

ADMINISTRATIVE PROCEEDING
BEFORE THE
MARYLAND SECURITIES COMMISSIONER

IN THE MATTER OF:

*

Hunter Haithcock

*

Docket # 2022-0127

Respondent

*

* * * * *

**SUMMARY ORDER TO CEASE AND DESIST
AND
ORDER TO SHOW CAUSE**

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 Supp. 2021) (the “Act” or “Securities Act”), undertook an investigation into the securities activities of Hunter Haithcock (“Haithcock” or “Respondent Haithcock” or “Respondent”); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) has determined that Respondent may have engaged in, and may continue to engage in, acts or practices constituting violations of the registration and antifraud provisions of the Securities Act; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Summary Order to Cease and Desist and Order To Show Cause.

NOW, THEREFORE, pursuant to sections 11-301, 11-302, 11-306, 11-401, 11-402, and 11-801 of the Securities Act, it is hereby:

ORDERED, that Respondent and his officers, directors, employees, agents and anyone else involved in the offer or sale of securities in or through him, immediately cease and desist from

soliciting investment in, or offering or selling, securities in or from Maryland, and immediately cease and desist from acting as a broker-dealer, agent, investment adviser or investment adviser representative in this State, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order is punishable as a criminal offense under section 11-705 of the Securities Act by a fine not exceeding \$50,000 or imprisonment not exceeding three years, or both.

IT IS FURTHER **ORDERED**, that Respondent show cause why he should not be permanently barred from the investment advisory and securities business in Maryland, and that Respondent show cause why a statutory penalty of up to \$5,000 per violation should not be entered against him.

I. JURISDICTION

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

II. RESPONDENT

2. At all relevant times, Hunter Haithcock, also known as Hunter Elliott and Hunter Allen Haithcock, has maintained a place of residence and a place of business in Aberdeen, Maryland. Haithcock has never been registered with the Division as a broker-dealer, agent, investment adviser, or investment adviser representative.

III. STATEMENT OF FACTS

Background

3. Beginning in or around the fall of 2020, Haithcock began soliciting funds from investors under the false pretense of investing their funds with or through TD Ameritrade in his capacity as a broker or financial advisor for TD Ameritrade.

4. However, Haithcock was never employed by or associated with TD Ameritrade.

5. Haithcock described his investment program in a series of emails to JK, a potential investor from whom he was soliciting funds.

6. Haithcock told JK that he was working with a TD Ameritrade broker named MW to manage investors' portfolios under an agreement with TD Ameritrade, stating "It's a basic agreement giving me the right as a Client Broker under TD Ameritrade/ my Advisor MW to [i]nvest YOUR money under [a] brokerage portfolio."¹

7. Initially anxious to get started with investing with Haithcock, JK asked Haithcock for an update on getting started. Haithcock told JK that he was waiting on his "advisor" to get back to him "with verification" and then he would "send over the agreement and we can get started."

8. Several days later, Haithcock told JK that he had received verification and was ready to proceed by sending the agreement to JK. Haithcock then described to JK his investment process and compensation arrangement, stating:

Process is fairly simple! I'll send you a signature request via email for the agreement and the wire details for TD etc. and once cleared you'll receive a signature request for the deposit confirmation and then we're good to go.

I set it up under [sic] your behalf under my advisors approval and trade under my SIE Broker portfolio and split my Margin % OR under main and set option contracts for a set base time frame or quick swings for easy profit growth as the opportunities present itself overtime within your portfolio.

Now at the moment, [w]ith the low brokerage fee I charge which is 8% of your full PORT TYPE SERIES 63. With TD's rules and regulations that's the minimum I can charge a client. The longer the portfolio grows capital the more profit growth for myself with the 8% and yourself as well. So my goal is to raise as much ROI so it's beneficial for the both of us.

¹ It is unclear whether Haithcock actually had a relationship with a MW who was affiliated with TD Ameritrade. TD Ameritrade has no record of such a relationship.

That's why I look for [l]ong term clients because the 8% racks up overtime which in my part is considered an asset for myself instead of short term.

9. Haithcock further explained the riskiness of the investment program he envisioned for JK compared to the risk faced by his other clients, stating: "Fairly simple. As talked about before the goal is **HIGH RISK – HIGH REWARD**. Meaning the trades will be riskier than most.

