

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: *

Cameron Jason Brandon *

and * Securities Division No. 2014-0392

CJB Trading, LLC, formerly known as *
CJB Trading Services, LLC *

and *

CJB Properties, LLC *

and *

CJB Homes, LLC *

RESPONDENTS. *

* * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the "Division"), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2014 Repl. Vol. and 2016 Supp.) (the "Securities Act"), undertook an investigation into the securities-related activities of Cameron Jason Brandon ("Brandon"), CJB Trading, LLC formerly known as CJB Trading Services, LLC ("CJB Trading"), CJB Properties, LLC, ("CJB Properties"), and CJB Homes, LLC ("CJB Homes), (collectively, "Respondents"); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the "Commissioner") has found grounds to conclude that Respondents have engaged in acts or practices constituting violations of the registration and antifraud provisions of the Securities Act;

and

WHEREAS, on or about June 15, 2017, the Commissioner issued an Order to Show Cause, which is incorporated by reference, ordering each Respondent to show cause why the Respondent should not be barred permanently from engaging in the securities and investment advisory business in Maryland, and why a statutory penalty of up to \$5,000 per violation should not be entered against each Respondent; and

WHEREAS, the Commissioner and Respondents have reached an agreement in this action whereby Respondents, without admitting or denying any findings of fact or conclusions of law except to admit to the jurisdiction of the Commissioner in this matter and over them in this matter, consent to the terms of this Consent Order; and

WHEREAS, the Respondents waive their right to a hearing and any rights they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, THE COMMISSIONER FINDS, CONCLUDES, AND ORDERS:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 of the Securities Act.

II. RESPONDENTS

2. At all times relevant to this matter, Cameron Brandon has maintained a place of business and/or residence in Baltimore, Maryland. Brandon is the principal and owner of CJB

Trading, CJB Properties, and CJB Homes. From February 28, 2011 to March 4, 2011, Brandon was employed by Legend Trading, LLC, but was terminated for failing “to disclose non-securities related fingerprint history.”

3. CJB Trading, LLC was a Maryland limited liability company until October 2016 when its limited liability company status was forfeited. At all times relevant to this matter, CJB Trading has maintained a place of business in Baltimore, MD. CJB Trading was owned by Brandon.

4. CJB Properties, LLC was a Maryland limited liability company until October 2011 when its limited liability company status was forfeited. At all times relevant to this matter, CJB Properties maintained a place of business in Baltimore, MD. CJB Properties was owned by Brandon.

5. CJB Homes, LLC is a Maryland limited liability company. At all times relevant to this matter, CJB Homes has maintained a place of business in Baltimore, MD. CJB Homes is owned by Brandon.

III. STATEMENT OF FACTS

Background

6. Beginning in or before 2001, Brandon, either in his individual capacity or through one of his affiliated companies, began soliciting investors to invest in investment programs managed and controlled by Brandon and one of his companies.

7. Brandon sometimes elicited the assistance of an acquaintance, Wayne Menzie (“Menzie”),¹ to solicit investment funds from investors.

¹ Menzie was registered with the Division as an investment adviser representative with various firms from October 2003 to June 2012, and as a broker-dealer agent with various firms from December 2001 to June 2012. In 2012, Menzie formed his own investment adviser firm

8. The investment programs offered by Respondents, as described below, were not registered with the Division, exempt from such registration, or the subject of a claim of preemption.

CJB Properties, LLC

9. CJB Properties, LLC was formed by Brandon in or about 2001.² According to its Articles of Organization, CJB Properties was formed for purposes of leasing and/or selling properties.

10. In the Fall of 2008, Brandon approached NW about investing with CJB Properties. At the time, NW had a personal friendship with Brandon.

11. Brandon verbally told NW that his investment funds would be used to improve real estate properties owned by CJB Properties, so that those properties could be rented and eventually sold at a profit. Once sold, NW would receive his principal plus interest.

