

**STATE OF ARKANSAS  
SECURITIES DEPARTMENT**

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IN THE MATTER OF

MN Partners, Multi Nutrient Partners,  
Frank Delucca, High Yield Programs,  
Lee Lawrence, Christian Heritage  
Institute, Earl M. Leasure

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CEASE & DESIST ORDER  
NO. 01 – 005 - S

**CEASE AND DESIST ORDER**

The Arkansas Securities Department (“Department”) has received information and has in its possession certain evidence that indicates that MN Partners (“MNP”), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure, collectively (“Respondents”), have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. § 23-42-101 *et seq.*

**FINDINGS OF FACT**

1. The above listed respondents either alone or in concert with others have promoted and solicited participation in MN Partners, MNP, Multi Nutrient Partners or similarly named programs.
2. Participation in MN Partners (“MNP”) and Multi Nutrient Partners has been promoted and sold by Frank DeLucca (“DeLucca”) from a last known address at 3787 Opelica Rd., Suite C, Phenix City, AL 36867.

3. High Yield Programs and Lee Lawrence have promoted and offered participations in MNP from a last known address at 205-A1 Chateau Drive, Rome GA 30161-6615.

4. Christian Heritage Institute ("CHI") and its director, Earl M. Leasure ("Leasure"), have promoted and offered participations in MNP from a last known address of P.O. Box 816, Florence, OR 97439.

5. Arkansas residents were offered participations in MNP by Leasure. Information provided by Leasure and CHI included documents authored by the other respondents.

6. According to documents obtained by the Department, MNP is described as a long-term loan agreement. MNP offers to make progressively larger "loans" to participants. To participate an applicant must first send a "processing fee" in the amount of \$300 to MNP. In return, the participant will receive an initial "loan" in the amount of \$50 for month one. The applicant is not required to make a payment to MNP to repay the first "loan". For month two the applicant will receive a "loan" in the amount of \$100 and must begin to repay the amount received by submitting a payment of \$2.22 to MNP. Each month the "loan" amount increases, so that by month twelve the participant will receive \$100,000 from MNP and will only need to send MNP a payment of \$4,375.27. The respondents promote MNP by emphasizing to those solicited that, "for an initial commitment of \$300 participants will receive a net return of \$100,000 per month at the end of the first year, growing to a life-time, tax free, income exceeding a million dollars per year". The program states that all repayment

obligations are forgiven in the event that the participant ceases to receive money from MNP and in the event of death of the participant there is no liability for repayment by the participant's estate.

7. Promotional materials encourage participants to participate (send \$300 to MNP) frequently and solicit friends and acquaintances to participate.

8. MNP is a revised edition of Multi Nutrient Partners, a home-based multi level marketing program founded by DeLucca. Materials prepared by DeLucca explain that MNP is set up as a "Loan Program" to avoid income tax liability on the returns received by participants.

9. Promotional materials provided by the Respondents include numerous references to "God" and "Christian" and quote bible scripture.

10. Under the program, plan, or operation as described, the loans or returns are derived solely from the introduction of other persons into participation into the program and not from the sale of goods, services, or tangible property.

11. Theoretically, the process continues ad infinitum. The longer the plan operates the need for new members grows exponentially. Participants succeed in the program only through the proliferation of subsequent new participants. The program represents no gainful employment or labor, capital, or other legitimate economic enterprise. It simply is a method of transferring money from an increasing number of new participants to a smaller number of earlier participants.

12. All such programs, plans, or operations are doomed to fail. As the number of new investors required to support the program grows exponentially,

the market for such investors ultimately collapses. Any "profits" derived by the few early participants are necessarily funded by the losses of the greater number of later participants.

13. The solicitation or participation in the plan to or by residents of the State of Arkansas constitutes the offer and sale of investment contracts as those terms are defined and used in the Act. Respondents are the "issuer" thereof, as that term is defined in the Act.

14. The investment contracts described above are not registered with the Arkansas Securities Commissioner. Neither the investment contracts nor the transactions in which they are offered are exempt from registration. The offer and sale of these unregistered securities by the Respondents is in violation of the Act under Ark. Code Ann. § 23-42-501.

15. Respondents are not registered as broker-dealers or agents for the sale of securities in the State of Arkansas. Their offer and sale of the above securities violates Ark. Code Ann. § 23-42-301.

#### **CONCLUSIONS OF LAW**

16. Ark. Code Ann. § 23-42-209 (a) (1) provides that, when it appears to the commissioner that sufficient grounds or evidence exists that any person has violated or is about to violate any provision of the Act, the commissioner may summarily order the person to cease and desist from the act or practice.

17. Ark. Code Ann. § 23-42-102(2) defines "agent" as any individual who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

18. Ark. Code Ann. § 23-42-102(3) defines “broker-dealer” as any person engaged in the business of effecting transactions in securities for the account of others or for his own account.

19. Ark. Code Ann. § 23-42-102(14)(A) defines “security” to include any investment contract.

20. Ark. Code Ann. § 23-42-301 (a) provides that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless he is registered under this chapter.

21. Ark. Code Ann. § 23-42-301 (b) provides that it is unlawful for any issuer to employ an unregistered agent.

22. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security in this state unless the security is registered in accordance with the Act; exempt from that registration; or a covered security.

