OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION

IN THE MATTER OF
)
)
SameDay Security, Inc. ) Administrative Consent Agreement
) Number LS-15-1492
)
)
Respondent
)

CONSENT AGREEMENT

WHEREAS, the Securities Division of the Mississippi Secretary of State ("Division"), having the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act ("Act") codified at Mississippi Code Annotated Sections 75-71-101, et. seq.;

WHEREAS, the Division has conducted an investigation of SameDay Security, Inc. ("Respondent") and its sale of securities from August 13, 2013, to November 5, 2015.

WHEREAS, Respondent has advised the Division of its agreement to resolve the matter without the expense and delay that formal proceedings would involve;

WHEREAS, Respondent, solely for the purpose of concluding this open matter with the Division, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, agrees to take certain actions described herein, consents to the Division making the Conclusions of Law set forth herein, and consents to the terms and conditions of this Administrative Consent Agreement ("Agreement"). This Agreement is not intended to confer any rights upon any person or entities who are not a party to this proceeding;
WHEREAS, Respondent elects to permanently waive any right to a hearing and appeal under the Act in Sections 75-71-604 and 75-71-609 with respect to this Agreement;

NOW, THEREFORE, the Division, as Administrator of the Act, hereby enters this Agreement:

I. FINDINGS OF FACT

Parties

1. The Secretary of State has the authority pursuant to the Act to administer and enforce the Act and regulate the offer and sale of securities in Mississippi including the firms and persons who offer or sell securities or who provide investment advice regarding securities.

2. SameDay Security, Inc. (“SameDay”) is a Nevada corporation with corporate headquarters located at 133 S Church Street, in Las Cruces, New Mexico 88011 and conducts business in Mississippi at 1307 Airport Rd., N. 1-A, in Flowood, Mississippi 39232.

Events

3. Anthony Dohrmann (“Dohrmann”), founder and Chief Executive Officer of SameDay, formed SameDay in or around 2009 for the purpose of creating and selling an electronic monitoring device known as The Electronic Caregiver (“Product”).

4. Dohrmann stated Mississippi was “ground zero” to raise capital for the company due primarily to a former employee who moved to Mississippi and marketed the product.

5. According to its Form D filed with the U. S. Securities and Exchange Commission, between August 13, 2013, and November 5, 2015, SameDay raised approximately Five Million Two Hundred Thousand Dollars ($5,200,000.00) through its Series D offering of SameDay Series D Units from approximately fifty (50) to sixty (60), composed mostly of Mississippi investors.
6. SameDay’s Private Offering Memorandum ("POM") for the Series D offering states:

“The company expects to offer and sell the securities directly on its own behalf through its officers and directors and possibly through the use of broker/dealers, which the company may engage as Placement Agents. The Company reserves the right, in its sole discretion, to issue shares of its stock, options to purchase shares of its stock, and/or cash to financial consultants and finders where allowed by law.”

7. As part of the investigation, Division investigator Phil Hull interviewed Dohrmann on November 12, 2015, during which Dohrmann stated SameDay has paid referral incentives to a few of the investors for recruiting new investors and SameDay has paid the incentive compensation to six or seven of the investors.

8. On October 3, 2013, Gayle Harrell ("Harrell") signed a "Board Position/Sales Overrides & Consulting Position for Business Development Introductions/Board Position" agreement with SameDay. The agreement stated, “It is agreed and understood that a 10% cash compensation for capital originated by your introductions and professional/personal relationships, will be paid to you in the form of a Master Dealer market development fund. This fund will be yours to govern at your discretion.” (emphasis added).

9. On August 8, 2014, Four Thousand Eight Hundred and Ninety-Two Dollars and Sixty-Four Cents ($4,892.64) was transferred from SameDay to Harrell for “Consult Fee for W Perry.”

10. There is no record of Harrell registered with the Division as an issuer agent or broker-dealer agent at any time.

11. On January 19, 2015, Dr. Steven Reed ("Reed") signed a “Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions” agreement with SameDay. The agreement stated, “It is agreed and understood that for capital originated by your efforts and professional/personal relationships, you will be awarded a 10% stock compensation.” (emphasis added).
12. There is no record of Reed registered with the Division as an issuer agent or broker-dealer agent at any time.