12. NW agreed to invest \$65,000 with Brandon and CJB Properties.

13. At the time of his investment, NW was not given any written documents describing the nature of the investment, the use of his funds, or the risks associated with his investment.

14. Despite repeated requests made to Brandon, NW also wasn't given a written agreement evidencing his investment until May 1, 2009, well after he had turned over his investment funds.

15. The agreement eventually provided to NW was entitled "Investor Agreement" and set forth the "rights, duties and obligations of CJB Properties, LLC (THE COMPANY) . . . and

which he registered with the Division. Pursuant to a Consent Order issued by the Securities Commissioner on May 4, 2015, Menzie and his company, M & B Capital Management, LLC, agreed to never reapply as a broker-dealer, agent, investment adviser, or investment adviser representative, in the State of Maryland, and were assessed a civil monetary penalty of \$250,000.

² CJB Properties, LC's status as a limited liability company was forfeited on or about October 3, 2011.

[NW] (THE INVESTOR) with respect to the investment.”

16. According to the Investor Agreement, CJB Properties accepted an investment from NW in the amount of \$65,000 for investment in “real estate solely at the discretion of” CJB Properties. In return, NW would be “paid 12% interest of the sixty-five thousand dollar investment” and “at the transfer of the property, [CJB Properties] agrees to return the full \$65,000 investment to [NW] without penalty.” The Investor Agreement listed the addresses of two “properties involved in the investment.”

17. The Investor Agreement required NW to acknowledge that CJB Properties had “fully disclosed any and all risks associated with investing in CJB Properties, LLC,” but no written risk disclosures were ever provided to NW.

18. In or about 2014, NW learned that the two properties listed in the Investor Agreement were, on or about July 8, 2011, sold by Brandon/CJB Properties at substantially below market value.

19. When NW confronted Brandon about the properties’ sales, Brandon told NW that, despite the terms of the Investor Agreement, his investment funds had been used for investments not involving the two properties listed in the Investor Agreement.

20. Brandon promised to repay NW’s funds, but failed to do so.

CJB Trading

21. In or about March 2009, Brandon filed Articles of Organization for CJB Trading Services, LLC with the Maryland Department of Assessments and Taxation. According to the Articles, CJB Trading Services, LLC was formed “to engage in stock and equity trading activities. To open brokerage accounts for the purpose of investing.” In or about 2012, CJB Trading Services, LLC changed its name to CJB Trading, LLC and, hereinafter, will be referred to CJB

Trading.

22. Brandon set up brokerage accounts at several securities firms under the name of CJB Trading.

Trading Activities

23. In or about April 2009, Brandon opened a brokerage account at TradeStation Securities in the name of CJB Trading. The account was set up as a pattern day trading and margin trading account with a 4 to 1 margin.

24. Between April 2009 and early 2010, approximately \$105,000 was deposited into the account.

25. Some of the funds represented funds from investors who invested funds with CJB Trading and Brandon with the expectation that he would invest the funds on their behalf. While some of the funds were invested by CJB Trading and Brandon in securities products that were then managed by them, CJB Trading and Brandon also used some of the funds for their personal benefit.

26. For example, in late July and early August 2009, CC wrote a \$10,000 check and a \$40,000 to CJB Trading. The checks were deposited into CJB Trading's bank account. The \$40,000 check noted that the funds were for "trading investment."

27. Within days of the deposits, CJB Trading and Brandon transferred \$30,000 of the funds to CJB Trading's brokerage account at TradeStation Securities, where the funds were immediately invested in short and long positions in stocks and options.

28. Another approximately \$11,000 was spent by Brandon on expenses unrelated to CC's investment purposes, including more than \$5,000 in personal checkcard purchases at restaurants, wine stores, clothing stores, department stores, and gas stations.

29. Brandon actively traded CJB Trading's TradeStation account, often selling a

security the same day it was purchased. Brandon also made heavy use of short selling and margin trading in the account.