Wanting to possibly send monthly updates instead of weekly just due to the risk being higher than my other clients."

10. Haithcock also told JK that coming July 19, 2021, he would be able to "manage/open 401K plans, ROTH IRA's etc."

11. Eventually becoming suspicious of Haithcock, JK decided not to invest with Haithcock. Others, however, were not so fortunate.

Investment by SR

12. In January 2021, Haithcock approached SR about investing with him.

13. On or about January 16, 2021, Haithcock reached out to SR by calling her at her home in Essex, MD. He told SR that he was joined on the call by MW. Haithcock represented that both he and Watts were licensed to trade securities and affiliated with TD Ameritrade. Haithcock also told SR that he was an investment adviser.

14. During the call, Haithcock told SR that he would open a TD Ameritrade brokerage account for her and trade her account in securities. He also told SR that he would grow her investment and that she would be able to make "big withdrawals."

15. That same day, Haithcock emailed SR stating that he was attaching a contract, which he described as "a basic agreement giving me (Hunter Elliott) as a Client under TD Ameritrade BROKER [MW] [sic] to Invest YOUR money under brokerage portfolio."

16. In that same email, Haithcock provided SR with methods by which she could send her investment funds, preferring that funds be sent by Zelle or Paypal but also accepting a bank transfer.

17. Haithcock further stated that the limit for withdrawals was set at \$15,000 and that he would send “update reports every Monday on the main trades and your growth along with detailed articles on the trade symbols.”

18. The contract attached to Haithcock’s email appeared to be a legitimate TD Ameritrade brokerage agreement, at least to the novice investor or someone unfamiliar with TD Ameritrade agreements. The contract titled “Client Broker Agreement” included TD Ameritrade’s name, logo and mailing address at the top of the first two pages of the agreement and contained standard language typically found in brokerage agreements.

19. However, certain aspects of the agreement clearly identified it as a fraudulent document, including the following guaranty disclosure contained on the last page of the agreement: “DISCLOSURE: *THIS AGREEMENT IS A NO LOSS GUARANTEE. MEANING THE INITIAL INVESTMENT IS SECURED AND AT ANY TIME THE MARKET HAS A CRASH THERE IS NO LOSS TO YOU.*”

20. Haithcock’s name, or an alias that he often used, Hunter Elliott, and his home address were typed at the top of the first two pages of the agreement.

21. The very last page of the agreement contained the signature lines, including a signature line for Haithcock to sign where he typed: “HUNTER ELLIOTT, ‘TD BROKER’”.

22. Below Haithcock's signature line was the following disclosure: "THIS AGREEMENT IS A CONFIRMATION TO INVEST UNDER BROKER 'Hunter Elliott' YOU WILL RECEIVE A TD RECEIPT OF THE FUNDS YOU INVEST WITH TD BROKER 'Hunter Elliott.'"

23. Haithcock followed up his January 16th email with an email dated January 27, 2021 in which he requested SR to "review, sign and complete" the agreement in order to open her TD Ameritrade brokerage account.

24. Believing that Haithcock was in fact a broker for TD Ameritrade, SR decided to invest with Haithcock.

25. SR signed the Client Broker Agreement and transferred \$1,800 to Haithcock by way of Zelle.

26. Shortly after investing with Haithcock, SR began receiving emails from Haithcock containing statement reports providing her with a general summary of market conditions, a summary of recent investment activity in her account, and the current value of her portfolio.

27. According to the statement reports, Haithcock's portfolio consisted of equities and options and was valued at \$9,230.71 on Sept. 30, 2021, \$15,174.81 on November 30, 2021, and \$17,653.72 on December 27, 2021.

28. By May 31, 2022, the statement reports sent by Haithcock reflected that SR's portfolio value had grown to \$24,285.94.

29. Beginning in or about December 2021, Haithcock began using one of the following signature lines in his emailed statement reports to SR, falsely representing that he was an investment adviser or CFA:

Hunter Haithcock, CFA
Investment Advisor

Hunter Haithcock, IA

Hunter Haithcock, IA
Investment Strategist

30. During the summer of 2022, SR approached Haithcock about withdrawing \$17,000 of her portfolio. Haithcock indicated that he could honor her request. However, when she repeatedly made requests that Haithcock transfer funds to her, Haithcock began giving SR excuses as to why the funds could not be paid to her.