13. On March 10, 2015, Allen Stephens ("Stephens") signed a "Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions" agreement with SameDay. The agreement stated, "It is agreed and understood that a 10% stock compensation for capital originated by your efforts and professional/personal relationships, will be paid to you in the form of a business development, consulting fee." (emphasis added).

14. There is no record of Stephens registered with the Division as an issuer agent or broker-dealer agent at any time.

15. On April 6, 2015, Danny Craft ("Craft") signed a "Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions" agreement with SameDay. The agreement stated, "It is agreed and understood that a 10% stock compensation for capital originated by your efforts and professional/personal relationships, will be paid to you in the form of a business development, consulting fee. It is agreed and understood that you must make every attempt to make at least 1 introduction per month in order to receive the 10,000 full vested voting common shares." (emphasis added).

16. There is no record of Craft registered with the Division as an issuer agent or broker-dealer agent at any time.

17. On August 10, 2015, Michelle McLeod ("McLeod") signed a "Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions" agreement with SameDay. The agreement stated, "It is agreed and understood that a 10% stock compensation for capital originated by your efforts and professional/personal relationships, will be paid to you in the form of a consulting fee." (emphasis added).
18. There is no record of McLeod registered with the Division as an issuer agent or broker-dealer agent at any time.

19. On August 20, 2015, Dr. Gary Richardson ("G. Richardson") signed a “Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions” agreement with SameDay. The agreement states, “It is agreed and understood that a 10% stock compensation for capital originated by your efforts (emphasis added) and professional/personal relationships, will be paid to you in the form of a business development, consulting fee,” (emphasis added) and “It is agreed and understood that 5% in cash compensation based on capital you originate will be paid to you as a consultant in the form of a marketing development fund.” (emphasis added)

20. There is no record of G. Richardson registered with the Division as an issuer agent or broker-dealer agent at any time.

21. On August 26, 2015, Dr. Jay Richardson ("J. Richardson") signed a “Board of Advisors Position/Sales Overrides & Consulting Position for Business Development Introductions” agreement with SameDay. The agreement stated, “It is agreed and understood that a 10% stock compensation for capital originated by your efforts (emphasis added) and professional/personal relationships, will be paid to you in the form of a business development, consulting fee,” and “It is agreed and understood that 5% in cash compensation based on capital you originate (emphasis added) will be paid to you as a consultant in the form of a marketing development fund.”

22. There is no record of J. Richardson registered with the Division as an issuer agent or broker-dealer agent at any time.

23. G. Richardson stated he has referred potential investors to SameDay and made them aware that there was a referral incentive program at SameDay.
24. J. Richardson stated SameDay does offer referral incentives to its investors for recruiting new investors, which includes additional stock in the company equivalent to 10% of the stock purchased by the new investor and compensation of 5% of the dollar amount of the new investment.

25. No record of a financial or stock incentive agreement involving Dr. Scott Thomas ("Thomas") and SameDay was produced to the Division, and Thomas stated he does not receive any referral incentives or overrides from SameDay for any referral business. However,

   a. On February 28, 2014 there was an online transfer transaction totaling Six Thousand Two Hundred Dollars ($6,200.00) to “Business Checking Scott Thomas” and the transaction detail stated “Fin Consult Fee Williamson Sp.”

   b. On March 21, 2014 there was an online transfer transaction totaling Seven Thousand Five Hundred Dollars ($7,500.00) to “Business Checking Scott Thomas” and the transaction detail stated “Fin Consult Fee Ashley Lindse.”

   c. On June 16, 2014 there was an online transfer transaction totaling Fifteen Thousand Dollars ($15,000.00) to “Business Checking Scott Thomas” and the transaction detail stated “10% Comm Larry Poole Investme.”

   d. On June 30, 2014 there was an online transfer transaction totaling Twelve Thousand Five Hundred Dollars ($12,500.00) and the transaction detail stated ‘Fin Consult Leach 125K Inves.”