30. The account incurred significant losses, and frequently faced margin calls.

31. In or about February 2010, Brandon became concerned about the amount of losses in the account, which had dropped below the account minimum required to continue daytrading. Brandon placed a call to TradeStation Securities' Client Services. During that call, he expressed to the representative his frustration with his losses from daytrading and his emotional involvement in trading:

“that’s what I’m trying to get myself out of the habit of, I’ve lost so much money daytrading. . . This month, I was up like 14 grand, I let a \$14,000 profit turn into a \$3,000 loss. . . I’ve been doing it for the last 3 months . . . I’ll look at the market. . . I’ll gauge the S&P and I’ll say you know what, maybe we might go higher but instead of locking in half the profit, I won’t do it, it’s like I have a problem. . . I’m too emotional. . . I hate sometime when I’m wrong. . . I put in, it’s the wrong entry. . . Instead of just selling it, I’ll sit there and just let a . . . \$100 loss turn into a thousand bucks. . . I can get more money, that’s not the problem.”

32. Brandon told the representative that he wanted to stop using the daytrading account, and requested instead to start using a non-daytrading companion account that he had previously set up, but had not often used. Brandon liked the 4 to 1 margin feature and expressed an interest in continuing to use the margin feature in the non-daytrading account.

33. Despite his awareness of, and frustration with, his trading practices, the margin calls, and the significant losses, Brandon continued to put investors’ funds at risk by actively trading securities in both the day trading account and the non-day trading account. At one point, Brandon faced trading restrictions in his non-day trading account for exceeding the number of day trades allowed in a non-day trading account.

34. In late 2010, CJB Trading’s Trade Station accounts were closed by Trade Station Securities after learning that Brandon had prior felony convictions.

Investment by JB

35. JB was an investment client of Menzie when, in September 2011, Menzie introduced JB to Brandon. According to JB, Menzie turned her account over to Brandon, but she did not understand why.

36. On or about September 27, 2011, JB entered into an "Investor Agreement" with Brandon's company, CJB Trading Services, LLC. According to the agreement, JB gave and CJB Trading "accepted an investment in the amount of (\$50,136.58) to trade stocks and futures solely at the discretion of" CJB Trading.

37. In exchange for JB's investment, the Investor Agreement stated that CJB Trading would "deliver a 7 - 8% percent yearly return on [JB's] \$50,136.58 investment based on gains made by CJB Trading Services, LLC." The agreement further stated that any return less than 7% would be accompanied by a detailed profit and loss statement, and that quarterly statements would be sent out by CJB Trading by the "last day of quarterly calendar month, beginning October 2011."

38. The Investor Agreement required JB to acknowledge that CJB Trading had "fully disclosed any and all risks associated with investing in the stock market through CJB Trading Services, LLC," but did not state what risks were disclosed or how they were disclosed.

39. JB never received any documents disclosing how her funds would be invested or the risks associated with the investment of her funds.

40. JB wrote a check to CJB Trading for \$50,136.58. On or about September 30, 2011, the check was deposited into CJB Trading's bank account with a \$73,001.36 check from another investor, MH. At the time of the deposit, the account had a negative balance of approximately (\$550).

41. Shortly after the funds were deposited, approximately \$108,000 of the funds were

wired to a now defunct brokerage firm.

42. Some of the remaining investment funds were used to pay CJB Trading's business expenses or Brandon's personal expenses, including \$1,300 in rent, \$2,000 in legal retainer fees, cash withdrawals of more than \$7,000, and more than \$4,000 in check card purchases at restaurants, clothing stores, wine stores, and jewelers.

43. On or about May 24, 2012, JB made an additional investment with CJB Trading. JB wrote a \$137,547.72 check to CJB Trading Services, LLC. The check was deposited into CJB Trading's bank account the same day.

44. Less than one week after depositing JB's check, Brandon transferred \$98,000 of the funds to CJB Trading's brokerage account at Penson Financial where he proceeded to daytrade in securities. Some of those funds were subsequently transferred by Brandon to other investment accounts held in CJB Trading's name or to other bank accounts held in CJB Trading's name.