31. Haithcock told SR that he would wire the funds to her, but the purported wire failed.

32. Haithcock then told SR that she would have to execute a “General Release of All Claims” before he could send the funds to her, but he never provided her with the form.

33. Haithcock also told SR that instead of opening an account in her name, he had invested her funds in a SEP account set up under his name with SR’s “name and information as secondary.”

34. In or about July 2022, SR began requesting that Haithcock provide her with direct access to her TD Ameritrade account.

35. On or about July 11, 2022, she demanded that she be provided with the username and password for her account. SR also questioned who actually handled her account, Haithcock or MW, and asked for MW’s contact information.

36. In response to her demands, Haithcock told SR that “It’s a brokerage account. No active PERSONAL ID NOR PASSWORD. It’s set for my personal computer access which accesses my brokerage account to view all my client portfolios & to go in depth into each account if necessary. I can reach out to Mike to see if I can get you access to a TD Ameritrade summary page.”

37. That same day, it appears that Haithcock initiated the opening of a TD Ameritrade account in SR's name, granting online access to himself.

38. Having received inquiries regarding Haithcock, and learning that Haithcock was attempting to gain online access or trading authorization on the newly created account, TD Ameritrade quickly flagged the account. TD Ameritrade sent a letter to SR informing her that it did not "allow advisors on self-managed accounts like yours" and removed Haithcock's access to the account.

39. To date, SR has not received the return of her investment.

Investment by JD

40. In or about February 2021, Haithcock approached JD, a retiree, about investing with him.

41. Haithcock told JD that he engaged in day trading, and guaranteed JD that he could not lose his principal investment.

42. Haithcock provided JD with a Client Broker Agreement identical to the one provided to SR and required JD to review, sign, and execute the agreement. As with the agreement provided to SR, Haithcock was passing the Client Broker Agreement off as an official TD Ameritrade document and disclosing that JD's initial investment was guaranteed even in the event of a market crash.

43. JD and his wife decided to initially invest \$25,000 with Haithcock.

44. On or about February 16, 2021, JD and his wife signed the Client Broker Agreement, which was countersigned by Haithcock as "TD Broker."

45. Haithcock instructed JD to wire the \$25,000 to him using his home address, later telling JD that he used his home address as the "company address under my IA."

46. Haithcock also provided JD with what he represented to be a TD Ameritrade (non-IRAs) Deposit slip to sign. The deposit slip listed JD as the account holder and identified the TD Ameritrade account number into which the investment funds would eventually be deposited.

47. The deposit slip also listed the symbols of the securities to be purchased with the investment funds, GWPH and CCIV.

48. JD wired the \$25,000 to Haithcock but the funds were never deposited into an account in the name of or for the benefit of JD and/or his wife or used to purchase securities on their behalf.

49. In fact, TD Ameritrade has no record of any account ever being opened in the name of JD or his wife.

50. As with SR, Haithcock began emailing fictitious reports to JD providing him with a general summary of market conditions, a summary of recent investment activity in his and his wife's account, and the current value of their portfolio. The reports showed that JD's investments assets were growing in value.

51. Encouraged by the growth of his and his wife's portfolio, in or about July 2021, JD decided to invest an additional \$40,000 with Haithcock.

52. Haithcock again instructed JD to wire the funds to him at his home address, and provided JD with a fictitious TD Ameritrade (non-IRAs) Deposit slip to sign. The deposit slip listed JD as the account holder but identified a TD Ameritrade account number different than the account number identified for his February investment.

53. The deposit slip indicated that the funds would be invested in "open options" in NVDA, the symbol for the NVIDIA Corporation.

54. On or about July 22, 2021, JD wired \$40,000 to Haithcock, but the funds were never deposited into the identified account, which never existed, and the funds were not used to purchase NVDA options on behalf of JD.

