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BEFORE THE STATE AUDITOR;
EX-OFFICIO COMMISSIONER OF SECURITIES AND INSURANCE
HELENA, MONTANA

IN THE MATTER OF: DANIEL TWO FEATHERS, aka DAN LATHAM, aka OAHEYO TWO FEATHERS, individually and in his capacity as agent for the named respondent companies; SHAWN SWOR, individually and in his capacity as agent for the named respondent companies; TLT HOLDINGS CORPORATION; DTF CONSULTING GROUP TRUST; DTF CONSULTING GROUP; and HARVEST INVESTMENT HOLDINGS, LTD. Respondents.	)	Case No.: SEC-2008-65 I-10-08-08-280 FIRST AMENDED NOTICE OF PROPOSED AGENCY DISCIPLINARY ACTION and OPPORTUNITY FOR HEARING

Staff of the Securities Department (hereafter "Department") of the office of the State Auditor as Commissioner of Securities of the state of Montana (hereafter "Commissioner"), pursuant to the authority of the Securities Act of Montana, §§30-10-101, *et seq.*, MCA (2007), is proposing to the Commissioner that he take specific action against DANIEL TWO FEATHERS, aka DAN LATHAM, aka OAHEYO TWO FEATHERS (hereafter "Two Feathers,") individually and in his capacity as agent of TLT Holdings Corporation, DTF Consulting Group Trust, DTF Consulting Group, and Harvest Investment Holdings, Ltd; SHAWN SWOR (hereafter "Swor") individually and in his capacity as agent of TLT Holdings Corporation, DTF Consulting Group Trust, DTF Consulting Group, and Harvest Investment Holdings, Ltd; TLT HOLDINGS

CORPORATION; DTF CONSULTING GROUP TRUST; DTF CONSULTING GROUP; and HARVEST INVESTMENT HOLDINGS, LTD., named above for violations of the Montana Securities Act. The Commissioner has authority to take such action under the provisions of §§ 30-10-102, 30-10-107, 30-10-201, 30-10-202, 30-10-301, 30-10-304, 30-10-305, and 30-10-309, (2007) MCA.

In particular, the Department's staff is recommending specific action against these Respondents including imposition of appropriate fines and appropriate restitution, with interest, pursuant to the provisions of the Montana Securities Act.

Service of process is pursuant to § 30-10-107 (8), (2007) MCA.

REASONS FOR ACTION

There is probable cause to believe that the following facts, if true, justify and support such specific action.

ALLEGATIONS

1. This case was initiated as the result of a telephone call from a Texas resident identified herein as Complainant 1 on or about October 7, 2008. Complainant 1 alleged Two Feathers, through TLT Holdings Corporation (TLT), convinced Complainant 1 to invest $100,000 owned by Investor 1[1] in early September 2008 in an investment platform that would provide a return on the investment of between 200% - 400% per week. The investment platform was to provide a weekly return but Investor 1 had yet to receive a payment. Complainant 1 alleged Two Feathers would not return telephone calls and had "run off" with the money Investor 1 had invested. Complainant 1 provided the Department copies of all of the documentation Complainant 1 had regarding Investor 1's involvement with Two Feathers.

[1] Investor 1 is a company with which Complainant 1 is affiliated.

2. Two Feathers lists his occupation as a "consultant". He receives mail at P.O. Box 996, Hamilton, Montana, but resides at 668 Foley Lane, Hamilton, Montana. Two Feathers signs his name as "General Manager" for TLT Holdings Corporation. Two Feathers is listed as a director of DTF Consulting Group Trust, uses the e-mail address of dtf_consulting@live.com, and owns and controls account #066-6-00030 at Penson Financial Services, Inc. entitled DTF Consulting Group Trust. Two Feathers is listed as the registered agent for DTF Consulting Group Trust with the Montana Secretary of State.

3. Two Feathers is also known as Dan Latham. Dan Latham was charged and convicted in federal courts in the Eastern and Southern districts of New York of conspiracy to defraud the United States, money laundering and creating or using fictitious obligations. These convictions occurred in 1999 and resulted in Dan Latham/Two Feathers serving approximately 41 months in federal prison, as well as three years of supervised release. As a result of these convictions, Two Feathers was ordered to pay restitution of $5,162,558.00. It is unknown if any restitution was paid by Two Feathers.

4. Swor appears to be the sole owner of Platinum Mortgage Corp., located at 1709 South Ave. W., Missoula, Montana. Swor is also a director of DTF Consulting Group Trust and signs documents on behalf of the trust as a Trustee.

5. TLT Holdings Corporation lists its address as P.O. Box 996, Hamilton, MT 59840, the same mailing address as Two Feathers. TLT Holdings has not filed with the Montana Secretary of State's office. TLT Holdings Corporation also discloses itself as being incorporated in Panama and discloses Antonia Ojo as its president. Its Panama address is IPASA Building, 3rd Floor, 41st Street, Panama City, Republic of Panama. Two Feathers signs as General Manager of TLT Holdings and the corporation use a corporate seal with the "State of Montana" embossed on

it. On its letter head it states "Developers of Intellectual Property." At the bottom of the TLT Holdings letterhead the email address identified for the company is the same one used by Two Feathers: dtf_consulting@live.com.

