

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE AT NASHVILLE**

TENNESSEE SECURITIES DIVISION,)	
Petitioner)	
)	Order No. 05-011
vs.)	
)	
NEW MILLENNIUM INVESTMENT COMPANY)	
AND JOSHUA HICKERSON,)	
Respondent)	

CONSENT ORDER

The Tennessee Securities Division (“Division”) and New Millennium Investment Company, by and through Joshua Hickerson, and Joshua Hickerson, Individually, Respondents herein, agree to the entry of this Consent Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (“Act”), which states that the Commissioner of Commerce and Insurance (“Commissioner”) from time to time may make such orders as are necessary to carry out the provisions of the Act.

GENERAL STIPULATIONS

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force and effect until such acceptance is evidenced by the entry of the Commissioner.

2. This Consent Order is executed by the Respondent for the purpose of avoiding further administrative action with respect to this cause. Furthermore, should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and

consideration of this Consent Order by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings.

3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically addressed in this Consent Order for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner for the Department of Commerce and Insurance or any other state government representative against the Respondent for violations of law under other statutes, rules, or regulations of the State of Tennessee, which may arise out of the facts, acts, or omissions contained in the Findings of Fact and Conclusions of Law stated herein, or which may arise as a result of the execution of this Consent Order by the Respondent.

5. Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of or to otherwise challenge or contest the validity of the Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Consent Order by the Commissioner.

FINDINGS OF FACT

1. The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, et seq. (the "Act"), places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance ("Commissioner"). The Division is the lawful

agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115.

2. New Millennium Investment Company ("NMIC") is a former Tennessee business entity. The address of NMIC was 5858 South New Hope Rd., Hermitage, TN 37076. NMIC is not and has never been registered in any capacity with the Division pursuant to the Act.

3. Joshua Hickerson ("Hickerson") is a former employee, agent, officer, director, owner or other affiliated person of NMIC. Hickerson maintains his address at c/o Sandra Bramley, 3780 Bellwood Dr., Lexington, KY 40517. Hickerson is not and has never been registered with the Division in any capacity pursuant to the Act.

4. Lindsey Jenkins ("Jenkins") is a citizen and resident of the State of Tennessee. On or about June of 2004, Jenkins filed a complaint with the Division regarding an investment that she had made in November of 2003 with NMIC through Hickerson.

5. Jenkins had met Hickerson while they were both employees of the Zales Outlet store at Opry Mills. Jenkins states that in August of 2003 Hickerson told Jenkins that he had an investment opportunity that was guaranteed and would pay 10% per month. Jenkins also states that Hickerson indicated to her that he was backed by a company and that if something happened, Jenkins could withdraw her money at any time with 30 days notice.

6. Hickerson indicated that other individuals at Jenkins' place of employment had also invested. Hickerson showed Jenkins articles on the type of investments that his

company was involved with. Hickerson also provided documents to Jenkins, which documents referred to Hickerson as an “asset manager.” The documents indicated that NMIC specialized in short-term investments that create long-term monthly and yearly income. NMIC “guaranteed” a “10% return per month regardless of market conditions.” The documents indicated that by utilizing the methods described, there was a 90% less risk of losing your investment capital compared to traditional buy and hold methods in both stocks and mutual funds. The documents also indicated that by keeping 80-90% of the capital in cash after trading hours and through all weekends, NMIC automatically lowered the risk of loss by over 70%.

7. Based on Hickerson’s representations and the documents provided to her by NMIC through Hickerson, Jenkins signed an investment agreement with Hickerson and NMIC on November 5, 2003. Jenkins issued a check to Hickerson for \$10,000.00.

8. Jenkins began receiving monthly checks of \$750.00 in November of 2003. Although the monthly payment under the contract was to be \$1,000.00 (10% of her investment paid monthly), Hickerson retained \$250.00 per month for income tax purposes. Jenkins received checks until May of 2004, when the May check bounced. Jenkins ran the check through twice, but on both occasions the check bounced due to insufficient funds. The May 2004 check was written on the account of PC’s 2U, a company in which Hickerson was the Vice-President. The check number was 1031, written on May 10, 2004 in the amount of \$750.00. The check was signed by Hickerson.

9. On or about May 17, 2004, Jenkins requested the return of her investment and gave the required 30-day notice to Hickerson. On June 17, 2004, Hickerson wrote two

checks to Jenkins from the PC's 2U account. One check, #1061, was in the amount of \$5,200.00 made payable to Jenkins and signed by Hickerson. The second check, #1062, was in the amount of \$5,000.00 made payable to Jenkins and signed by Hickerson. Both checks were returned for insufficient funds.