55. Haithcock continued to provide JD with reports indicating that his portfolio was enjoying significant growth. A report emailed to JD on October 9, 2021, reflected the following asset allocation and account value for JD and his wife:

LIVE: \$80,024.09
Options: 28%
Short Options: 51%
Money Market: 21%

2 PORT T(Nvda) – 1448: \$64,848.91
Options 85%
FUTURES MAINTENANCE PLAYS 15%

56. In February 2022, Haithcock reached out to JD for additional funds, telling JD that he saw “a ton of opportunities forming in parts of the market, particularly those levered to rising rates and cyclical economic growth.” Amazed at how well Haithcock was performing in the current market, JD told Haithcock that he would have to check with his wife. Haithcock suggested showing her “the numbers” and, if necessary, he could prepare a projection report.

57. JD decided to invest an additional \$20,000 with Haithcock, wiring the funds to Haithcock at his home address.

58. As before, Haithcock provided JD with a fictitious TD Ameritrade (non-IRAs) Deposit slip to sign. The deposit slip listed JD as the account holder, and indicated that the funds would be invested in TLSA, AMD, options in QQQ, and SPY.

59. By July 2022, the report sent by Haithcock to JD reflected that his portfolio value had grown to more than \$175,000.

60. In early August 2022, JD notified Haithcock of his need to cash out his investments, stating: “Just letting you know, I’m needing to cash out ASAP.”

61. Haithcock did not honor JD’s request for liquidation, but instead began providing him with excuses.

62. To date, JD has not received the return of the funds invested by him and his wife.

63. According to JD, two of his children also invested a total of \$25,000 with Haithcock and have not had their investment funds returned to them.

Others Have Invested Funds with Haithcock

64. In early August 2022, AJ filed a complaint with FINRA alleging that he was defrauded by Haithcock.

65. According to the complaint, in June 2021, AJ initially invested \$20,000 with Haithcock who represented that he was a licensed financial advisor. AJ subsequently invested an additional \$7,500 with Haithcock.

66. Haithcock promised monthly returns to AJ and provided AJ with emailed statements showing that his portfolio had grown to \$71,000.

67. When AJ requested that Haithcock provide him with account statements or login credentials to access his account, Haithcock never followed through.

68. Haithcock failed to honor AJ’s numerous requests to close his account and return his investment funds to him.

69. In his complaint, AJ indicated that he personally knows of others who have invested between \$1,500 and \$30,000 with Haithcock.

70. The Division has reason to believe that many others may have invested funds with Haithcock. The Maryland Judiciary Case Search website reflects the filing of four private lawsuits against Haithcock, with three of those lawsuits being filed just last week. Investor losses may be in the hundreds of thousands.

Actual Trading Activity

71. TD Ameritrade's records show the opening of one account by Haithcock. That account was opened in or about September 2020, but was closed by TD Ameritrade on or about May 6, 2021 when TD Ameritrade notified Haithcock that it had decided to terminate its business relationship with Haithcock.

72. There is no evidence that investors were in any way associated with, or co-owners or beneficiaries of, this account.

73. TD Ameritrade's records reflect that while the account was open, there were deposits into the account totaling \$32,715.17 and withdrawals totaling \$29,000.

74. TD Ameritrade's records further reflect that Haithcock engaged in day trading securities in this account on margin, but that the month end value for the account never exceeded \$26,000.

75. In or about May 2021, after receiving the termination notice from TD Ameritrade, Haithcock withdrew \$24,000 from the account, bringing the account's value to zero.

76. Although TD Ameritrade terminated its business relationship with Haithcock in May 2021, Haithcock continued to solicit investor funds under the false premise that he was investing those funds with TD Ameritrade.

COUNT I
(Fraud in connection with the Offer, Sale or Purchase of
Securities – sections 11-301(1), (2) and (3))

WHEREAS, sections 11-301(1), (2) and (3) of the Securities Act makes it unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud; to make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit on any person; and

WHEREAS, Haithcock solicited investment funds from investors telling them that he was opening a brokerage account in their names at TD Ameritrade and managing their investment portfolios, including purchasing and selling securities in those portfolios; and

WHEREAS, Haithcock provided investors with fictitious TD Ameritrade brokerage agreements and fictitious TD Ameritrade deposit slips; and

WHEREAS, Haithcock falsely represented to investors that he was a broker for TD Ameritrade; and

WHEREAS, Haithcock falsely represented to investors that he was a licensed financial advisor, a CFA, and an investment adviser; and