6. DTF Consulting Group Trust filed with the Montana Secretary of State on February 26, 2008, listed its purpose code as "management and/or consultant", identifies Two Feathers as its registered agent, and disclosed its business address as 1709 South Ave. W., Missoula, MT 59801, the same address as Swor's mortgage company. In minutes of the DTF Consulting Group Trust dated March 7, 2008, it named Two-Feathers as Managing Director and sets forth Two Feathers, Shawn Swor and André Curtis as authorized signatories for banking purposes. On or about June 6, 2008, Two Feathers signed as Secretary of the Trust in an application for a corporate account for DTF Consulting Group Trust with Penson Financial Services. On or about July 7, 2008, Two Feathers disclosed that he is the Treasurer for the Trust in an application for a second account with Penson Financial Services for DTF Consulting Group Trust.

7. Harvest Investment Holdings, LTD lists its business address as Carmel Building, 61 King Street, RM 19, Hamilton, Pembroke, Bermuda. In its Certificate of Incumbency[2] it lists André Curtis (hereafter "Curtis") as Director/President. Curtis is also a signatory for DTF Consulting Group Trust.

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[2] A Certificate of Incumbency is an internal company's document confirming the authorities of the officer. A Certificate of Incumbency has various other names; it is also known as an Incumbency Certificate, a Certificate of Officers, an Officer Certificate, a Register of Directors, and as a Secretary Certificate. It is signed by the Secretary or any other company officer. This document is usually required by receiving organizations in foreign countries to make sure that the person who signed the documents on behalf of the company is actually authorized to do so.

8. Two Feathers opened an account with D.A. Davidson on or about September 4, 2008. The account was set up as a transfer-on-death account and lists Pamela Thomas as the 100% beneficiary in the event of Two Feathers' death.

9. On or about August 29, 2008, Two Feathers opened an account with EKN Financial Services (hereafter "EKN") in his name only. On or about September 4, 2008 an account was opened with EKN for Harvest Investment Holdings, Ltd., attention to Curtis.

10. On or about June 5, 2008, an account was opened with NWT Financial Group through its clearing firm, Penson Financial Services. The account indicates it is owned by DTF Consulting Group Trust with Two Feathers and Curtis as trustees at Two Feathers' residential address, 668 Foley Lane, Hamilton, Montana. Two Feathers is the signatory on the account. DTF Consulting Group Trust uses Tax ID 26-6259802 for this account.

11. On or about June 5, 2008, an account was opened with First Bermuda Securities, Ltd, through its clearing firm, Penson Financial Services. The account indicates it is owned by DTF Consulting Group Trust with Swor and Two Feathers as trustees at Two Feathers' residential address, 668 Foley Lane, Hamilton, Montana. Two Feathers is the signatory on the account. DTF Consulting Group Trust uses Tax ID 26-6259802 for this account.

12. Complainant 1 provided the Department with copies of documents, spreadsheets and e-mail correspondence regarding securities transactions Complainant 1 had with Two Feathers. Complainant 1, on behalf of a Texas community restoration and redevelopment company identified herein as "Investor 1," entered into a Private Placement Manager Investment Agreement (hereafter "Agreement") with Two Feathers and TLT Holdings Corporation on or about September 10, 2008. As part of the identifiers in the Agreement, Two Feathers shows his email address as dtf_consulting@live.com. Pursuant to the Agreement, Investor 1 wired

$100,000.00 to Two Feathers' personal account at EKN Financial Services[3]. In the Agreement, Two Feathers promised Investor 1 a minimum weekly investment return of at least 200% and a maximum weekly investment return of no more than 400%. The Agreement provided for a distribution of investment return on a weekly basis. In a spreadsheet Two Feathers provided Investor 1, he promised a gross return on investment in week #1 of $30,600.00, a gross return on investment in week #2 of $36,900.00 with the return growing in week #20 to $5,106,600.00. After a 40-week period, Two Feathers promised a return on the original $100,000 of 2,553%.

13. Investor 1 wired $100,000.00 directly into Two Feathers' personal account at EKN on September 11, 2008. On or about September 12, 2008, Two Feathers purchased $340,000.00 face value U. S. Treasury STRIPS[4] due February 15, 2038, in his account for $99,510.00. On or about September 23, 2008, Two Feathers instructed EKN to wire the position to his account at D. A. Davidson & Co. These instructions included Two Feathers' email address of dtf_consulting@live.com. D. A. Davidson & Co. rejected this incoming transfer because of Two Feather's suspicious activities related to this and other activities described below in the Two Feathers D.A. Davidson account.

14. In an e-mail from Two Feathers to Complainant 1 dated September 14, 2008, Two Feathers tells Complainant 1 that he has purchased $344,000.00 in US Treasury STRIPS, although he had only purchased $340,000.00 in US Treasury STRIPS. The email came from Two Feathers' email address at dtf_consulting@live.com. In this September 14, 2008 email Two Feathers also states

[3] The transaction was cleared through Legent Clearing, LLC.

