents hereby stipulate and agree as follows:

- 1. The Securities Commissioner for the State of Colorado has jurisdiction over Respondents and the subject matter of this action.
- 2. Respondents agree to entry of the Consent Order in the form attached hereto and incorporated herein by reference.
- 3. By entering into this Stipulation, Respondents neither admit nor deny that any of the allegations or grounds set forth in this Stipulation is true.
- 4. Respondents understand that they have the right to have a formal hearing pursuant to 11-51-606(1), C.R.S., 24-4-104 and 105, C.R.S., concerning the allegations against it; the right to be represented by counsel chosen and retained by Respondents; the right to present a defense through oral or documentary evidence, and to cross-examine witnesses at such hearing. By entering into this Stipulation, Respondents expressly waive the rights set forth in this Paragraph 4, and further waive the right to seek judicial review of the Consent Order entered pursuant to this Stipulation.
- 5. Respondents further acknowledge that any violation of the Consent Order when issued may constitute grounds for further sanctions against them.

6. Respondents acknowledge that they have entered into this Stipulation voluntarily, after the opportunity to consult with counsel, and with the understanding of the legal consequences of this Stipulation and Consent Order.

DATE: December 12, 2013

Secure Financial Group, Inc.

Ву:

Its: President

DATE: December 12, 2013

David L. Gonzales

DATE: 4/17/13

THE STAFF OF THE DIVISION OF SECURITIES

Garald Pomo

Deputy Securities Commissioner