

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Shannon Steel and
Steel Financial Group, Inc.

CEASE AND DESIST ORDER
Issued and Entered,

This 11th day of April, 2011,

By: Stephen R. Hilker
Chief Deputy Commissioner

Pursuant to Section 101(a) of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101(a) (the "Act"), the Chief Deputy Commissioner of the Office of Financial and Insurance Regulation ("OFIR") hereby orders Shannon Steel to Cease and Desist from conducting business as an unregistered securities agent in violation of Section 402 of the Act, MCL 451.2402, and further orders Steel Financial Group, Inc. to cease and desist from unlawfully conducting business as an unregistered broker-dealer and/or investment adviser, in violation of Section 401 or Section 403 of the Act, MCL 451.2401 or MCL 451.2403.

This Cease and Desist Order is based on the following facts that were obtained during OFIR's Securities Division's investigation of Shannon Steel and Steel Financial Group, Inc. (collectively referred to hereafter as the "Respondents").

1. On or about June 11, 2010, OFIR issued a Cease & Desist Order against Royster, Carberry, Goldman and Associates Financial Services, LLC ("RCG")¹ ordering

¹ RCG also operates under the assumed name of RCG & A.

RCG, and all firm personnel, to cease and desist from engaging in any and all investment related activities.

2. Shannon Steel was an employee of RCG when the aforementioned Cease & Desist Order was issued and was therefore subject to the order.

3. Shannon Steel was the incorporator and is sole owner of Steel Financial Group, Inc.²

4. During OFIR's investigation referenced above it determined that on June 4, 2010, Shannon Steel, on behalf of her corporation Steel Financial Group, Inc., entered into an Investment Contract with ██████████ (██████████), whereby ██████████ agreed to invest Forty Thousand Dollars (\$40,000.00 US Dollars) with Steel Financial Group, Inc. to allow the Steel Financial Group, Inc. to buy and sell commodities on ██████████'s behalf. Upon information and belief, OFIR's investigation found that ██████████ thought that Shannon Steel/Steel Financial Group, Inc. was going to purchase gold with ██████████'s money.

5. The Investment Contract was dated June 4, 2010, was executed by Shannon Steel and ██████████, and stated that ██████████ would accrue interest on his \$40,000 dollar investment at a guaranteed minimum interest rate of 10%.

6. On or about June 8, 2010, ██████████ wire transferred \$40,000.00 dollars to Steel Financial Group, Inc.'s bank account. According to Steel Financial Group, Inc.'s bank records, Shannon Steel withdrew \$29,000.00 dollars the next day, June 9, 2010, which allegedly she wire transferred to "Ghana" to effectuate the purchase of commodities on ██████████'s behalf. Throughout the month of June, Shannon Steel continued to use ██████████'s remaining funds deposited into the Steel Financial Group Inc.'s bank account for her own purposes; Shannon Steel never used the funds to purchase "gold" on ██████████'s behalf.

7. At the time Shannon Steel and ██████████ entered into the Investment Contract, Shannon Steel was not registered as a securities agent in Michigan as required by Section 402 of the Act, MCL 451.2402, and Steel Financial Group, Inc. was not registered as a broker-dealer and/ or an investment adviser as required by Section 401 and/or 403 of the Act, MCL 451.2401 and MCL 451.2403.

² Steel Financial Group, Inc. was incorporated as a Michigan Domestic For Profit Corporation on or about July 30, 2008.

8. OFIR believes that Shannon Steel has committed fraud in connection with [REDACTED]'s investment with her and Steel Financial Group, Inc. Neither Shannon Steel nor Steel Financial Group, Inc. was registered as required under the Act. Shannon Steel and Steel Financial Group, Inc. were unlawfully conducting business when Shannon Steel solicited [REDACTED]'s money and attempted to purchase "gold" on his behalf. Moreover, Shannon Steel did not purchase "gold" with [REDACTED]'s money and misled him into believing otherwise. Shannon Steel then converted, misappropriated or otherwise defrauded [REDACTED].