These transactions, totaling Forty-One Thousand Two Hundred Dollars ($41,200.00), were all executed prior to Thomas joining SameDay as President in February 2015.

26. There is no record of Thomas registered with the division as an issuer agent or broker-dealer agent at any time.
27. Respondent advises that the above actions were unintentional, conducted in good faith, and without knowledge of any applicable limitations. The Division does not dispute that assertion.

II. APPLICABLE LAW

28. Miss. Code Ann. § 75-71-402 sets forth:

§ 75-71-402. Agent registration requirement and exemptions.

(b) Exemptions from registration. The following individuals are exempt from the registration requirement of subsection (a):

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(3) An individual who represents an issuer with respect to an offer of sale of the issuer’s own securities or those of the issuer’s parent or any of the issuer’s subsidiaries, and who is not compensated in connection with the individual’s participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities.

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(d) Limit on employment or association. It is unlawful for a broker dealer, or an issuer engaged in offering, selling, or purchasing its securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

29. Miss. Code Ann. § 75-71-102(17) states, “Issuer means a person that issues or proposes to use a security.”

30. Miss. Code Ann. § 75-71-102(20) states, “‘Person’ means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association or organization; whether incorporated or unincorporated; joint venture; government; governmental subdivision, agency, or instrumentality; or any other legal or commercial entity.”

31. Miss. Code Ann. § 75-71-102(2) sets forth:

“Agent” means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities. The term does not include an individual excluded by rule adopted or order issued under this chapter. The term does not include an
associated person of an issuer who is deemed not to be a broker under Securities and Exchange Commission Rule 3a4-1.

32. Miss. Code Ann. § 75-71-102(28) sets forth:

"Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term includes both a certificated and an uncertificated security.

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33. The Division may employ remedies set out in Miss. Code Ann. § 75-71-604 of the Act:

Administrative enforcement.
(a) Issuance of an order or notice. If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may:

(1) Issue an order directing the person to cease and desist from engaging in the act, practice or course of business or to take other action necessary or appropriate to comply with this chapter;

(2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under Section 75-71-401(b)(1)(D) or (F) or an investment adviser under Section 75-71-403(b)(1)(C); or

(3) Issue an order:
   (A) Under Section 75-71-204;
   (B) Imposing a civil penalty in the case of an issuer of registered securities, broker-dealer, investment advisor,
agent, investment adviser representative, or other person who violated this chapter;
(C) Barrining or suspending the person from association with a broker-dealer or investment advisor registered in this state; or
(D) Requiring the person to pay restitution for any loss or disgorge any profits arising from the violation, including interest.

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(d) Civil penalty. In a final order under subsection (c), the administrator may impose a civil penalty in an amount set forth in Section 75-71-613 for each violation and each violation shall be considered a separate offense in a single proceeding or a series of related proceedings.

34. Miss. Code Ann. § 75-71-613(d) sets forth:

(d) **Amount of civil penalty and further civil penalty under Section 75-71-604--administrative enforcement.**
(1) The amount of the civil penalty described in Section 75-71-604(d) is a maximum of Twenty-five Thousand Dollars ($25,000.00) for each violation, provided that an additional civil penalty may be imposed up to a maximum of Fifteen Thousand Dollars ($15,000.00) for violations of the chapter committed against elders or disabled persons.
(2) The amount of the further civil penalty described in Section 75-71-604(g) is a maximum of Twenty-five Thousand Dollars ($25,000.00) for each violation.

III. **ACTION NECESSARY TO PROTECT THE PUBLIC**

35. Action by the Division is necessary and appropriate in the public interest and for the protection of investors, and is consistent with the purposes fairly intended by the policy and provisions of the Act.

36. Based upon the foregoing Findings of Fact, and consistent with the consent of the Respondent, the Division makes the following:

IV. **CONCLUSIONS OF LAW**

37. The Administrator, after consideration of the facts set forth above and on the consent of
Respondent and the Division, finds and concludes that the Secretary has jurisdiction over Respondent and this matter and that the following is in the public interest, necessary for the protection of public investors and consistent with the purposes intended by the Act.