[4] STRIPS, an acronym for separate trading of registered interest and principal of securities, are special issues of US Treasury zero-coupon bonds. They're created and sold by brokerage firms, not by the government. The bonds are prestripped, which means that the issue is separated into the principal and a series of individual interest payments, and each of those parts is offered separately as a zero-coupon security.

"these [STRIPS] are scheduled to be liquidated during the day tomorrow. Your share of the profits on this liquidation is $10,320. I will compound the funds and our next purchase will be approximately $448,000 in Strip Treasuries. The new purchase will take place tomorrow, provided the liquidation funds clear the account tomorrow in time to allow us to make the purchase."

15. On or about September 22, 2008, Complainant 1 sent an e-mail to Two Feathers at his email address of dtf_consulting@live.com asking to draw down funds in Investor 1's account, leaving $400,000.00 in the account. Complainant 1 provided Two Feathers with wire instructions on where to send the draw. Two Feathers responded to this e-mail on September 24, 2008, scolding Complainant 1 for calling him because calls to him "slows the process down and then the returns aren't anywhere near what you are looking for." He blames his delay in sending Investor 1 the requested draw on the "Broker/Dealer/Trader's refusal to follow instructions and conduct himself in a proper and ethical manner." He states he is filing suit against the firm and promises to get Complainant 1 the requested payout within a week. Investor 1 has not received any payouts of investment returns nor has it received the requested draw. There was never any buying or selling of the US Treasury STRIPS as Two Feathers had represented.

16. On or about September 26, 2008, Two Feathers sent a letter to Curtis of Harvest Investment Holdings with instructions to wire US Treasury STRIPS from a Harvest Investment Holdings account located at EKN. The letter was on TLT Holdings letterhead and included the email address of dtf_consulting@live.com. This letter also included instructions to wire the $340,000 US Treasury STRIPS in Two Feathers' personal EKN account to the Luzerner Kantonalbank in Switzerland. Two Feathers, in a letter dated September 16, 2008, instructs EKN to wire these positions to the Luzerner Kantonalbank in Switzerland. The letter was on TLT Holdings letterhead and included the email address of dtf_consulting@live.com. The

positions and proceeds in both the Harvest Investment Holdings and Two Feathers accounts held at EKN are currently enjoined by the Lewis & Clark District court.

17. The Department discovered another investor when it received a call from D. A. Davidson & Co.'s compliance department indicating a North Carolina citizen's attorney was demanding a return of funds from Two Feather's account. The Department spoke with the North Carolina citizen, identified herein as Complainant 2, on or about October 16, 2008, regarding Complainant 2's involvement with Two Feathers and TLT Holdings Corporation.

18. The Department discovered Complainant 2, on behalf of his real estate investment company identified herein as Investor 2, entered into a Private Placement Manager Investment Agreement with Two Feathers and TLT Holdings Corporation on or about September 17, 2008. Investor 2 wired $750,000 to Two Feather's personal account at D. A. Davidson & Co. On September 19, 2008, Two Feathers withdrew $50,000.00 from this account in a check made out to him personally. In the Agreement, Two Feathers promised to provide a minimum weekly investment return of at least 200% and a maximum weekly investment return of no more than 400%. The Agreement provided for a distribution of investment return on a weekly basis. The Agreement included in the identifiers for Two Feathers his email address at dtf_consulting@live.com.

19. On September 19, 2008, Two Feathers purchased $2,477,000.00 in US Treasury STRIPS with a maturity date of May 15, 2038 for $699,806.89. On September 24, 2008, Two Feathers instructed D. A. Davidson to wire the $2,477,000.00 US Treasury STRIPS position to Luzerner Kantonalbank bank in Switzerland.

20. In an e-mail from dtf_consulting@live.com to Investor 2's attorney dated September 19, 2008, Two Feathers states that approximately $2.4 million in US STRIPS were

purchased for $750,000.00 on behalf of Investor 2. In fact, Two Feathers took $50,000.00 for himself and purchased the STRIPS for $699,806.89. Two Feathers went on to indicate that the position "will be liquidated and [Two Feathers] will compound the buying power on Tuesday and go again." In fact, on September 24, 2008, Two Feathers attempted to wire the position to Switzerland so he could obtain his own personal line of credit against the position instead of initiating the investment platform of buying and selling the position as he had promised.

21. Two Feathers provided Complainant 2 a spreadsheet that indicated a weekly gross profit from the continual buying and selling of this US Treasury STRIPS position would be approximately $153,000.00 the first week, $263,700.00 the second week, with the return growing to as much as $475,200.00 per week by week 20. Investor 2 has received no investment return payouts.