45. The same day as the \$98,000 transfer, Brandon used \$10,000 of JB's funds to pay an unrelated investor a "return of [his] \$20K investment," and used an additional \$25,000 of JB's funds to repay another investor.

46. Brandon also used the funds for his personal benefit, including by making numerous bankcard purchases at places ranging from restaurants to Home Depot to an adult entertainment club.

47. Since investing her funds with Brandon and CJB Trading, JB has only received three investment statements from them; not the quarterly statements promised in the Investor Agreement. The first statement entitled "Account Statement for the quarter ending 2012" shows an ending capital balance of \$195,191.67 for JB's account, resulting from an initial investment of \$50,136.58, an additional contribution of \$137,547.72, and net income of \$7507.37.

48. The second statement entitled "Account statement for the quarter ending 2013" shows a net unrealized loss of \$48,797.91 and an ending balance of \$155,393.76.

49. In early 2013, JB requested a partial return of her investment and, on or about May 2, 2013, CJB Trading paid \$25,000 to JB.

50. In or about July 2014, JB became suspicious of Brandon's and CJB Trading's activities because she had not received the quarterly statements promised to her.

51. On or about July 11, 2014, JB began asking Brandon for the return of the balance of her investment funds.

52. Shortly thereafter, the two met. At the meeting, Brandon told JB that her funds were no longer invested in the stock market. He told her that he had invested her funds in real estate, and was using her funds to buy and fix up houses for resale. This was the first that JB had heard of the real estate investment, as she believed her funds were invested in the stock market.

53. JB demanded the repayment of her funds, informing Brandon that she was in need of the funds, but Brandon informed JB that the funds were tied up in the rehab properties.

54. Since that time, JB has repeatedly contacted Brandon to request the return of her funds, but to date, JB's funds have not been returned. JB and her husband are retired and were relying upon the funds invested with CJB Trading and Brandon.

Investment by CL

55. In or about January 2014, CL, a retired Pennsylvania resident, was introduced to Brandon through a mutual friend.

56. CL was told that Brandon operated a hedge fund and, in a January 29, 2014 email, asked Brandon questions about the structure of Brandon's fund stating, in part:

Does each investor have their own account composed of selected stocks consistent with agreed parameters or is their [sic] one hedge

fund that investors have shares in and their \$ amount is proportional to the # of shares they own of the hedge fund rather than specific stocks?? Meaning do you do all the trading and just update the clients on what is being bought/sold and the value of their shares (or separate accounts).

57. In that same email, CL told Brandon that he had recently retired and his consulting business was slowing down, and asked if he could start with an initial investment of only \$10,000.

58. In an email dated January 29, 2014, Brandon replied to CL by stating:

Yes. I do all the trading, and I send out quarterly statements of my performance. I trade a pool of money. From day 1 of the initial investment, you'll get a beginning statement of your investment. I trade daily and weekly, so your capital gain or loss will start the very next trading day. Your first statement will reflect the gain or loss from the day of investment. Meaning, the day I start trading your capital is where your investments starts. I also send trading info to some of my clients who trade along with me. I no longer allow 401k roll overs, due to the enormous amount of work. Some of the clients have withdrawn funds from their 401k, and have used the first profit from CJB to pay off 401k tax cost. This is easier. Due to my performance, I will accept the 10k to get us started. I am sure, after a quarter or two, you will want to invest more with me. [John Doe] is a dear friend of mine and you are a friend to him, so the initial investment is fine. I want you to feel comfortable and get to know me from a business and friend perspective. I look forward to working with you.

** I want to get you started before the market takes off again. This sell off has been an excellent buying opportunity. I will start linking you in to my daily chat if you like?

59. CL decided to invest in Brandon's hedge fund, and wrote a \$10,000 check to CJB Trading. The check was deposited into CJB Trading's bank account on February 27, 2014.