NOW, THEREFORE, based on the foregoing, pursuant to Section 604 of the Act, MCL 451.2604, the Chief Deputy Commissioner of OFIR hereby orders as follows:

1. Shannon Steel and Steel Financial Group, Inc. are hereby ordered to **CEASE AND DESIST** from conducting business as an unregistered investment adviser and/or broker-dealer and securities agent in contravention of Sections 401, 402 and 403 of the Act, MCL 451.2401, MCL 451.2402 and MCL 451.2403.
2. Shannon Steel and/or Steel Financial Group, Inc., shall refund to [REDACTED] \$40,000.00, plus interest at the Investment Contract guaranteed minimum rate of 10% from June 8, 2010 through the date a cashier's check or certified money order is procured by Shannon Steel.
3. Shannon Steel shall transmit the funds via registered mail, return receipt requested to [REDACTED] immediately and in no event later than 2 business days after the cashier's check or certified money order is obtained.
4. Shannon Steel and/or Steel Financial Group, Inc., pursuant to Section 601 of the Act, MCL 451.2601, shall pay a civil fine to the State of Michigan in the amount of \$10,000.00 US Dollars in accordance with Section 604 of the Act, MCL 451.2604 within 15 days of receipt of this Cease & Desist Order.
5. PURSUANT TO SECTION 604(2) OF THE ACT, MCL 451.2604(2), WITHIN 15 DAYS OF THE DATE THIS CEASE AND DESIST ORDER IS SERVED ON SHANNON STEEL OR STEEL FINANCIAL GROUP, INC., EITHER OR BOTH MAY REQUEST A HEARING. **A HEARING**

**REQUEST MUST BE MADE IN WRITING AND MUST BE
DIRECTED/ADDRESSED TO:**

**(OVERNIGHT DELIVERY): DAWN KOBUS, HEARINGS
OFFICER, OFFICE OF GENERAL COUNSEL, OFFICE
OF FINANCIAL AND INSURANCE REGULATION, 611
W. OTTAWA, 3RD FLOOR, LANSING, MICHIGAN,
48933.**

OR

**(MAILING ADDRESS): DAWN KOBUS, HEARINGS
OFFICER, OFFICE OF GENERAL COUNSEL, OFFICE
OF FINANCIAL AND INSURANCE REGULATION, P.O.
BOX 30220, LANSING, MICHIGAN 48909-7720.**

IF A HEARING IS REQUESTED, SHANNON STEEL AND/OR STEEL FINANCIAL GROUP, INC. HAS/HAVE THE RIGHT TO BE REPRESENTED BY AN ATTORNEY AT HER/ITS/THEIR EXPENSE. IF SHANNON STEEL AND/OR STEEL FINANCIAL **DO NOT** REQUEST A HEARING AS PROVIDED HEREIN, BY OPERATION OF LAW, THIS ORDER WILL BECOME FINAL WITHIN 30 DAYS OF THE DATE THIS ORDER WAS SERVED, AND THE CIVIL FINE IMPOSED BY THIS ORDER SHALL BE IMMEDIATELY DUE AND PAYABLE, IN ACCORDANCE WITH SECTIONS 604(2) AND (4) OF THE ACT, MCL 451.2604(2) AND MCL 451.2604(4).

6. PURSUANT TO SECTION 609(1) OF THE ACT, MCL 451.2609(1), IF THIS ORDER BECOMES FINAL BY OPERATION OF LAW, SHANNON STEEL AND/OR STEEL FINANCIAL MAY SEEK JUDICIAL REVIEW IN ACCORDANCE WITH MCL 24.301, BY FILING A PETITION IN (A) THE CIRCUIT COURT IN THE COUNTY WHERE SHANNON STEEL/STEEL

FINANCIAL RESIDES OR HAS ITS PRINCIPAL PLACE OF BUSINESS,
OR (B) INGHAM COUNTY CIRCUIT COURT.

7. OFIR retains the right to pursue further administrative action/remedies against Shannon Steel and/or Steel Financial Group, Inc.

Any questions regarding this Cease & Desist Order should be directed to [REDACTED]
[REDACTED], 1-877-999-6442, 525 West Allegan. Lansing, Michigan 48913.



Stephen R. Hilker
Chief Deputy Commissioner