22. D. A. Davidson's Compliance Department became suspicious of the activity in Two Feathers' account when he became unreasonably demanding, expressing great urgency about wiring the money to Switzerland, and after he drove five hours from his home to D. A. Davidson's headquarters to demand the money be wired immediately. D. A. Davidson conducted an internet search on Two Feathers and discovered he had been imprisoned for wire fraud. D. A. Davidson immediately contacted the F.B.I.

23. At present, $1,727,000 in US Treasury STRIPS is enjoined by the Lewis & Clark District Court from being wired from D. A. Davidson. A portion of the STRIPS purchased in this transaction were wired before D. A. Davidson & Co. became suspicious.

24. The Department was contacted by a resident of Poland, identified herein as Complainant 3 who had conducted an internet search on Two Feathers based on concerns regarding a proposed investment Two Feathers was offering to the resident of Poland's adult

child, identified herein as Investor 3. Investor 3 resides in Switzerland. The internet search resulted in Complainant 3 locating the Department's contact information from the district court filings resulting in the injunctions identified herein. The contact with the Department was made on or about October 21, 2008.

25. Based on information and documents provided by Complainant 3, it appears Two Feathers was trying to convince Investor 3 to invest in US Treasury STRIPS. It appears Investor 3 was introduced to Two Feathers through a man identified as Dr. Nosa Igiehon of London. Sales materials provided to the Department indicate Investor 3 could purchase a $1 billion 30-year US Treasury STRIPS at 34% of face value and then sell it immediately for 39% of face value. Documentation provided to the Department indicates that the individual putting together the investment platform was Dan Two Feathers, Trustee for DTF Consulting Group Trust.

26. The Department's review of the information provided regarding Investor 3's involvement with Two Feathers indicates Two Feathers, as a trustee for DTF Consulting Group Trust, offered to sell Investor 3 on or about August 21, 2008, a $1 billion U.S. Treasury Strip due February 15, 2038, for $34,000,000.00. The marketing materials provided to Investor 3 indicated there was a new buyer who was willing to immediately repurchase these strips for $39,000,000.00 for a $5,000,000.00 immediate return on Investor 3's investment. Two Feathers provided Investor 3 a "Corporate Invoice No. 08082008PI" instructing her to wire $34,000,000.00 to J P Morgan Chase Bank, NYC, for deposit to DTF Consulting Group Trust's account at Penson Financial Services. Two Feathers signed the letter and affixed the DTF Consulting Group Trust corporate seal (State of Montana) on the invoice. Investor 3 did not purchase the STRIPS.

27. The Department spoke with a partner of a company identified herein as Lender 1 after the Department discovered the Swiss Bank account to which Two Feathers has attempted to wire Investor 1's US Treasury STRIPS position and Investor 2's US Treasury STRIPS position belonged to another partner of Lender 1. The partner who spoke with the Department is identified herein as Complainant 4.

28. Lender 1's partners work to provide international lines of credit. Complainant 4 was introduced via telephone to Two Feathers by an individual identified as Rick Hamilton from California. Two Feathers agreed to wire US Treasury STRIPS as collateral to the Luzerner Kantonalbank in Switzerland. In exchange for depositing this collateral at the bank, Lender 1 would agree to give Two Feathers a line of credit equal to 38% of the face value of the US Treasury STRIPS Two Feathers assigned to Lender 1.

29. Two Feathers entered into a "Collateral Secured Credit Agreement" with Complainant 4's partner whereas the borrower would be TLT Holdings Corporation. In the agreement, Two Feathers agreed to provide $1,040,000.00 in US Treasury STRIPS due February 15, 2038 as collateral. Complainant 4's partner, acting on behalf of Lender 1, agreed to advance Two Feathers 38% of the face value of the collateral, or approximately $395,200.00, at a rate of 6% per annum. Two Feathers agreed to assign the collateral to the credit facilitator. In addition, Two Feathers provided a Non-Criminal Declaration to Lender 1 and Complainant 4's partner that stated the following:

> That I [Two Feathers] am the lawful owner of 30 year stripped treasuries issued by United States Treasury bearing cusip/isin number 912834AE8
> I [Two Feathers] confirm that these bonds were obtained with good clean monies of non criminal origin
> My [Two Feathers] warrant states that I [Two Feathers] have engaged a qualified registered securities dealer of investment grade collaterals and or securities to acquire the bonds
> Herein I [Two Feathers] confirm as purpose of record that I own the below

identified certificates issued by United States Treasury.

30. Lender 1 did not receive the full $1,040,000 in US Treasury STRIPS from Two Feathers because the First Judicial District Court of Montana enjoined the accounts from which Two Feathers hoped to transfer the assets.

31. The collateral that was wired is being returned pursuant to the injunction issued by the First Judicial District Court of Montana. Other collateral promised has not been wired pursuant to the injunction issued by the First Judicial District Court of Montana.

32. Based on information reviewed by the Department, it does not appear TLT Holdings Corporation (as issuer) or Two Feathers (as salesperson) informed Complainant 1, Investor 1, Complainant 2, Investor 2, or Investor 3 about the financial condition of TLT Holdings Corporation.

33. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) or Two Feathers (as salesperson) did not provide specific information to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3, or Lender 1 about how the rates of return were to be generated.

34. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) or Two Feathers (as salesperson) did not provide background information to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3, or Lender 1 regarding the directors, officers or other persons having similar status or performing similar functions for TLT Holdings Corporation, including but not limited to, their names, principal occupation for the previous five years, ownership or interest held by each person and did not provide disclosure regarding the risks involved with the investment.

35. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) and Two Feathers (as salesperson) misrepresented to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3 the fact that, under no set of circumstances, could a 200% - 400% weekly rate of return be generated from positions in U.S. Treasury STRIPS.

36. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) and Two Feathers (as salesperson) did not disclose to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3 the fact that their monies and investments would be held in Two Feathers' personal accounts.

37. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) and Two Feathers (as salesperson) did not disclose to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3, or Lender 1 the fact that they would use investors' assets to secure personal lines of credit for themselves.

38. Based on information reviewed by the Department, it appears that TLT Holdings Corporation (as issuer) and Two Feathers (as salesperson) did not disclose to Complainant 1, Investor 1, Complainant 2, Investor 2, Investor 3, or Lender 1 the issuer's background and/or history, including but not limited to any regulatory or criminal action issued against the issuer or its officers or directors.

39. Based on the information reviewed by the Department, it appears Two Feathers and TLT Holdings Corporation may be operating a Ponzi scheme. Two Feathers has promised to pay Investors 1, 2 and 3 abnormally high returns which it appears he intends to pay from money paid to him by subsequent investors, rather than from net revenues generated by any real business.

40. The Department received a copy of a complaint from an intermediary, filed on behalf of Complainant 5, a family, in regards to a loan arrangement with DTF Consulting Group Trust. The complaint was originally filed with the Montana Department of Administration's Banking Division but was forwarded to the Department due to the fact that advance-fee loans are investment contracts regulated by the Department.

41. A review of the documentation provided by Complainant 5 indicates that on or about May 19, 2008, Complainant 5 wired $100,000.00 to Shawn Swor/DTF Consulting Group Trust as an advance-fee for a $10,000,000.00 loan Swor claimed he had arranged for Complainant 5. Swor issued a "Conditional Funding Approval" letter on DTF Consulting Group Trust letterhead on or about May 28, 2008, outlining the terms of the $10,000,000.00 loan. DTF Consulting Group was identified as the "funder" for the loan in the documentation provided. The terms indicated funding of the $10,000,000.00 loan was to take place on or before July 22, 2008.

42. In a letter dated June 27, 2008 to Complainant 5, Swor indicated the loan funds would be dispersed after July 15 but before July 22, 2008. Swor wrote a second letter (undated) that stated the following:

> [D]ue to the economic down turn in the economy the money being provided to fund your file needs an insurance wrap from a large insurance carrier with a great credit rating. Our compliance office is taking care of this process. In the meantime they are letting us provide you with a proof of funds for the funding of your loan. Your loan will fund in the next 5 to 7 business days according to our compliance department. We at DTF Consulting Group Trust will provide proof of funds by 2:00 Eastern Standard Time Wednesday 7/30/2008.

43. To date, Complainant 5 has not received the $10,000,000.00 loan and has not received a return of the $100,000 advance-fee. Their intermediary has attempted to contact Swor

about the matter and told the Department Swor has indicated he cannot return the advance-loan fee because of "car troubles, a sick child and because he is hunting ram."

44. Based on information reviewed by the Department, it does not appear DTF Consulting Group Trust (as issuer) and Swor (as salesperson) informed Complainant 5 about the financial condition of DTF Consulting Group Trust.

45. Based on information reviewed by the Department, it appears DTF Consulting Group Trust (as issuer) and Swor (as salesperson) did not provide specific information about how the proposed loan funds were to be generated.

46. Based on information reviewed by the Department, it appears DTF Consulting Group Trust (as issuer) and Swor (as salesperson) did not provide background information on the directors, officers or other persons having similar status or performing similar functions for DTF Consulting Group Trust, including but not limited to, their names, principal occupation for the previous five years, ownership or interest held by each person.

47. Based on information reviewed by the Department, it appears DTF Consulting Group Trust (as issuer) and Swor (as salesperson) did not provide disclosure regarding the risks involved with the investment.

48. Based on information reviewed by the Department, it appears DTF Consulting Group Trust (as issuer) and Swor (as salesperson) did not disclose the issuer's background and/or history, including but not limited to any regulatory action issued against the issuer or its officers or directors.

49. On or about November 14, 2008, the Department received a new complaint. A person identified herein as Investor 4 contacted the Department after performing an online search regarding Two Feathers and DTF Consulting. Investor 4 is from Los

Angeles, California. Investor 4 invested $50,000 with Two Feathers and Swor in May 2008 and has yet to receive any payments pursuant to the return promised.

