

**BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF KANSAS**



In the Matter of:

INSIGHTS NOW, LLC,
JEROME L. DEFRIES,

Docket No. 12 E 025
KSC No. 2012-5950

Respondents.

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Pursuant to K.S.A. 17-12a604

NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE SANCTIONS

Staff for the Office of the Securities Commissioner alleges that sufficient evidence exists to provide cause under K.S.A. 17-12a604 to invoke administrative sanctions against Respondents under the Kansas Uniform Securities Act. If the allegations set forth below are found to be true, through either administrative adjudication, failure of the Respondents to make a timely request for hearing, or default of the Respondents, it is the intention of staff to seek an order from the Commissioner to impose sanctions upon the Respondents. Such sanctions may include, *inter alia*, restitution, fines, and/or a permanent cease and desist order.

If the Respondents wish to contest the facts alleged below, or offer evidence and argument to mitigate those facts, then they must file a request for hearing within thirty-three (33) days after the date of mailing on the Certificate of Service attached to this Notice. The request for hearing must be in the manner and form prescribed by K.A.R. 81-11-3 and K.A.R. 81-11-5, and it must be filed with the Office of the Securities Commissioner, 109 SW 9th St., Suite 600 Topeka, Kansas 66612. The request for hearing must be verified under oath by the Respondents, and if the Respondents dispute any of the allegations set forth below, they shall specifically deny those allegations or the allegations will be deemed admitted by the Respondents. If a request for

hearing is not timely filed, the Commissioner may issue a final order without further proceedings.

In support of such action, staff for the Securities Commissioner alleges and states:

Allegations of Fact

1. Respondent Insights Now, LLC has a last known business address of 14975 158th St., Bonner Springs, KS 66012.
2. Respondent Jerome L. DeFries, a/k/a Jerry DeFries (“DeFries”), CRD# 8974893, is the business manager of Insights Now, LLC, which has the last known business address of 14975 158th St., Bonner Springs, KS 66012.
3. Respondent Insights Now, LLC is an inactive, delinquent Wyoming corporation as of May 28, 2007, per the Wyoming Secretary of State’s files.
4. Respondent Insights Now, LLC was checked through the Kansas Secretary of State’s files and found not to have been registered as a foreign corporation operating in Kansas.
5. In early 2008, [REDACTED] (“[REDACTED]”), of Muskogee, OK, responded to an ad in the Tulsa newspaper seeking investors. [REDACTED] spoke to a man named [REDACTED] (“[REDACTED]”), who advised of a subject named Jerry DeFries, was a forex trader having good results. [REDACTED] was provided DeFries’ contact information.
6. [REDACTED] contacted DeFries. DeFries told [REDACTED] he was earning around 10% a month doing forex trading and investments would be compounded and rates would fluctuate. DeFries said profits would be split 50/50. DeFries advised [REDACTED] she would have access to her money at any time.
7. [REDACTED] decided to initially invest \$75,000 with DeFries on or about April 17, 2008. This payment was in the form of a cashier’s check.

8. [REDACTED] was provided a Joint Venture Contract which was signed by DeFries and dated April 20, 2008. [REDACTED] also signed this contract and dated it with two separate dates; April 17, 2008, and April 27, 2008.

9. [REDACTED] decided to invest additional monies with DeFries as he told her he would do better with her money than the other investments she had at the time. [REDACTED] made the following additional investments with DeFries:

- On or about April 24, 2008, [REDACTED] issued an \$8,000 check to Insights Now, LLC.
- On or about May 27, 2008, [REDACTED] issued a \$5,000 check to Insights Now, LLC.
- On or about June 4, 2008, [REDACTED] wired \$54,000 to Insights Now, LLC's Bank of America account.
- On or about June 16, 2008, [REDACTED] issued a \$50,000 check from her Vanguard Federal Money Market Fund to Insights Now, LLC.
- On or about September 24, 2008, [REDACTED] issued a \$5,000 check to Insights Now, LLC.
- On or about October 25, 2008, [REDACTED] issued a \$2,800 check to Insights Now, LLC.
- On or about December 4, 2008, [REDACTED] wired \$100,000 to Insights Now, LLC's Bank of America account.
- On or about February 25, 2009, [REDACTED] issued a \$10,000 check to Insights Now, LLC.

10. [REDACTED] received monthly reports from DeFries via email showing that he was doing very well. [REDACTED] told her daughter, [REDACTED] [REDACTED] (“[REDACTED]”), of Muskogee, OK, about DeFries.
11. On or about November 28, 2008, [REDACTED] and [REDACTED] met with DeFries in Kansas City, Wyandotte County, KS, at which time [REDACTED] invested \$30,000 with DeFries.
12. In August 2009, [REDACTED] and [REDACTED] began asking DeFries to withdrawal some of the money they had invested. DeFries began making excuses as to why the money could not be accessed. By the spring of 2010, DeFries told [REDACTED] their money was gone, but he had other projects going and he was attempting to get their money back. To date [REDACTED] has received \$500 from DeFries.
13. The Respondents omitted to disclose to the investors that substantial amounts of their investment funds would be withdrawn in the form of cash and for the personal use of Respondent DeFries, which was determined by reviewing bank accounts of the Respondents.
14. The Respondents are not registered agents with the Office of the Kansas Securities Commissioner.
15. The securities offered and sold by the Respondents are not registered with the Office of the Kansas Securities Commissioner.

Allegations of Law

16. Respondent DeFries issued an investment contract to the known investors. Respondent engaged in a forex trading scheme to raise funds to pay back investors. The investment contract issued by the Respondent is a security pursuant to K.S.A. 17-12a102(28).

17. Respondent DeFries fraudulently made misrepresentations or omissions of material facts about the use of investors' funds for his personal use and expenses in violation of K.S.A. 17-12a501.
18. Respondent DeFries unlawfully offered and sold securities that were not registered with the Office of the Kansas Securities Commissioner in violation of K.S.A. 17-12a301.
19. Respondent DeFries unlawfully transacted business as an agent while not registered with the Office of the Kansas Securities Commissioner, in violation of K.S.A. 17-12a402.
20. Adequate grounds exist to invoke administrative sanctions against the Respondent, and such an order is in the public interest.

Entered at Topeka, Kansas, this 20th day of June, 2012.



Joshua Ney, #24077
Staff Attorney
Office of the Securities Commissioner
109 S.W. 9th Street, Suite 600
Topeka, KS 66612
(785) 296-5215
(785) 296-5482 (fax)

Certificate of Service

I hereby certify that on this 20th day of June, 2012, copies of the above Notice of Intent Impose Administrative Sanctions were mailed by certified mail, return receipt requested, addressed to the following:

Insights Now, LLC
14975 158th St.
Bonner Springs, Kansas 66012

Jerome L. DeFries, a/k/a Jerry DeFries
14975 158th St.
Bonner Springs, Kansas 66012.

A large black rectangular redaction box covering the signature of Michelle Lancaster.

Michelle Lancaster
Legal Assistant