10. The NMIC investment opportunity is an investment contract. An investment contract is a security as defined in the Act. At the time of the transaction involving Jenkins, the NMIC investment opportunity was not registered with the Division as a security pursuant to the Act. At the time of the transaction involving Jenkins, NMIC and Hickerson were not registered as an agent and/or broker-dealer with the Division pursuant to the Act.

11. Hickerson did not inform Jenkins that the promissory note was a security under the Act, and as such, it was required to be registered with the Division. Hickerson did not inform Jenkins that he was required to be registered to engage in securities transactions under the Act. Hickerson wrongfully guaranteed a specific, outrageous return on Jenkins investment when such a return could not be guaranteed.

12. Hickerson engaged in securities transactions on behalf of another through the NMIC investment opportunity, which investment contract was a security under the Act, at a time when Hickerson and NMIC was not registered with the Division pursuant to the Act as a broker-dealer or agent of a broker-dealer. Hickerson sold or offered to sell securities in the form of an investment contract through NMIC, which investment contract was a security required to be registered under the Act, at a time when the investment contract was not registered with the Division pursuant to the Act.

13. In the course of securities transactions, Hickerson made untrue statements of

a material fact, related to the guaranteed rate of return to the investor. Hickerson also omitted to state a material fact, as related to the fact that the investment contract was a security and as such was required to be registered with the Division, when the security was not so registered. Hickerson omitted to state a material fact, as related to the fact that NMIC and Hickerson were required to be registered to engage in securities transactions on behalf of others, when NMIC and Hickerson were not so registered.

CONCLUSIONS OF LAW

14. Pursuant to Tenn. Code Ann. §48-2-115(a), the responsibility for administration of the Act is upon the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility.

15. Tennessee Code Annotated §48-2-104(a) provides that it is unlawful for any person to sell any security in this state unless (1) it is registered, (2) the security or transaction is exempted under Tenn. Code Ann. §48-2-103, or (3) the security is a covered security.

16. Tennessee Code Annotated §48-2-109(a) provides that it is unlawful for any person to transact business from or in this state as a broker-dealer or agent or investment advisor unless such person is registered as a broker-dealer or agent or investment advisor under this part.

17. Tenn. Code Ann. § 48-2-121(a) states that it is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to: (1) employ any device, scheme, or artifice to defraud; (2) make any untrue statement of a material fact or 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; or (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

18. The averments in paragraphs two - thirteen of this Consent Order constitute practices by Joshua Hickerson and NMIC, which would provide grounds under Tenn. Code Ann. § 48-2-104 for the entry of an order of sanctions against Joshua Hickerson and NMIC.

19. The averments in paragraphs two - thirteen of this Consent Order constitute practices by Joshua Hickerson and NMIC, which would provide grounds under Tenn. Code Ann. § 48-2-109(a) for the entry of an order of sanctions against Joshua Hickerson and NMIC.

20. The averments in paragraphs two - thirteen of this Consent Order constitute practices by Joshua Hickerson and NMIC, which would provide grounds under Tenn. Code Ann. § 48-2-121 for the entry of an order of sanctions against Joshua Hickerson and NMIC.

ORDER

NOW, THEREFORE, on the basis of the foregoing, and the Respondents' waiver of right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 et seq., and the Respondents' admission of jurisdiction of the Commissioner, the Commissioner finds that Respondents, NMIC, by and through Joshua Hickerson, and Joshua Hickerson, Individually, for the purpose of settling this matter, admit the matters herein, have agreed to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

IT IS ORDERED, pursuant to Tennessee Code Annotated §48-2-116(a) of the Tennessee Securities Act that:

1. Respondents **ARE ORDERED AND AGREE** to fully comply with the Tennessee Securities Act, as amended, and all rules promulgated thereunder.

2. Respondents **ARE ORDERED AND AGREE** to permanently cease and desist in further conduct as a broker-dealer and/or agent of a broker-dealer from, into, or in the State of Tennessee. Respondents **ARE ORDERED AND AGREE** to permanently cease and desist offering to sell or selling securities from, into, or in the State of Tennessee.

3. Respondents **ARE ORDERED AND AGREE** to permanently cease and desist from committing violations of the Tennessee Securities Act of 1980, as amended.