50. Investor 4, along with a partner, identified herein as Investor 5, were solicited to invest $50,000.00 each in a "Leverage Program" offered by DTF Consulting Group in March 2008. Investors 4 and 5 met Two Feathers and Swor in Tennessee on April 11, 2008. Two Feathers and Swor identified themselves at this meeting as trustees of DTF and told these investors the Leverage Program Two Feathers and Swor were offering involved a form of bank to bank trading, much like a certificate of deposit, and involved a foreign financial institution.

51. Two Feathers and Swor promised Investors 4 and 5 a monthly return of at least $1,500,000.00 per month for 12 months on the Leverage Program investment. Investors 4 and 5 were given a Leverage Program spreadsheet setting forth "Levels of Leverage." Per the "Levels of Leverage" formula, a $50,000.00 investment would return $400,000,000.00 after only 11 months of reinvestment. The Leverage Program spreadsheet indicated that there was minimal risk associated with the program, that the instruments backing the investment were AA rated, cash backed and that they were backed by a "Line of Credit."

52. Two Feathers asked Investors 4 and 5 to share a portion of the investment's return with Two Feather's daughter's school, the Waldorf School in Montana.

53. Investor 5 became suspicious of Two Feathers after discovering his last name was really "Latham" and that he had served time in prison. Investor 5 did not invest with Two Feathers, Swor or DTF Consulting.

54. Investor 4 met with Two Feathers in San Diego and confronted him with these facts. Two Feathers told Investor 4 that Two Feathers had come to terms with his past misconduct, had paid his debt to society and presented Investor 4 with a financial trading instrument which Two Feathers represented was signed by Treasury Secretary Henry Paulson and provided a $1.5 billion line of credit for Two Feathers. This line of credit document is fraudulent.

55. Investor 4 entered into a written "Proposal" with DTF Consulting on April 29, 2008 to invest $50,000.00 for a minimum of 50 trust certificate units. Investor 4 subsequently invested $50,000.00 in the Leverage Program and wired the money to First Interstate Bank, in Billings, Montana, f/b/o D. A. Davidson for the account of DTF Consulting Group, on or about May 6, 2008.

56. The Proposal was signed by Two Feathers as Secretary for the Board of Trustees of DTF Consulting Group. DTF Consulting Group issued to Investor 4 Certificate 3001081017 for 50 units on April 30, 2008. The Certificate is signed by Two-Feathers and has a DTF Consulting Group Trust Corporate Seal for the State of Montana on it.

57. Investor 4's $50,000.00 was never invested in any AA rated securities. No CDs were ever purchased with Investor 4's $50,000.00. The money was subsequently wired oversees in June 2008 per instructions to D.A. Davidson from Two Feathers.

58. In September 2008 Swor contacted Investor 4 to indicate DTF had abandoned its original Leverage Program and would, instead, be purchasing US Treasury STRIPS for an investment platform. Swor told Investor 4 that the guaranteed monthly

return was going to drop to approximately $200,000 a month. To date, Investor 4 has not received any monthly income payments nor a return of his investment.

CONCLUSIONS OF LAW

1. The Montana State Auditor is the Commissioner of Securities (Commissioner) pursuant to §§ 30-10-107, 2-15-1901, MCA.

2. The Commissioner has jurisdiction over this matter pursuant to §§ 30-10-102, 30-10-107, 30-10-201, 30-10-202, 30-10-301, 30-10-304, 30-10-305, and 30-10-307, MCA.

3. The administration of the Securities Act of Montana, § 30-10-101, *et seq.*, MCA, is under the supervision and control of the Securities Commissioner, pursuant to § 30-10-107, MCA.

4. The Commissioner shall administer the Securities Department to protect investors, pursuant to § 30-10-102, MCA.

5. Two Feathers violated § 30-10-201(1), MCA, when he offered or sold his Private Placement Investment Platform involving the purchase and sale of US Treasury STRIPS to Investors 1, 2 and 3 without being registered in Montana as a salesperson.

6. Two Feathers violated § 30-10-201 (13) (g) when he engaged in dishonest and unethical practices in the securities business by misappropriating the money entrusted to him by Investors 1 and 2 and by engaging in other conduct such as forgery, theft, non-disclosure, incomplete disclosure, misstatement of material facts, manipulative and deceptive practices.

7. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, in connection with the offer and sale of a security when they made untrue statements of material fact when they told Complainant 1 and Investor 1, Complainant 2 and Investor 2 and Investor 3

they would receive weekly rates of return between 200% - 400% when there was no set of circumstances in which the investment could return this type of a rate.

8. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security omitted the material fact that they were not registered to sell securities in the State of Montana.

9. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts relevant to the financial condition of the TLT Holdings Corporation.

10. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts related to specific information about how the proposed rates of return were to be generated.

11. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts relevant to background information on the officers and directors, including but not limited, to their names, principal occupations for the previous five years, and the ownership or interest held by each person

12. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts relevant to the risks involved with the investment.

13. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that all invested monies would be held in Two Feathers' personal brokerage accounts.

14. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that investors' monies were to be used as collateral to fund a line of credit for TLT Holdings Corporation.

15. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts related to the issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its offers and directors, among other things

16. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, in connection with the offer and sale of a security when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3 by offering them investment opportunities that promised weekly rates of return between 200% - 400% when there was no set of circumstances in which the investment could return this type of a rate.

17. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material fact that they were not registered to sell securities in the State of Montana.

18. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor

3, in connection with the offer and sale of a security, by omitting the material facts relevant to the financial condition of the TLT Holdings Corporation

19. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material facts relevant to how the proposed rates of return were to be generated.

20. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material facts regarding background information on the officers and directors, including but not limited to their names, principal occupations for the previous five years, and the ownership or interest held by each person.

21. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material facts regarding the risks involved with the investment.

22. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor

3, in connection with the offer and sale of a security, by omitting the material fact that all invested monies would be held in Two Feathers' personal brokerage accounts.

23. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material fact that the investors' investment monies were to be used as collateral to fund a line of credit for TLT Holdings Corporation.

24. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by omitting the material facts relevant to the issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its offers and directors.

25. Two Feathers and TLT Holdings Corporation violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Complainant 1 and Investor 1, Complainant 2 and Investor 2, and Investor 3, in connection with the offer and sale of a security, by failing to produce the promised rates of returns, among other things.

26. Two Feathers and TLT Holdings Corporation violated § 30-10-325(1), MCA, by conducting and promoting an illegal pyramid scheme in the specific form of a Ponzi scheme when they offered or sold a fake or fraudulent investment opportunity using US Treasury Strips

to investors so they could provide new investment dollars to pay existing investment obligations and for their own personal enrichment.

27. Swor violated § 30-10-201(1), MCA, when he offered to obtain a loan for Complainant 5 in exchange for an advance-fee without being registered in Montana as a salesperson.

28. Swor violated § 30-10-201 (13) (g), MCA, and ARM § 6.10.126, when he engaged in dishonest and unethical practices in the securities business by misappropriating the money entrusted to him by Complainant 5.

29. Swor violated § 30-10-201 (13) (g), MCA, and ARM § 6.10.126, by engaging in other conduct such as forgery, theft, non-disclosure, incomplete disclosure, misstatement of material facts, manipulative and deceptive practices.

30. Swor and DTF Consulting Group Trust violated § 30-10-202, MCA, when they offered to obtain a loan for Complainant 5 in exchange for an advance-fee.

31. Swor and DTF Consulting Group Trust violated § 30-10-301(1) (b), MCA, in connection with the offer and sale of a security when they made untrue statements of material fact when they told Complainant 5 they would receive loan proceeds on or before July 22, 2008 if Complainant 5 would pay them an advance-fee.

32. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that they were not registered to sell securities in the State of Montana.

33. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that the security they were offering and selling was not registered in the State of Montana.

34. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material facts about the financial condition of the issuer.

35. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts regarding the specific information about how the proposed loan funds were to be generated.

36. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material facts about background information on the officers and directors, including but not limited to their names, principal occupations for the previous five years, and the ownership or interest held by each person.

37. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material facts about the risks involved with the investment.

38. Swor and DTF Consulting Group Trust violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its officers and directors.

39. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, in connection with the offer and sale of a security when they made untrue statements of material fact when they told Investor 4 and Investor 5 they would receive monthly rates of return $1.5 million when there was no set of circumstances in which the investment could return this type of a rate.

40. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, in connection with the offer and sale of a security when they made untrue statements of material fact when they told Investor 4 and Investor 5 they would receive a rate of return of $400 million in 11 months when there was no set of circumstances in which the investment could return this type of a rate.

41. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that all invested monies would be held in brokerage accounts owned by DTF Consulting and controlled by Two Feathers.

42. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that the line of credit they presented as support for their scam to Investors 4 and 5 is fraudulent.

43. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that Investor 4's invested monies would not be used to purchase any type of investment platform or other security.

44. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted the material fact that Investor 4's invested monies would be wired out of the country for the benefit of Two Feathers, Swor and DTF Consulting Group.

45. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(b), MCA, when they, in connection with the offer and sale of a security, omitted material facts

related to the issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its offers and directors, among other things.

46. Two Feathers, Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they, in connection with the offer and sale of a security, omitted material facts related to the issuer's background and/or history, including but not limited to, any regulatory action issued against the issuer or its offers and directors, among other things.

47. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, in connection with the offer and sale of a security when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Investor 4 and Investor 5 by offering them investment opportunities that promised rates of return that could not be produced under any set of circumstances.

48. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Investor 4 and Investor 5 in connection with the offer and sale of a security, by omitting the material fact that they were not registered to sell securities in the State of Montana.

49. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Investor 4 and Investor 5 in connection with the offer and sale of a security, by omitting the material facts relevant to the financial condition of these Respondents.

50. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would

operate as a fraud or deceit upon Investor 4 and Investor 5 in connection with the offer and sale of a security, by omitting the material facts relevant to how the proposed rates of return were to be generated.

51. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Investor 4 and Investor 5 in connection with the offer and sale of a security, by omitting the material facts regarding background information on the officers and directors, including but not limited to their names, principal occupations for the previous five years, and the ownership or interest held by each person.