38. Based upon the information in the Private Offering Memorandum, the shares of stock are a “Security” as set forth in Miss. Code Ann. §75-71-102(28).

39. During the period 2013 through 2015, SameDay, the “Issuer” as set forth in Miss. Code Ann. § 75-71-102(17), secured agreements with at least eight individuals and through these individuals did knowingly effect, or attempt to effect, purchases or sales of the Issuer’s securities in Mississippi by soliciting securities transactions, and in doing so, these individuals acted as “Agents” as set forth in Miss. Code Ann. § 75-71-102(2).

40. The Issuer Agents were compensated or offered compensation in the form of cash and/or stock and, therefore, not exempt from registration as set forth in Miss. Code Ann. § 75-71-402(b)(3).

41. SameDay conducted business in Mississippi using unregistered Issuer Agents in the offer and sale of their own securities in violation of Miss. Code Ann. §75-71-402(d).

V. AGREEMENT

IT IS HEREBY AGREED:

1. This Agreement concludes the open matter with the Division with respect to SameDay and its use of unregistered agents. However, nothing herein limits the ability of the Division, individually or jointly with other agencies, in pursuing any investigation with respect to any other securities-related matter involving the Respondent.

2. This Agreement is entered into solely for the purpose of resolving the aforementioned allegations and is not intended to be used for any other purpose.
3. Respondent shall fully and fairly comply with all of the following requirements:
   a. Respondent shall pay the Division an administrative penalty in the amount of One Thousand Dollars ($1,000.00) per non-registered Agent for a total penalty of Eight Thousand Dollars ($8,000.00). Respondent has paid the penalty to the Division prior to the Division signing this order;
   b. Respondent shall not take any action, or make or permit to be made any public statement, deny, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligation or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the Administrator is not a party.

4. If Respondent defaults in any of the obligations set forth in this Agreement, the Division may, at its sole discretion and upon fifteen (15) days’ notice to Respondent, without opportunity for administrative hearing, refer this matter for enforcement as provided in Section 75-71-604(g) of the Act.

5. This Agreement shall not disqualify Respondent from any business that it is otherwise qualified or licensed to perform under applicable state law, and this Agreement is not intended to form the basis for any disqualification.

6. This Agreement contains, constitutes, and embodies the entire agreement between the undersigned, there being no agreement of any kind, oral or otherwise, which varies, alters, or adds to this Agreement; this Agreement supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.
7. In the event that one or more provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

8. By consent to and execution of this Agreement, Respondent affirmatively represents that it freely agrees to the signing of this Agreement by the Division, and that no threats, promises, representations, inducements, or offers of any kind, other than as stated in this document, have been made by the Division, any member of the staff of the Division, or any agent or employee of the Division in connection with the negotiations and signing of this Agreement.

Dated this the 16th day of June 2016.

C. DELBERT HOSEMAN, JR.
Secretary of State
State of Mississippi

By:

JESSICA LEIGH LONG
Senior Attorney
Securities Division
CONSENT TO ENTRY OF AGREEMENT

SameDay Security, Inc. hereby acknowledges that it has been served with a copy of this Administrative Consent Agreement ("Agreement") has read this Agreement, is aware of its right to a hearing and appeal in this matter, and has waived the same.

SameDay Security, Inc. admits the jurisdiction of the Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Agreement, and consents to entry of this Agreement by the Division.

SameDay Security, Inc. states that no promise of any kind or nature whatsoever was made to it as an inducement to enter into this Agreement and that it has entered into this Agreement voluntarily.

Dated this the 15th day of June 2016.

SameDay Security, Inc.
By: [Signature]
Title: CEO

STATE OF New Mexico
COUNTY OF Dona Ana

SUBSCRIBED AND SWORN TO before me this 15th day of June 2016.

[Signature]
Notary Public

My commission expires: 12-10-18