WHEREAS, Haithcock falsely represented to investors that their investment principal was guaranteed; and

WHEREAS, Haithcock provided investors with false account reports showing fictitious investment activity and performance returns; and

WHEREAS, Haithcock falsely represented to investors that the 8% commission that he charged was a “low brokerage fee” and the minimum fee he could charge a client under TD Ameritrade’s rules and regulations; and

WHEREAS, Haithcock did not use investors’ funds, or a significant portion of those funds, for their intended purposes but instead misused or misappropriated some or all of the assets; and

WHEREAS, Respondent Haithcock violated sections 11-301(1), (2) and (3) of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent Haithcock and his officers, directors, employees, agents and anyone else involved in the offer or sale of securities in or through them, cease and desist from engaging in fraudulent acts in connection with the offer or sale of a security in violation of sections 11-301(1), (2) and (3) of the Securities Act, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order could result in criminal penalties under section 11-705 of the Securities Act.

IT IS FURTHER **ORDERED** that Respondent Haithcock show cause why a final order should not be issued against him, assessing him the statutory penalty of \$5,000 per violation of sections 11-301(1), (2) and (3) of the Securities Act, and permanently barring him from the investment advisory and securities business in Maryland.

COUNT II

(Fraud in Connection with the Offer and Sale of Investment Advice and Dishonest and Unethical Practices - sections 11-302(a)(1), (a)(2) and (a)(3) and (c))

WHEREAS, sections 11-302(a)(1), (a)(2) and (a)(3) of the Securities Act make it unlawful for any person who receives, directly or indirectly, any consideration from another person for advising the other person as to the value of securities or their purchase or sale, or for acting as an

investment adviser or representative under § 11-101(i) and (j) of this title, whether through the issuance of analyses, reports, or otherwise, to employ any device, scheme, or artifice to defraud the other person; to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit on the other person; or to engage in dishonest or unethical practices; and

WHEREAS, section 11-302(c) of the Securities Act makes it unlawful, in the solicitation of or in dealings with advisory clients, for any person willfully to make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and

WHEREAS, section 11-101(i) of the Securities Act defines “investment adviser” to mean any person who, for compensation, engages in the business of advising others as to the value of securities or the advisability of investing in, purchasing or selling securities; or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities; or provides or offers to provide, directly or indirectly, financial and investment counseling or advice, on a group or individual basis provides or offers to provide financial or investment counseling or advice; and

WHEREAS, Haithcock acted as an investment adviser or investment adviser representative by, among other things, telling investors that he was an investment adviser and holding out as an investment adviser in statement reports emailed to investors, and purportedly providing investors with asset allocation and portfolio management services, and advising investors on which securities to purchase and sale; and

WHEREAS, Haithcock received compensation in connection with acting as an investment adviser in the form of an 8% commission on the value of investors' portfolios; and

WHEREAS, Haithcock solicited investment funds from investors telling them that he was opening a brokerage account in their names at TD Ameritrade and managing their investment portfolios, including purchasing and selling securities in those portfolios; and

WHEREAS, Haithcock provided investors with fictitious TD Ameritrade brokerage agreements and fictitious TD Ameritrade deposit slips; and

WHEREAS, Haithcock falsely represented to investors that he was a broker for TD Ameritrade; and

WHEREAS, Haithcock falsely represented to investors that he was a licensed financial advisor, a CFA, and an investment adviser; and

WHEREAS, Haithcock falsely represented to investors that their investment principal was guaranteed; and

WHEREAS, Haithcock provided investors with false account reports showing fictitious investments and performance returns; and

WHEREAS, Haithcock falsely represented to investors that the 8% commission that he charged was a "low brokerage fee" and the minimum fee he could charge a client under TD Ameritrade's rules and regulations; and

WHEREAS, Haithcock did not use investors' funds, or a significant portion of those funds, for their intended purposes but instead misused or misappropriated some or all of the assets; and

WHEREAS, Respondent Haithcock violated sections 11-302(a)(1), (a)(2) and (a)(3) and (c) of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent Haithcock and his officers, directors, employees, agents cease and desist from engaging in fraudulent acts or dishonest and unethical practices in connection with advising investors with respect to securities or providing advice to those investors, in violation of sections 11-302(a)(1), (a)(2) and (a)(3) and (c) of the Securities Act, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order could result in criminal penalties under section 11-705 of the Securities Act.

