

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

IN THE MATTER OF: *

PLUG N GO ELECTRIX, LLC * Case No. 2021-0073

and *

RICHARD AWNI, *

Respondents. *

* * * * *

FINAL 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, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and 2020 Supp.) (the “Act” or “Securities Act”), undertook an investigation into the activities of the Respondents, Plug N Go Electrix, LLC (“Plug”) and Richard Awni (“Awni”) (collectively “Respondents”); and

WHEREAS, on November 5, 2021, on the basis of that investigation, the Maryland Securities Commissioner (the “Commissioner”) issued an Order to Show Cause (“Order”) requiring Respondents to show cause why they 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 them; and

WHEREAS, on November 5, 2021, the Order was served on the Commissioner pursuant to section 11-802(b) of the Act and sent by certified mail to Respondents; and

WHEREAS, on November 12, 2021, the U.S. Postal Service delivered the certified mailing

at Respondents' address; and

WHEREAS, Respondents failed to timely file an Answer to the Order or to make a written request for a hearing, as required by COMAR .02.02.06.06A; and

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

NOW, THEREFORE, THE COMMISSIONER FINDS:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to section 11-801 of the Act.

II. RESPONDENTS

2. Awni worked from Encino, California. He has never been registered as a broker-dealer, broker-dealer or issuer agent, investment adviser, or investment adviser representative in Maryland. Awni is the founder and chief executive officer of Plug.

3. Plug was a Delaware limited liability company selling convertible promissory notes to Maryland residents and others. Plug maintained offices in Encino, California and closed in 2019. Plug has never been registered as a broker-dealer or investment adviser in Maryland.

III. FINDINGS OF FACTS

4. In his LinkedIn profile, Awni describes Plug as “an innovative, green technology firm with a mission to make electric personal urban mobility vehicles a ubiquitous part of everyday life.”

5. Dani Canubas (“Canubas”) was the president of Plug. From approximately

October 7, 2012 to April 12, 2013, Canubas solicited at least three Maryland investors to purchase Plug's convertible promissory notes. Each of the notes was for at least one year and promised returns of 10-12%. Plug's investor questionnaires demonstrate that the investors were not accredited investors.

6. The convertible promissory notes identify the notes as securities.

7. Anwi signed convertible promissory notes on behalf of Plug.

8. Investor funds were deposited into a bank account for Plug. Plug raised at least \$150,000 from Maryland investors in its convertible promissory notes.

9. Canubas told investors that their investments would be safe and that they would make millions from their investments.

10. Investors who have asked to be repaid have been ignored by Respondents. The promissory notes did not disclose any risks that either the principal or the interest might not be paid.

11. Respondents sold the promissory notes to unsophisticated, unaccredited investors.

12. Respondents did not disclose to investors that Canubas was not registered to sell the investments in Plug.

13. Respondents did not disclose to the investors that no registration or exemption filing or claim that the promissory notes were federal covered securities had been filed with respect to their offer and sale in Maryland.

IV. CONCLUSIONS OF LAW

The Commissioner concludes that:

14. Respondents violated section 11-301 of the Act by, among other things, engaging

in fraud in the offer and sale of a security by making misleading and false statements to the investor in connection with soliciting investors to invest in Plug promissory notes.

15. Respondents violated section 11-501 of the Act by offering and selling unregistered securities in Maryland.

16. Respondents violated section 11-401(a) of the Act by transacting business as a broker-dealer or agent in this State by effecting securities transactions while they were not registered with the Division as a broker-dealer or agent.

17. Respondents violated section 11-402 of the Act by employing or associating with an unregistered agent in this State who effected securities transactions in Plug promissory notes.

V. SANCTIONS

NOW, THEREFORE, IT IS HEREBY ORDERED that:

18. Respondents shall cease and desist from violating sections 11-301, 11-501, 11-401 and 11-402 of the Act.

19. Respondents are permanently barred from engaging in the securities or investment advisory business in Maryland for or on behalf of any others, or from acting as a principal or consultant in any entity so engaged.

20. Respondents are assessed a civil monetary penalty pursuant to section 11-702 of the Act in the amount of \$75,000 for the violations set forth in this Order. Payment shall be by certified check payable to the Office of the Attorney General. Said penalty shall be paid within ninety (90) days of the date of this Order. However, this penalty shall be reduced dollar for dollar by the amount of restitution made by Respondents to the investor.

VI. JURISDICTION RETAINED

21. 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 Order.

VII. APPEAL RIGHTS

22. Respondents may appeal this Final Order to the Baltimore City Circuit Court within 30 days from the date this Order is mailed by the Securities Division.

SO ORDERED:

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

DATED: December 3, 2021

Melanie Senter Lubin
Securities Commissioner

