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ARKANSAS SECURITIES DE

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-14-0011
ORDER NO. S-14-0011-14-OR01**

IN THE MATTER OF:

**JEREMIAH CUMMINGS,
FOR HIS GLORY INTERNATIONAL RECORDS,
AND DEPHIL INTERNATIONAL RECORDS**

RESPONDENTS

CEASE AND DESIST ORDER

On March 27, 2014, the Staff of the Arkansas Securities Department (“Staff”) filed its Request for Cease and Desist Order (“Request”). In its Request, the Staff states that it has certain information and evidence indicating that Jeremiah Cummings, For His Glory International Records, and DePhil International Records (collectively “the Respondents”) have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509. The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request and based upon the representations made therein finds that:

FINDINGS OF FACT

The Request contains the following representations of fact:

1. Jeremiah Cummings (“Cummings”) is an individual resident of the state of Illinois. Cummings has never been registered with the Arkansas Securities Department (“Department”) in any capacity pursuant to the Act.

2. For His Glory International Records (“For His Glory”) is a non-incorporated entity located in the state of Florida with a mailing address of P.O. Box 677427, Orlando, Florida 32867. For His Glory is a trade name through which Cummings transacts business. For His Glory has never been registered with the Department in any capacity pursuant to the Act.

3. DePhil International Records (“DePhil”) is a non-incorporated entity located in the state of Illinois with a mailing address of 6758 Fern Street, Saint Anne, Illinois 60964. DePhil is a trade name through which Cummings transacts business. DePhil has never been registered with the Department in any capacity pursuant to the Act.

4. Cummings is a self-ordained minister, evangelist, and gospel music recording artist. Cummings achieved some notoriety as the first tenor in the musical group Harold Melvin and The Blue Notes from 1973 to 1980. Cummings has used his notoriety and background in the music industry as a foundation to establish and pitch investment in several businesses, including For His Glory and DePhil.

5. In 2005, Cummings met Arkansas Resident One (“AR1”) while he was preaching at an event in Pine Bluff, Arkansas. Over the next several years, Cummings and AR1 remained in contact through telephone and electronic mail. In 2012, Cummings approached AR1 with the opportunity to invest in his recording label, For His Glory. According to Cummings, he was on the verge of producing a new album that would be a massive commercial success. However, in order to release the album, he needed investment to refine the album’s sound and fund its marketing to the public. Cummings told AR1 that an investment in For His Glory would soon make them both millionaires.

6. Based on the foregoing representations, AR1 provided Cummings with an initial investment of \$20,000.00. On February 27, 2012, AR1 entered into a contractual agreement with For His Glory, which was executed before a notary public by Cummings in his capacity as owner of the business. The agreement made AR1 a 50% shareholder in For His Glory and entitled AR1 to a 50% return on all proceeds derived from the projects released by For His Glory

and Cummings. A copy of the contractual agreement entered into between For His Glory and AR1 is attached as Exhibit "A" to the Request.

7. Following the initial investment, Cummings continued to solicit additional funds from AR1. On several occasions, Cummings approached AR1 with a request for money to overcome some minor obstacle obstructing the release of his new album. These obstacles included the payment of outstanding agent fees and production costs. On each occasion, Cummings continued to maintain that both he and AR1 soon would be millionaires. As the result of these additional pleas for funds, AR1 invested at least another \$7,000.00 with Cummings. AR1's investment with Cummings was treated as an investment in his new recording label, DePhil. On April 9, 2013, AR1 entered into a contractual agreement with DePhil, which was executed before a notary public by Cummings in his capacity as owner of the business. The agreement awarded AR1 a 50% interest in DePhil and entitled AR1 to a 50% return on all proceeds derived from the projects released by DePhil and Cummings. A copy of the contractual agreement entered into between DePhil and AR1 is attached as Exhibit "B" to the Request.

8. When making his representations to AR1, Cummings failed to disclose certain pertinent and material information related to both his personal financial condition and the condition of the trade names that served as his alter ego. Specifically, Cummings failed to mention that the Circuit Court of Orange County, Florida had entered a monetary judgment against him on April 12, 2010, in the amount of \$62,946.95, following allegations that Cummings had misappropriated funds received from a religious organization for his personal use. Also, Cummings failed to mention that he had been named a defendant in an ongoing lawsuit filed against him in the Superior Court of Wake County, North Carolina, on June 3,

2009, seeking damages in excess of \$400,000.00, while alleging that Cummings had misappropriated funds received from members of a church congregation for his personal use.

9. AR1 has not received any return on the investments made with Cummings. While Cummings represented that AR1's investment would be used to develop and market his new recording album, Cummings converted the vast majority of the funds for his personal use. Out of the investment funds received from AR1, Cummings spent a total of \$787.00 on studio recording fees. Cummings used the remainder of the investment funds to pay for meals, entertainment, cash withdrawals, and routine living expenses.

10. With regard to the subject investment transactions described herein, a search of Department records by the Staff revealed no registration or proof of exemption in accordance with the Act and no notice filing pursuant to federal law in connection with a covered security.

CONCLUSIONS OF LAW

11. Ark. Code Ann. § 23-42-102(17)(A)(vii) includes certificates of interest and profit-sharing agreements under the Act's definition of a security.

12. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security unless it is registered, exempt, or a covered security.

13. Ark. Code Ann. § 23-42-507(2) makes it 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 light of the circumstances under which they are made, not misleading.

14. The subject investment transactions whereby AR1 invested money and entered into profit-sharing agreements with For His Glory and DePhil are securities under Ark. Code Ann. § 23-42-102(17)(A)(vii).

15. The securities offered and sold by the Respondents were not registered with the Department, exempt from registration with the Department, or a covered security under federal law. Therefore, the Respondents violated Ark. Code Ann. § 23-42-501 when they offered and sold securities to AR1.

16. The Respondents committed securities fraud in violation of Ark. Code Ann. § 23-42-507(2) by representing to AR1 that investment funds would be used to prepare the release of a studio recording album, when, in fact, the vast majority of AR1's funds were used for various and improper personal purposes. The Respondents further violated Ark. Code Ann. § 23-42-507(2) by omitting to inform AR1 that Cummings had a civil judgment entered against him following allegations of fraud and was named a defendant in an ongoing civil case containing allegations of fraud.

ORDER

17. The Respondents shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-501, by ceasing to solicit, offer, and/or sell securities in Arkansas unless the securities are properly registered pursuant to the Act, exempt from such registration, or a covered security.

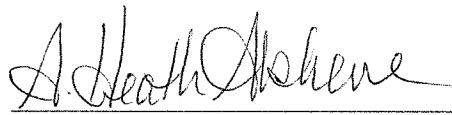
18. The Respondents shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-507(2), and refrain from committing fraud or deceit in connection with the offer or sale of any securities in Arkansas.

19. A hearing on this Cease and Desist Order shall be held if requested by any of the Respondents in writing within thirty days of the date of the entry of this Order or if otherwise ordered by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2)(A). Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
201 East Markham, Suite 300
Little Rock, Arkansas 72201

20. If no hearing is requested and none is ordered by the Commissioner, this Cease and Desist Order will remain in effect until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2)(B).

Dated this 27th day of March, 2014.



A. Heath Abshire
Arkansas Securities Commissioner