60. Brandon provided CL with an Operating Agreement for CJB Trading, LLC (the "Operating Agreement"). As evidence of his investment, Brandon and CL signed an addendum to the Operating Agreement ("Exhibit B") adding CL as a member/investor of CJB Trading with a \$10,000 capital contribution.

61. According to the Operating Agreement, CJB Trading was formed for the purpose of “buy[ing], sell[ing], and deal[ing] with stocks, bonds, options, futures and other securities of any kind and description, subject to the limitations described herein.” Brandon was listed as the managing member and chief investment officer of CJB Trading, and in those roles, was “exclusively” responsible for managing CJB Trading and for buying and selling securities on behalf of CJB Trading.

62. At the time of his investment, CL was provided with no other documents, including documents disclosing the risks associated with the investment.

63. Despite Brandon’s representations and CL’s understanding, CL’s \$10,000 was not invested in a hedge fund operated by Brandon or in the stock market. Instead, shortly after the funds were deposited into CJB Trading’s bank account, the funds were used to pay for Brandon’s personal expenses and other expenses unrelated to CL’s intended investment purposes.

64. Shortly after his investment, CL received an account statement from CJB Trading and Brandon for the month ending May 2014. The statement reflected CL’s initial investment of \$10,000 and, despite showing zero net income and profit earned, reflected an ending capital balance of \$11,000. Since that time, CL has not received any account statements.

65. Despite numerous requests and numerous unfulfilled promises from Brandon, CL hasn’t received the return of his investment funds.

Other Investors

66. CJB Trading’s bank records reflect that Brandon and CJB Trading solicited funds from other investors.

67. In or about May 2013, Brandon opened up several brokerage accounts at Interactive Brokers.

68. As part of the process for opening the accounts, Interactive Brokers requested that Brandon “confirm that all funds in [the] account belong[ed] to [him], and that there are no non-members of his family that are investors in [the] account.”

69. In a letter to Interactive Brokers dated May 16, 2013, Brandon wrote: “This is a Personal of [sic] Family Investment Vehicle: The organization is beneficially owned by a single person or close family members and is organized for the purpose of making financial investments for the owner and/or owner’s family.”

70. The very next day, in an email to Interactive Brokers, Brandon confirmed: “Yes funds belong to Cameron Brandon and no non members of my family are investors in this account. There are no solicitation or acceptance of US owners or investors.”

71. Brandon lied to Interactive Brokers. Less than three months later, Brandon solicited, and used funds solicited from, US investors to fund CJB Trading’s Interactive Broker’s accounts.

72. On or about August 4, 2013, one such investor wrote a \$5,000 check to CJB Trading with the following notation in the memo section: “Investment/Stock Mkt.”

73. The check was deposited into CJB Trading’s bank account and, three days later, \$4,500 of the funds were transferred to a CJB Trading Interactive Broker’s account, where the funds were invested and traded, often day-traded, in securities products.

CJB Homes

74. CJB Homes was formed by Brandon in or about February 2014. According to its Articles of Organization, CJB Homes was formed for the purpose of “acquisition, building, renovating, and selling of real estate.” CJB Homes’ address was listed as 1 North Charles St, Ste 1106, Baltimore, MD.

75. CJB Homes' website, www.cjbhomesllc.com,³ described CJB Homes as "knowledgeable in development, investment and the real estate market." The website was targeted to both homebuyers and investors.

76. In addressing opportunities for investors, the website explained that "with the housing market recovering, the opportunity to capitalize and achieve a 20% - 30% profit for investors is gaining momentum. . . Investor's profits are attainable with CJB Homes because we execute an effective realistic professional approach that generates quick profit. We focus on offering a streamlined, cost-effective building process that sells properties. Our primary goal is to achieve maximize [sic] cash flow and equity for the investors while creating, designing, constructing, and crafting superior homes with the homebuyer in mind." Under "CJB Homes' concept," the profits would be split as follows: 10% to commission & marketing, 10% to property fees/management/maintenance, 30% to investor profit, and 50% to CJB Homes.

77. The investment opportunities offered by CJB Homes through its website were not registered with the Division, exempt from such registration, or subject to a claim of preemption.

Lack of Disclosures and Misrepresentations to Investors

78. Respondents did not disclose to investors that they were not registered as a broker-dealer, agent, investment adviser, or investment adviser representative.

79. Respondents did not disclose to investors that the investments or investment programs offered and sold by them were not registered, exempt from registration, or subject to a claim of preemption.

80. Respondents did not disclose to investors that some or all of the investment funds

³ CJB Homes' webpage which was copyrighted in 2014 is no longer active, but was active as recently as August 2015.

solicited by them were not being used for the purposes told to investors.

81. Respondents did not disclose the risks associated with the investments or investment programs offered and sold by them.

IV. CONCLUSIONS OF LAW

The Commissioner concludes that:

82. Respondents offered and sold unregistered securities in violation of section 11-501 of the Securities Act.

83. Respondents violated sections 11-301(2) and (3) of the Securities Act by, among other things, making false and misleading statements in connection with the offer and sale of securities, using investor funds for purposes unrelated to their intended investment purpose including for Respondents' personal benefit, issuing false investment statements to investors, and soliciting investors to invest in unsuitable investments.

84. Respondents CJB Trading and Brandon violated sections 11-302(a)(2) and (c) of the Securities Act by, among other things, making false and misleading statements in connection with providing investment advice to the fund managed by them, using investor funds for purposes unrelated to their intended investment purpose including for Respondents' personal benefit, and issuing false investment statements to investors.

85. Respondents Brandon and CJB Trading violated section 11-302(a)(3) of the Securities Act and COMAR 02.02.05.03B(1), B(6), B(8), and B(11) by, among other things, soliciting investors to invest in unsuitable investments, engaging in the unauthorized borrowing or misappropriation of investor assets, failing to tell clients they were not properly registered to manage their investment funds, and misrepresenting how clients' assets would be invested.

86. Respondents CJB Trading and Brandon violated section 11-302(f) of the Securities

Act and COMAR 02.02.05.04 by failing to notify the Commissioner that they had custody of clients' funds or securities, failing to properly segregate those client assets, and failing to engage an independent CPA to perform a surprise examination of the client assets over which they had custody and file the surprise examination reports with the Division.

87. Respondents violated section 11-401 of the Securities Act by acting as unregistered broker-dealers.

88. Respondents CJB Trading and Brandon violated section 11-401 of the Securities Act by acting as unregistered investment advisers.

89. Respondent Brandon violated section 11-401 of the Securities Act by acting as an unregistered investment adviser representative for CJB Trading and as an unregistered agent for CJB Trading, CJB Properties and CJB Homes.

90. Respondents CJB Trading, CJB Properties, and CJB Homes violated section 11-402(a) of the Securities Act by employing or associating with an unregistered agent.

91. Respondent CJB Trading violated section 11-402(b) of the Securities Act by employing or associating with an unregistered investment adviser representative.

V. SANCTIONS

NOW THEREFORE, IT IS HEREBY ORDERED, and Respondents expressly consent and agree:

92. Each Respondent shall permanently cease and desist from violating sections 11-301(2) and (3), 11-302(a)(2), (a)(3), (c) and (f), 11-401, 11-402, and 11-501 of the Securities Act.

93. Each Respondent is barred from engaging in the securities or investment advisory business in Maryland for or on behalf of others, including in a consulting capacity, or from acting as a principal in any entity so engaged.