52. Two Feathers Swor and DTF Consulting Group violated § 30-10-301(1)(c), MCA, when they engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon Investor 4 and Investor 5 in connection with the offer and sale of a security, by omitting the material facts regarding the risks involved with the investment.

RELIEF SOUGHT

1. Order Respondents to pay restitution to the victims in this case, including 10% interest from the date of the wrong-doing, pursuant to § 30-10-309, MCA;

2. Order Respondents to pay fines not to exceed $5,000 for each identifiable violation of § 30-10-301 (1) (b), MCA, pursuant to § 30-10-305 (3), MCA;

3. Order Respondents to pay fines not to exceed $5,000 for each identifiable violation of § 30-10-301(1) (c), MCA, pursuant to § 30-10-305(3), MCA;

4. Order Respondents to pay fines not to exceed $5,000 for each identifiable violation of § 30-10-201 (13) (g), MCA, and ARM § 6.10.126, pursuant to §§ 30-10-201 (18) and 30-10-305(3), MCA;

5. Order Respondents to pay a fine not to exceed $5,000 for violating § 30-10-201, MCA, pursuant to § 30-10-201 (18), MCA;

6. Order Respondents to pay fines not to exceed $5,000 for each identifiable violation of § 30-10-202, MCA, pursuant to § 30-10-305 (3), MCA; and

7. Any other such relief allowed by law or required by justice.

PUBLIC INTEREST

For any and all of the reasons set forth above, it is in the public interest and will protect Montana investors to:

1. Seek an injunction from a court of competent jurisdiction enjoining Respondents from further violations of the Act and from transferring any assets from the various brokerage accounts identified herein;

2. Order Respondents to pay administrative fines in an amount and upon such terms and conditions as supported by the evidence and determined at hearing of this matter;

3. Order Respondents to pay restitution to Complainants/Investors in an amount and upon such terms and conditions, including the statutory 10% per annum interest on the losses Complainants/Investors incurred, as supported by the evidence and determined at hearing of this matter; and

4. Take such other actions which may be in the public interest and necessary and appropriate for the protection of Montana investors.

STATEMENT OF RIGHTS

You are entitled to a hearing to respond to this notice, and to present evidence and arguments on all issues involved in this case. You have a right to be represented by an attorney at any and all stages of this proceeding. You may demand a formal hearing before a hearing examiner appointed by the Commissioner pursuant to the Montana Administrative Procedure Act, §§ 2-4-601, MCA, *et seq.*, including § 2-4-631, MCA. If you demand a hearing, you will be given notice of the time, place and the nature of the hearing.

If you want to contest the proposed action under the jurisdiction of the Commissioner, you must advise the Commissioner within fifteen (15) days of the date you receive this notice. You must advise the Commissioner of your intent to contest the proposed action by writing to Roberta Cross Guns, Special Assistant Attorney General, State Auditor's Office, 840 Helena Avenue, Helena, Montana 59601. Your letter must clearly indicate whether you demand a hearing, or whether you waive formal proceedings and, if so, what informal proceedings you prefer for disposition of this case. Pursuant to § 2-4-603(2), MCA, you may not request to proceed informally if the action could result in suspension, revocation or any other adverse action against a professional license. Should you request a hearing on the matters raised in this Notice, a hearing must be held within 45 days of the request, unless postponed by mutual consent of the parties, pursuant to § 33-1-701 (2), MCA.

Should you request a hearing, you have the right to be accompanied, represented, and advised by counsel. If the counsel you choose has not been admitted to practice law in the state of Montana, he or she must comply with the requirements of ***Application of American Smelting and Refining Co.,*** (1973), 164 Mont. 139, 520 P.2d 103 and ***Montana Supreme Court Commission on the Unauthorized Practice of Law v. Jerry O'Neil*** (2006), 2006 MT 284, 334 Mont. 311, 147 P.3d 200.

CONTACT WITH SECURITIES COMMISSIONER'S OFFICE

If you have questions or wish to discuss this matter, please contact Roberta Cross Guns, legal counsel for the State Auditor, at 840 Helena Avenue, Helena, MT, 59601, (406)-444-2040 or, within Montana, (800)-332-6148. If an attorney represents you, please make any contacts with this office through your attorney.

POSSIBILITY OF DEFAULT

Failure by Respondents to give notice or to advise of Respondents' demand for a hearing or informal procedure within fifteen (15) days, will result in the entry of a default order imposing the disciplinary sanctions against Respondents, without further notice to Respondents, pursuant to 6.2.101, Administrative Rules of Montana and the Attorney General's Model Rule 10, 1.3.214.

DATED this 19th day of November, 2008.

JOHN MORRISON
State Auditor and ex-officio
Commissioner of Securities

By: Roberta Cross Guns
Roberta Cross Guns
Special Assistant Attorney General

CERTIFICATE OF SERVICE

I hereby certify that I delivered a true and accurate copy of the foregoing Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing to the following persons, this 19th day of November, 2008:

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