23. Ark. Code Ann. § 23-42-507 provides, in part, that it is unlawful for any person in connection with the offer, sale or purchase of any security, directly or indirectly to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

#### **OPINION**

24. From the findings of fact set forth herein, it is the opinion of the Arkansas Securities Commissioner that:

a. This matter has been properly brought before the Commissioner.

b. The MNP Loan Agreement (Exhibit "A") is a security subject to the registration requirements of the Act.

c. MN Partners ("MNP"), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure, issued the Loan Agreement for offer and sale to Arkansas residents.

d. The Loan Agreement has not been registered for offer and sale in Arkansas.

e. MN Partners ("MNP"), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure transacted business in Arkansas as unregistered broker-dealers and agents in violation of Ark. Code Ann. § 23-42-301

f. MN Partners ("MNP"), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure have individually and in concert with one another engaged in fraud, in violation of Ark. Code Ann. § 23-42-507, in that they engaged in a course of business which deceived Arkansas residents into believing the offer and sale of the Loan Agreement in Arkansas was lawful and that participation by Arkansas residents was not subject to risk of loss with a promise of substantial, future returns.

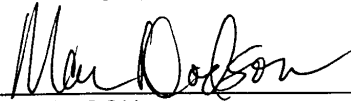
g. MN Partners ("MNP"), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure should immediately cease and desist from the further solicitation and sale of the Loan Agreements and any other security to Arkansas residents.

h. This Order is in the public interest.

**ORDER**

IT IS THEREFORE ORDERED THAT MN Partners ("MNP"), Multi Nutrient Partners, Frank Delucca, High Yield Programs, Lee Lawrence, Christian Heritage Institute, and Earl M. Leasure CEASE AND DESIST from any further actions in the State of Arkansas in connection with the offer and sale of securities.

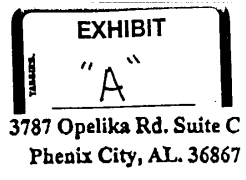
WITNESS MY HAND AND SEAL THIS 26<sup>th</sup> DAY OF JANUARY 2001.



\_\_\_\_\_  
MAC DODSON  
ARKANSAS SECURITIES COMMISSIONER

Toll Free: 877-703-2954  
 Phone: 334-298-2954  
 Fax: 334-298-5456

# MN Partners



## Long-Term Loan Agreement

M.N.P. agrees to loan (applicant), \_\_\_\_\_, certain sums of money each month for the rest of the applicant's life, if: (A) Applicant meets the qualifying criteria described below AND (B) Applicant always makes payment due within 30 days of loan date.

Applicant must fulfill one of the requirements below to qualify for these loans:

- 1) Pay a one time processing fee of \$300.00 OR
- 2) Pay a one time processing fee of \$100.00 and refer two other people into this loan program within 30 days of signing this application. If applicant does not refer two other people within 30 days of signing this agreement, then applicant must pay M.N.P. \$100.00 per person to refer one or two people, whichever is applicable.

Processing fees are paid with checks or money orders made payable to MN Partners.

The following loan and payment plan applies to all applicants that meet all of the above requirements:

Month	Loan	Payment	Month	Loan	Payment
1	\$50.00	\$0.00	13	\$105,000.00	\$8,642.88
2	\$100.00	\$2.22	14	\$110,000.00	\$12,964.35
3	\$200.00	\$6.58	15	\$116,000.00	\$17,337.55
4	\$400.00	\$15.19	16	\$122,000.00	\$21,804.85
5	\$800.00	\$32.36	17	\$128,000.00	\$26,362.54
6	\$1,600.00	\$66.60	18	\$134,000.00	\$31,009.28
7	\$3,200.00	\$137.98	19	\$141,000.00	\$35,737.11
8	\$6,400.00	\$274.62	20	\$148,000.00	\$40,589.34
9	\$12,800.00	\$547.96	21	\$155,000.00	\$45,561.32
10	\$25,600.00	\$1,094.69	22	\$163,000.00	\$50,648.20
11	\$51,200.00	\$2,188.20	23	\$171,000.00	\$55,636.62
12	\$100,000.00	\$4,375.27	24	\$179,000.00	\$61,036.94

Continuing each month after the above-listed 24 months, M.N.P. will loan the applicant 5% more than the previous loan. Payments are based on a two-year amortization with interest rate never to exceed 6% annualized as listed above.

If for any reason M.N.P. should not be able to continue making loans as specified by this agreement, all previous loans will become "null and void" and applicant will not be liable for repayment of such previous loans.

M.N.P. will never sell or assign any loans to a third party for collection.

A 1% premium for Credit Life Insurance will be deducted from loan proceeds before the proceeds are paid to the applicant. After applicant's death his/her estate will not be liable for repayment of outstanding M.N.P. loans.

This agreement is accepted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 Applicant Signature MN Partners Authorized Signature

Applicant Name (please print): \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Country: \_\_\_\_\_ State/Province: \_\_\_\_\_ Zip: \_\_\_\_\_

E-mail: \_\_\_\_\_ Amt. of funds sent with application: \_\_\_\_\_

Referred By: Earl M. Leasure Phone: (541) 997-7858  
 Country: USA State/Province: Oregon E-mail: \_\_\_\_\_

Instructions: Complete and sign this application. Keep one copy. Send original to above address with U.S. currency, check or money order, for \$100, \$300, or other proper amount, payable to M N Partners. An authorized-signed copy of this agreement will be returned with applicant's first loan check, payment invoice and promissory note. (11-22-00)