IT IS FURTHER **ORDERED** that Respondent Haithcock show cause why a final order should not be issued against him, assessing him the statutory penalty of \$5,000 per violation of sections 11-302(a)(1), (a)(2) and (a)(3) and (c) of the Securities Act, and permanently barring him from the investment advisory and securities business in Maryland.

COUNT III

(Unregistered Activities as a Broker-Dealer and Agent and Investment Adviser and Investment Adviser Representative – sections 11-401(a) and (b))

WHEREAS, section 11-401(a) of the Securities Act makes it unlawful for any person to transact business in this State as a broker-dealer or agent unless the person is registered as such under the Securities Act; and

WHEREAS, the Securities Act defines "broker-dealer" to mean a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and

WHEREAS, the Securities Act defines "agent" to mean an individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect the purchase or sale of securities; and

WHEREAS, Haithcock told investors that he was a broker and purportedly assisted them in opening a brokerage account at TD Ameritrade where he would effect trades in their accounts in exchange for receiving an 8% commission based upon the value of their portfolio; and

WHEREAS, Haithcock acted as a broker-dealer or as an agent by effecting transactions in securities in this State on behalf of investors; and

WHEREAS, Haithcock is not now, nor has he ever been, registered with the Division as a broker-dealer or agent to transact securities business in this State; and

WHEREAS, Respondent Haithcock transacted business as an unregistered broker-dealer or agent, in violation of section 11-401(a) of the Securities Act; and

WHEREAS, section 11-401(b) of the Securities Act makes it unlawful for any person to transact business in this State as an investment adviser or as an investment adviser representative unless the person is registered as such under the Securities Act; and

WHEREAS, section 11-101(i) of the Securities Act defines “investment adviser” to mean any person who, for compensation, engages in the business of advising others as to the value of securities or the advisability of investing in, purchasing or selling securities; or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities; provides or offers to provide, directly or indirectly, financial and investment counseling or advice, on a group or individual basis provides or offers to provide financial or investment counseling or advice; or holds out as an investment adviser in any way, including indicating by advertisement, card, or letterhead, or in any other manner indicates that the person is a financial or investment “planner”, “counselor”, “consultant”, or any other similar type adviser or consultant; and

WHEREAS, section 11-101(j) of the Securities Act defines “investment adviser

representative” to mean any individual who is employed by or associated with an investment adviser and who makes recommendations or otherwise renders investment advice to clients; manages accounts or portfolios of clients; determines which recommendation or investment advice should be given with respect to a particular client account; solicits, offers or negotiates for the sale of or sells investment advisory services; represents an investment adviser in rendering advisory services, or holds out as an investment adviser; and

WHEREAS, Haithcock acted as an investment adviser or investment adviser representative by, among other things, telling investors that he was an investment adviser and holding out as an investment adviser in statement reports emailed to investors, and purportedly providing investors with asset allocation and portfolio management services, and advising investors on which securities to purchase and sale; and

WHEREAS, Haithcock received compensation in connection with acting as an investment adviser in the form of an 8% commission on the value of investors’ portfolios; and

WHEREAS, Haithcock is not now, nor has he ever been, registered as an investment adviser or investment adviser representative in this State; and

WHEREAS, Respondent Haithcock acted as an unregistered investment adviser or investment adviser representative, in violation of section 11-401(b) of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent Haithcock and his officers, directors, employees, agents cease and desist from acting as broker-dealer, agent, investment adviser, or investment adviser representative in this State, in violation of sections 11-401(a) and (b) of the Securities Act, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order could result in criminal penalties under section 11-705 of the Securities Act.

IT IS FURTHER **ORDERED** that Respondent show cause why a final order should not be issued against him, assessing him the statutory penalty of \$5,000 per violation of section 11-401 of the Securities Act, and permanently barring him from the investment advisory and securities business in Maryland.