94. Respondents, jointly and severally, are assessed a civil monetary penalty pursuant to section 11-702 of the Act in the amount of \$700,000 for the violations set forth in this Order. In light of the sworn financial affidavit and financial records submitted by Respondents, however, collection of all but \$365,000 of the penalty shall be waived. Collection of the remaining \$365,000 penalty shall further be reduced by the amount of restitution made by Respondents to those investors who invested with or through Respondents. The payments shall be made in installments, as follows: \$7,000 contemporaneous with the issuance of this Consent Order; a payment of \$2,000 on or before January 1, 2018, and payments of \$2,000 each payable by the 1st of the month beginning each successive quarter (the “due dates”), unless the \$365,000 is paid in full sooner. The quarterly due dates are as follows: April 1st, July 1st, October 1st, and January 1st. Each check shall be payable to the “Office of the Attorney General.” Respondents shall also submit an updated sworn financial affidavit to the Office of the Attorney General on a semiannual basis. The updated sworn financial affidavits shall be submitted by January 1st and July 1st of each year. If the financial affidavits demonstrate to the Securities Commissioner that Respondents are capable of accelerating their restitution payments, Respondents shall make restitution in one lump sum or increase the quarterly installment payments, depending Respondents’ ability to pay, as determined by the Securities Commissioner based upon Respondents’ financial affidavits. Restitution shall be paid by certified check made payable to the Office of the Attorney General, and will be distributed to the investors by the Office of the Attorney General in a manner within its discretion. The civil penalty imposed herein shall be waived completely if restitution of \$365,000 is paid in full. If the Division has to forward this matter to Central Collections of Maryland, the 17% collection fee assessed by Central Collections

shall be in addition to, and not offset, the balance of the civil monetary penalty owed to the Division.

95. Each Respondent shall comply fully with the Securities Act and the regulations promulgated thereunder.

VI. RESPONDENTS' REPRESENTATIONS OF FINANCIAL CONDITION

96. Respondents have provided a sworn financial affidavit and other financial records to the Commissioner as a condition of this Consent Order, and the Commissioner has relied upon those documents in establishing the terms of, and agreeing to enter into this, Consent Order. If the Commissioner receives information that the affidavit, or the underlying financial records, is false in any material respect, that misrepresentation shall be considered a violation of this Consent Order, and the Commissioner may reopen these proceedings and seek such further relief as is appropriate.

97. In the event Respondents discover or become aware of, or if Respondents acquire or recover from any source, assets not now in their possession but attributable or accruing to or having been received from or belonging to investors ("recovered assets"), Respondents shall notify the Securities Commissioner within five business days of such discovery or acquisition of the recovered assets. In a manner approved by the Commissioner, Respondents shall then turn any recovered assets over to the Office of the Attorney General for subsequent distribution to investors in a manner within its discretion. If Respondents acquire or discover that they will acquire assets by inheritance, the sale of propert(ies), gift, lottery, or by some other windfall ("windfall assets"), Respondents shall notify the Securities Commissioner within five business days of discovery or acquisition of the windfall assets, and the Securities Commissioner shall determine how much of the windfall assets shall be paid to the Office of the Attorney General for subsequent distribution

to investors in a manner within its discretion.

98. Respondents acknowledge that the monetary penalty imposed under this Consent Order is not dischargeable in bankruptcy.

VII. JURISDICTION RETAINED

99. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

100. If a Respondent fails to comply with any term of this Consent Order, the Commissioner may institute administrative or judicial proceedings against that Respondent to enforce this Consent Order and/or to sanction that Respondent for violating an Order of the Commissioner, and may take any other action authorized under the Securities Act or under any other applicable law, including the issuance of fines or penalties as provided by the Securities Act. In any such proceeding, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Statement of Facts and violations of the Securities Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against that Respondent.

101. In the event that judicial intervention in this matter is sought by the Commissioner or Respondent, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to section 11-702 of the Securities Act. The Circuit Court for Baltimore City will have personal jurisdiction over Respondent pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article, Title 6, Annotated Code of Maryland (2013 Repl. Vol. and 2016 Supp.). Venue will be properly in that Court pursuant to Section 6-201(a) and 6-202(11) of that article.

102. The terms of this Consent Order may be vacated or modified only by a subsequent order issued by the Commissioner.

SO ORDERED:

**Commissioner's Signature on File
w/Original Document**

Date: October 4, 2017

Melanie Senter Lubin
Securities Commissioner