4. Respondents **ARE ORDERED AND AGREE** that should any Respondent seek registration with the Division as a broker-dealer, agent of a broker-dealer, investment adviser, or agent of an investment adviser, such Respondent shall state on Form U-4 this action, pursuant to the instructions of said form and as required by the NASD, and file the appropriate Disclosure Reporting Page to disclose the details of this filed administrative action. Respondents **ARE FURTHER ORDERED AND AGREE** that disclosure of the existence and terms of this Consent Order shall be disclosed in any offer to sell, private placement memoranda, or other sales tool which in any manner relates to the issuance, sale, or offer to sell a security.

5. Respondents, jointly and severally, **ARE ORDERED AND AGREE** to pay five thousand five hundred dollars (\$5,500.00) to the investor, Lindsey Jenkins, in restitution of the original investment. Two thousand five hundred dollars (\$2,500.00) of said sum shall

be due and paid in full upon execution of this document. The balance of said sum being three thousand dollars (\$3,000.00) shall be due and paid in full upon execution of this document, but in no event later than June 1, 2005. Payment shall be made directly Lindsey Jenkins in the form of a money order or cashier's check, and shall be mailed or delivered to:

Lindsey Jenkins
137 Country Wood Circle
Nashville, TN 37214.

Proof of such payment shall be mailed or delivered within 10 days of payment to:

Securities Division
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

6. Respondents, jointly and severally, are hereby **ASSESSED** a civil penalty in the amount of six thousand dollars (\$6,000.00). Said sum shall be due upon execution of this document. Said sum shall be paid in payments on a monthly basis in the amount of \$250.00 per month with the first payment being due on July 1, 2005 and continuing each month in succession thereafter until the entire civil penalty is paid. Said civil penalties shall be paid in full in no event later than June 30, 2007. Payment in the form of a money order or cashier's check, made payable to the State of Tennessee, shall be mailed or delivered to:

State of Tennessee
Department of Commerce and Insurance
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

7. Respondents, jointly and severally, are hereby **ORDERED** to pay cost recovery to the Department of Commerce and Insurance the amount of five hundred dollars (\$500.00) related to the costs of investigation. Said sum shall be due and paid in full upon execution of this document, but in no event later than June 1, 2005. Payment in the form of a money order or cashier's check, made payable to the State of Tennessee, shall be mailed or delivered to:

State of Tennessee
Department of Commerce and Insurance
Attention: Michele K. Elliott, Staff Attorney
500 James Robertson Parkway, 5th Floor
Nashville, Tennessee 37243.

8. Respondents **ARE ORDERED AND AGREE** to be permanently barred from applying for or seeking any registration and/or licensure administered by and/or handled through the State of Tennessee, Department of Commerce and Insurance.

9. Respondents hereby **AGREE AND ACKNOWLEDGE AND IT IS ORDERED** that failure to comply with all of the requirements and prohibitions contained in this Order shall result in the denial of any application by any Respondent for any registration and/or licensure of any type, which registration and/or licensure is administered by the Division of Securities and/or the Department of Commerce and Insurance.

Execution of this Consent Order is due on or before March 11, 2005.

IT IS ORDERED that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action by the Securities Division against New Millennium Investment Company and Joshua Hickerson for violations of the Tennessee Securities Act of 1980, as amended,

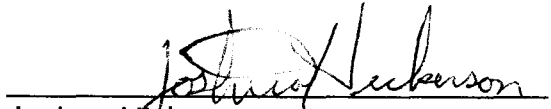
alleged to have occurred with respect to facts contained herein. Nothing herein may be construed as preventing a separate division or section of the Department of Commerce and Insurance or a separate entity of the State of Tennessee from taking other appropriate action against the Respondents based on the Findings of Fact and Conclusions of Law enumerated herein or the existence of this executed Consent Order.

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, New Millennium Investment Company, by and through its representative Joshua Hickerson, and Joshua Hickerson, Individually, affirmatively state that each has freely agreed to the entry of this Consent Order, that each waives the right to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

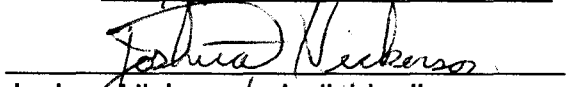
ENTERED this 21st day of March, 2005.

Paula A. Flowers
Paula A. Flowers, Commissioner
Department of Commerce and Insurance

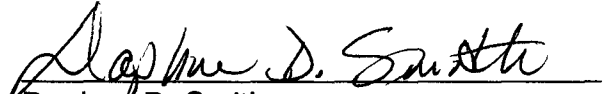
APPROVED FOR ENTRY:




Joshua Hickerson,
As legal representative of
New Millennium Investment Company
Dated: 3/9/05



Joshua Hickerson, Individually
Dated: 3/9/05



Daphne D. Smith,
Assistant Commissioner for Securities
Department of Commerce and Insurance



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