COUNT IV
(Employment of Unregistered Agent – section 11-402(a))

WHEREAS, the Securities Act defines "broker-dealer" to mean a person engaged in the business of effecting transactions in securities for the account of others or for his own account; and

WHEREAS, as discussed above, Haithcock acted as a broker-dealer under the Securities Act; and

WHEREAS, under section 11-101(b) of the Securities Act, an "agent" is defined as an individual other than a broker-dealer, including a partner, officer or director of an issuer, who represents a broker-dealer or issuer in effecting or attempting to effect the purchase and sale of securities; and

WHEREAS, Haithcock told investors that he was affiliated with MW who was assisting Haithcock in effecting securities transactions on behalf of investors; and

WHEREAS, under section 11-402(a) of the Securities Act it is unlawful for any broker-dealer or issuer to employ or associate with an agent unless the agent is registered pursuant to the Securities Act; and

WHEREAS, MW is not now, nor has he ever been, registered with the Division as an agent to transact securities business within this State on behalf of Haithcock; and

WHEREAS, Haithcock employed MW as an unregistered agent in this State, in violation of section 11-402(a) of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent Haithcock and his officers, directors, employees, agents cease and desist from employing unregistered broker-dealer agents in this State, in violation of section 11-402(a) of the Securities Act, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order could result in criminal penalties under section 11-705 of the Securities Act.

IT IS FURTHER **ORDERED** that Respondent Haithcock show cause why a final order should not be issued against him, assessing him the statutory penalty of \$5,000 per violation of section 11-402(a) of the Securities Act, and permanently barring him from the investment advisory and securities business in Maryland.

COUNT V

(Dishonest or Unethical Practices by Broker-Dealer or Agent - section 11-306)

WHEREAS, section 11-306 of the Securities Act makes it unlawful for a person who engages in the business of effecting transactions in securities for the account of others or for the person's own account or who acts as a broker-dealer or agent to engage in dishonest or unethical practices in the securities or investment advisory business; and

WHEREAS, as discussed above, Haithcock acted as a broker-dealer and agent by effecting transactions in securities for investors solicited by him; and

WHEREAS, in connection with effecting transactions in securities for investors, Haithcock engaged in dishonest or unethical practices by, among other things, falsely representing to investors that he was a broker for TD Ameritrade and an investment adviser, by falsely representing that he was establishing accounts at TD Ameritrade for investors and trading securities in their TD Ameritrade accounts; by providing investors with fictitious TD Ameritrade documents; by providing investors with investment guarantees, and by misusing or misappropriating investors' funds; and

WHEREAS, Respondent Haithcock engaged in dishonest or unethical practices in violation of section 11-306 of the Securities Act;

NOW, THEREFORE, IT IS HEREBY **ORDERED** that Respondent Haithcock and his officers, directors, employees, agents cease and desist from engaging in dishonest or unethical practices in the securities or investment advisory business, in violation of section 11-306 of the Securities Act, pending a hearing in this matter or until such time as the Commissioner modifies or rescinds this Order. Willful violation of this Order could result in criminal penalties under section 11-705 of the Securities Act.

IT IS FURTHER **ORDERED** that Respondent Haithcock show cause why a final order should not be issued against him, assessing him the statutory penalty of \$5,000 per violation of section 11-306 of the Securities Act, and permanently barring him from the investment advisory and securities business in Maryland.

**REQUIREMENT OF ANSWER AND
NOTICE OF OPPORTUNITY FOR HEARING**

IT IS FURTHER **ORDERED**, pursuant to section 11-701.1 of the Securities Act and the Code of Maryland Regulations, COMAR 02.02.06.06, that Respondent shall file with the Commissioner a written Answer to this Order within fifteen days of service of the Order. The Answer shall admit or deny each factual allegation in the Order and shall set forth affirmative defenses, if any. A Respondent without knowledge or information sufficient to form a belief as to the truth of an allegation shall so state.

The Answer also shall indicate whether the Respondent requests a hearing. A hearing will be scheduled in this matter if one is requested in writing. Failure by any Respondent to file a written request for a hearing in this matter shall be deemed a waiver by that Respondent of the right to such a hearing.

Failure of a Respondent to file an Answer or a request for a hearing shall result in entry of a final order directing that Respondent permanently to cease and desist from violation of the Securities Act, and imposing the sanctions sought in this Order.

SO ORDERED:

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

September 13, 2022

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER