

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

IN THE MATTER OF:	*	
MATHIAS BAMA,	*	Case No. 2023-0026
VALENTINE BAMA,	*	
HILAIRE LEUNKAM,	*	
PROSPERITY MEDICAL AND HEALTH SYSTEM, LLC	*	
and	*	
PROSPERITY PARTNERS, INC.	*	
Respondents.	*	

* * * * * *

**CONSENT ORDER RELATING TO PROSPERITY PARTNERS, INC AND
PROSPERITY MEDICAL AND HEALTH SYSTEM, LLC**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted by section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and Supp. 2023) (the “Act”), conducted an investigation of Mathias Bama (“Bama”), Valentine Bama (“Valentine”), Hilaire Leunkam (“Leunkam”), Prosperity Medical and Health System, LLC (“Prosperity Medical”), and Prosperity Partners, Inc., (“Prosperity”) (collectively “Respondents”); and

WHEREAS, on the basis of that investigation, the Maryland Securities Commissioner (the

“Commissioner”) determined that Respondents Prosperity and Bama may have engaged in acts or practices constituting violations of the registration and antifraud provisions of sections 11-301, 11-401, 11-402, and 11-501 of the Act; and

WHEREAS, on March 8, 2023, the Commissioner issued a Summary Order to Cease and Desist and Order to Show Cause (“Summary Order”) against Respondents Prosperity and Bama, which ordered them and their officers, directors, employees, and agents to cease and desist violations of sections 11-301, 11-401, 11-402 and 11-501 of the Act and show cause why they should not be permanently barred from the investment advisory and securities business in Maryland for or on behalf of any others, or from acting as principal or consultant in any entity so engaged, and why a statutory penalty of up to \$5,000 per violation should not be assessed against them; and

WHEREAS, on April 7, 2023, Respondents Prosperity and Bama, through their counsel, filed with the Division an Answer to the Summary Order; and

WHEREAS, on August 29, 2023, the Commissioner filed a Complaint for Injunctive Relief, Freeze of Business Defendants’ Assets and Appointment of a Receiver (the “Complaint”) and a Motion for Freeze of Business Defendants’ Assets, and the Appointment of a Temporary Receiver and Injunctive Relief (the “Commissioner’s Motion”) as well as monetary restitution on behalf of investors, in the Circuit Court for Prince George’s County (case number C-16-CV-23-003981) alleging that Defendants Prosperity, Prosperity Medical, Bama, Valentine, and Leunkam (the “Defendants”)¹ violated the registration and anti-fraud provisions of the Act, and seeking an

¹ Most but not all, of the Defendants were named in the administrative action initiated by the Summary

injunction, restitution, disgorgement, and a receiver for Prosperity and Prosperity Medical; and

WHEREAS, on September 4, 2023, the Defendants filed an Opposition to the Commissioner's Motion; and

WHEREAS, on September 7, 2023, the Commissioner filed a Reply to Defendants' Opposition to the Commissioner's Motion; and

WHEREAS, on September 13, 2023, the Prince George's County Circuit Court issued an Order denying the Commissioner's Motion; and

WHEREAS, on September 19, 2023, the Commissioner filed in the Prince George's County Circuit Court a Motion for Reconsideration of the Order denying the Commissioner's Motion; and

WHEREAS, on September 26, 2023, the Defendants filed an Answer denying the allegations of the Complaint; and

WHEREAS, on October 2, 2023, Respondent Prosperity Partners, Inc. filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Maryland (Greenbelt) case no. 23-17059-MCR for which Roger Schlossberg was appointed as the chapter 7 bankruptcy trustee for Prosperity Partners, Inc. (the "Prosperity Partners Trustee"); and

WHEREAS, on October 12, 2023, the Commissioner filed with the Appellate Court an Interlocutory Appeal ("Appeal") of the Order denying the Commissioner's Motion; and

WHEREAS, on November 29, 2023, an Order to Proceed was entered in the

Order, but all of the Respondents were ordered to cease and desist from violations of the Act. The Amended Summary Order to Cease and Desist and Order to Show Cause, inter alia, aligned the Defendants and the Respondents in the two actions.

Commissioner's Appeal; and

WHEREAS, on December 22, 2023, the Prince George's County Circuit Court issued an Order denying the Commissioner's Motion for Reconsideration as moot due to the Appeal; and

WHEREAS, on January 4, 2024, in the bankruptcy proceeding, Respondent Prosperity consented to the conversion of its Chapter 11 bankruptcy filing to a Chapter 7 bankruptcy filing and the Prosperity Partners Trustee was appointed as Chapter 7 Trustee to marshal and liquidate Prosperity's assets for the benefit of creditors including investors pursuant to applicable provisions of the Bankruptcy Code; and

WHEREAS, on February 2, 2024, the Commissioner voluntarily dismissed her appeal based on Prosperity's Chapter 7 filing, which provided the Division with protections similar to those it was seeking through the appointment of a receiver; and

WHEREAS, on February 5, 2024, the Commissioner amended the Summary Order to align and make consistent the defendants in the filings in Prince George's County Circuit Court and respondents in the administrative proceeding; and

WHEREAS, on March 11, 2024, Respondent Prosperity Medical filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Maryland (Greenbelt) case no. 24-12031-MCR and on March 27, 2024, that Chapter 11 bankruptcy filing was converted to a Chapter 7 bankruptcy filing and Merrill Cohen was appointed as the chapter 7 bankruptcy trustee for Prosperity Medical and Health System, LLC (the "Prosperity Medical Trustee"). The Prosperity Medical Trustee was appointed to marshal and liquidate Prosperity Medical's assets for the benefit of creditors including investors pursuant to applicable provisions of the Bankruptcy

Code; and

WHEREAS, the Commissioner and the Prosperity Partners Trustee and the Prosperity Medical Trustee have reached an agreement in this action whereby they consent to the terms of this Consent Order; and

WHEREAS, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and without the Prosperity Partners Trustee and the Prosperity Medical Trustee admitting or denying any violation of law or any other fact asserted herein, the Commissioner and the Prosperity Partners Trustee and the Prosperity Medical Trustee have reached an agreement to enter into 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:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to sections 11-701.1 and 11-801 of the Act.

II. RESPONDENTS

2. During the time covered by this Order, Bama, a Maryland resident living in Howard County, Maryland, worked from Prosperity's office in Prince George's County, Maryland. Bama has never been registered as a broker-dealer, agent, investment adviser or investment adviser representative in Maryland. Bama is a solicitor, the Founder, President, and Chief Executive Officer for Prosperity.

3. During the time covered by this Order, Valentine, a Maryland resident living in

Prince George's County, Maryland, worked from Prosperity's office in Prince George's County, Maryland. Valentine has never been registered as a broker-dealer, agent, investment adviser or investment adviser representative in Maryland. Valentine is a solicitor, board member, employee, and officer for Prosperity.

4. During the time covered by this Order, Leunkam, a Maryland resident living in Prince George's County, Maryland, worked from Prosperity's office in Prince George's County, Maryland. Leunkam has never been registered as a broker-dealer, agent, investment adviser or investment adviser representative in Maryland. Leunkam is a solicitor, board member, employee, and the Chief Operations Officer for Prosperity.

5. Respondent Prosperity Medical is a Maryland limited liability company. At all times prior to the appointment of the Prosperity Partners Trustee by the Bankruptcy Court, Prosperity Medical conducted business in and from Prince George's County, Maryland. Prosperity Medical has never been registered as a broker-dealer or investment adviser in Maryland.

6. Respondent Prosperity is a Maryland corporation. At all times prior to the appointment of the Prosperity Partners Trustee by the Bankruptcy Court, Prosperity and its affiliated entities conducted business and solicited investors in and from Howard, Montgomery, and Prince George's Counties and throughout Maryland and the United States. Prosperity has never been registered as a broker-dealer or investment adviser in Maryland.

III. THE TRUSTEES

7. The Prosperity Partners Trustee disputes that the Commissioner or this Court has

jurisdiction over him, and his entry into this Consent Order is not a consent to jurisdiction; instead the Prosperity Partners Trustee enters into this Consent Order as an accommodation to the Commissioner and her claims against Respondents (and the Commissioner acknowledges and agrees that the Prosperity Partners Trustee and Prosperity Medical Trustee (collectively, the “Trustees”) are not Respondents in this action). Notwithstanding anything to the contrary in this Consent Order, the Prosperity Partners Trustee has no personal knowledge of any of the assertions the Commissioner makes with respect to any Respondent, and was not involved with any act asserted, and thus cannot admit or deny or take any position with respect to any such assertion. Prosperity Partners is no longer operating, having ceased operations when the Prosperity Partners Trustee was appointed by the Bankruptcy Court. The Commissioner’s assertions contained in this Consent Order with respect to Respondents Bama, Valentine, Leunkam, Prosperity and Prosperity Medical all took place prior to the appointment of the Prosperity Partners Trustee and the Prosperity Medical Trustee. To the extent that any Respondent admits any of the Commissioner’s assertions against them, the Prosperity Partners Trustee accepts such admissions.

8. The Prosperity Medical Trustee disputes that the Commissioner or this Court has jurisdiction over him, and his entry into this Consent Order is not a consent to jurisdiction; instead the Prosperity Medical Trustee enters into this Consent Order as an accommodation to the Commissioner and her claims against Respondents. Notwithstanding anything to the contrary in this Consent Order, the Prosperity Medical Trustee has no personal knowledge of any of the assertions the Commissioner makes with respect to any Respondent, and was not involved with any act asserted, and thus cannot admit or deny or take any position with respect to any such

assertion. Prosperity Medical is no longer operating, having ceased operations when the Prosperity Partners Trustee was appointed by the Bankruptcy Court. The Commissioner's assertions contained in this Consent Order with respect to Respondents Bama, Valentine, Leunkam, Prosperity and Prosperity Medical all took place prior to the appointment of the Prosperity Partners Trustee and the Prosperity Medical Trustee. To the extent that any Respondent admits any of the Commissioner's assertions against them, the Prosperity Medical Trustee accepts such admissions.

IV. FINDINGS OF FACT

9. Respondents offered and sold promissory notes and equity shares issued by Prosperity and Prosperity Medical to at least 585 investors in and from Maryland. Investors invested at least \$28,909,905 in the notes and equity shares offered and sold by the Respondents.

10. Based on documents provided by Respondents, which have not been audited and cannot be independently verified, investors are currently owed at least \$17,200,540.41 in principal less any interest payments or solicitor fees they received. Based on documents provided by Respondents, which have not been audited and cannot be independently verified, it appears that early investors received payments totaling \$12,395,545.48.

11. Most Investors in Prosperity's securities are nonaccredited investors from the Nigerian and Cameroonian immigrant communities.

12. Prosperity's note and equity share agreements tout in capital letters "WE CREATE MILLIONAIRES." Prosperity has created no millionaires.

13. Prosperity's notes describe the agreement as "a mutually beneficial and important partnership for the purpose of investing and profit-sharing. The investor shall make a deposit and

the Corporation shall promptly use the money to conduct investment operations.” Prosperity promised “to use good judgment in managing all assets and credits.” Throughout the note agreement the investor is referred to as an investor.

14. Respondents did not disclose that Bama, Valentine, and Leunkam would use investors’ funds to pay themselves \$150, \$75, and \$80 an hour respectively or that investors’ funds would be used to purchase a \$89,000 luxury vehicle for Bama’s use. These expenditures are not “investment operations.”

15. Respondents also did not disclose that, as discussed in detail below, they would pay solicitors, including Bama, Valentine, and Leunkam, a 5% commission, which would further reduce the amount of investor funds that would go towards investment operations.

16. The notes promised a 6% monthly return for 12 months for an annual return of 72%, at which time the investors could reinvest their funds or receive the return of their principal. Many investors opted to reinvest their funds.

17. Respondents, however, made no investments with the funds that could produce 6% monthly returns. Since approximately the end of January of 2023, Respondents have refused and been unable to pay the promised interest or principal owed to investors at the end of their 12-month investment period.

18. At the same time investors invested in the notes, investors were required to invest in Prosperity’s equity shares through an “equity agreement”. The equity agreement described the relationship as “...a mutually beneficial and important partnership for the purpose of investing and profit-sharing. The equity unit holder shall make a deposit and the Corporation shall promptly use

the money for corporate operations. Profits received shall be shared with the equity unit holder after all expenses and liabilities are settled.”

19. The equity agreement further provided that “[t]he corporation pledges to be a good steward of any credits made available and to use good judgment in managing all assets and credits.” The equity agreement did not disclose that Respondents Bama and Leunkam would pay themselves excessive hourly fees and that Bama would do the same for several family members. Prosperity was not a “good steward” and did not “use good judgment” in overpaying its officers and Bama’s family members.

20. For example, on December 2, 2021, a Maryland investor invested \$355,000 with Respondents through a note and \$30,000 in shares at \$1 per share.

21. In the note, Prosperity promised to pay the Maryland investor \$21,300 in January 2022 and \$63,900 quarterly thereafter. Prosperity paid the investor for the first 6 months. After the first 6 months, Respondents failed to make the quarterly payments. At the end of 12 months, the investor asked for the return of her principal and interest. Respondents have refused to return her principal or make any additional interest payments.

22. Between approximately July 2022 and March 2023, Valentine’s name appears approximately 147 times on promissory note, equity share and addendum² agreements in various capacities including as a “receiver” and “corporate” representative.

23. Between approximately January 2020 and March 2023, Leunkam’s name appears approximately 326 times on promissory note, equity share, and addendum agreements in various

² Addendums are agreements to rollover investments, invest interest payments, and make additional investments.

capacities including as a “receiver” and “corporate” representative.

24. Bama’s name appears on all promissory note, equity share, and addendum agreements in various capacities including as a “receiver” and “corporate” representative.

25. On or about January 9, 2023, investors were unilaterally informed that their interest rate would be reduced to 4% a month.

26. Despite the fact that Respondents unilaterally reduced interest rates to investors and/or have refused to pay investors interest or principal on their notes, Respondents continued to pay themselves and Bama’s family hugely inflated hourly rates.

27. After receiving a subpoena from the Maryland Securities Division on February 3, 2023, in or about the week of February 20, 2023, Respondents posted on their WhatsApp forum a new offer to sell Prosperity securities. Respondents offered a special “Double Down Promotion.” The promotion offered an investor who invested \$10,000 in “fresh equity” an additional \$10,000 in equity at no cost.

28. On March 8, 2023, the Commissioner issued a Summary Order against Respondents Bama and Prosperity and their officers, directors, employees, and agents, ordering them to cease and desist from engaging in violations of the Act. On March 9, 2023, the Summary Order was emailed to Chidi Onukwugha at rsvpco@yahoo.com, Respondents' original Counsel, and to Bama and Prosperity at prosperitypartnersmd@gmail.com. On March 24, 2023, Mr. Onukwugha emailed the Division from rsvpco@yahoo.com asking to talk to Division counsel. The same day his co-counsel left a voicemail asking for an extension to respond to the Division’s Summary Order.

29. Despite receiving the Summary Order ordering those Respondents to cease offering unregistered securities and raising funds from investors, Respondents Bama and Prosperity continued to offer and sell numerous investments in Prosperity, including the following investments deposited into Prosperity’s Capital One account:

Date	Amount	Memo section
3/14/23	\$5,029	Investment
3/20/23	\$5,000	Equity addition
3/21/23	\$20,000	Equity investment
3/22/23	\$2,300	Trading
3/23/23	\$5,000	Equity
4/4/23	\$10,000	Business
4/4/23	\$40,000	Business
4/4/23	\$20,000	
4/24/23	\$15,000	

and Prosperity Medical’s Chase account:

Date	Amount	Memo section
3/24/23	\$5,000	Equity
3/24/23	\$17,570	Equity
3/24/23	\$15,000	Investment
3/27/23	\$10,000	Investment

3/27/23	\$3,000	Investment Prosperity
3/25/23	\$100	Share
3/30/23	\$15,000	Investment
3/31/23	\$5,000	Equity
3/31/23	\$20,000	TD Bank
4/3/23	\$50,000	Investment
5/22/23	\$40,000	Investment
5/22/23	\$10,000	Investment

30. On or about May 22, 2023, Bama directed a new investor, EN, to send two wires for \$10,000.00 and \$40,000.00 to Prosperity Medical's Chase bank account. Bama did not disclose to the investor that he was the subject of the Summary Order.

31. Those Respondents did not disclose to investors any risks related to the notes or the equity shares including the risk that their principal would not be repaid, that the interest would not be paid, that Bama, Valentine, and Leunkam would syphon off funds in huge payments to themselves and Bama's family members under the guise of hourly wages or other cash payments, and that Respondents did not invest in anything that would provide a 72% annual return plus the 5% paid to solicitors for a total required return of 77% annually to meet their note obligations.

32. Bama told some investors that there was a 0% chance that they would lose their note investment because their investment was secured by the real estate owned by Prosperity. Bama did not disclose that the value of the real estate was not nearly enough to cover all investors'

investments.

33. On April 13, 2023, Bama sent a letter to investors claiming “[r]est assured that every trading deposit made to Prosperity is safe and sound to which you are entitled.”

34. Respondents Bama, Prosperity and Prosperity Medical then proceeded to mortgage and transfer properties that could have been used to repay investors so that they could continue to pay inflated salaries to Bama, Valentine and Leunkam and make preferential repayments to themselves and select investors.

35. On December 9, 2021, 7755 Belle Point was purchased for \$270,000 with investor funds. 7755 Belle Point is titled in the name of Prosperity and was the address for Prosperity’s business office.

36. On May 22, 2023, Prosperity Medical’s Chase bank account received a deposit in the amount of \$36,825.67 with a reference “Rfi Proceeds 7755 Belle Point Dri.” The deposit represents some of the proceeds from a mortgage on the Prosperity property executed by Bama. The total amount of the mortgage was \$75,000.

37. Respondent Bama has been unable to explain why the funds were deposited into Prosperity Medical’s bank account as opposed to Prosperity’s bank account, except when he testified at a creditor meeting in the bankruptcy that he directed the money where it was needed.

38. On June 23, 2021, 13922 Baltimore Ave., Units 4 and 5 was purchased by Prosperity for \$1,650,000 with investor funds and was titled in Prosperity’s name. The property was used by Prosperity Medical to operate its clinic.

39. On May 31, 2023, Respondent Bama executed a deed on behalf of Prosperity

transferring the 13922 Baltimore Avenue clinic property to Prosperity Medical for no compensation. In an affidavit filed by Bama in the Prince George’s County Circuit Court case, he stated that he was the president of Prosperity Medical and that it was a sole member LLC.

40. On June 1, 2023, Prosperity Medical’s Chase bank account received a deposit in the amount of \$822,185.28 with a reference “Refinance Proceeds 13922/Baltimore Ave Unit 4 And 5.” The deposit represents some of the proceeds from the mortgage on the Prosperity Medical clinic property. The total amount of the mortgage was \$1,000,000. After the deposits from the mortgaged properties, Respondents caused Prosperity Medical to make the following payments:

Date	Payee	Amount
6/1/23	Valentine Bama	\$8,010.56
6/1/23	Mathias Bama	\$25,324.71
6/1/23	Hilaire Leunkam	\$9,886.97
6/2/23	Valentine Bama	\$39,000
6/2/23	Mathias Bama	\$53,000
6/2/23	Hilaire Leunkam	\$21,500
6/9/23	Valentine Bama	\$4,005.28
6/9/23	Mathias Bama	\$8,355.90
6/9/23	Hilaire Bama	\$4,903.11
6/23/23	Valentine Bama	\$3,003.96
6/23/23	Mathias Bama	\$6,250.69

6/23/23	Hilaire Bama	\$3,677.33
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41. By the end of July 2023, Prosperity Medical's Chase bank account balance was \$345.70.

42. During his testimony at the meeting of the creditors in Prosperity's bankruptcy proceeding on December 11, 2023, Bama testified that the payments to Leunkam, Valentine, and him from the proceeds of the Prosperity Medical clinic property mortgage were made so they could repay loans they received from other persons. These investors received preferential repayments and were able to redeem their investments in Prosperity and/or Prosperity Medical ahead of other investors.

43. Bama caused Prosperity to purchase a 2022 Infiniti for his personal and business use.

44. Bama and Leunkam made numerous cash and other withdrawals from Prosperity's bank accounts without providing an explanation or documentation to Prosperity's accountant. Between June 11, 2019 and December 21, 2021, QuickBooks spreadsheets produced by Prosperity to the Division show \$2,022,205.90 in uncategorized expenses. In 2020, the uncategorized expenses totaled \$746,144.47. In 2021, the uncategorized expenses totaled \$1,163,106.94. On or about January 21, 2023, Prosperity held a "Semi-Annual Equity Holders' Meeting." During the meeting, investors were provided or shown a "Profit and Loss" statement for the period ending December 21, 2022. The statement included columns for 2022, 2021 and 2020 and a category titled "uncategorized expense." The statement shows no uncategorized expenses for 2022 and 2021

and \$746,144.47 in uncategorized expenses for 2020. Despite at least \$1,163,106.94 of uncategorized expenses in 2021, Prosperity presented false financial statements to investors showing zero uncategorized expenses.

45. The Division acquired records from ADP, Inc., a payroll company used by Prosperity. The ADP records show that Bama gave himself, his family members, and Leunkam unjustified increases in hourly pay rates. For example:

a. Bama increased his pay as illustrated below:

Date	Hourly Rate
January 2021	\$35.00
May 2021	\$56.00
November 2021	\$105.00
January 2022	\$150.00

b. Prosperity increased Assaaformbi Bama's, Bama's daughter, pay as illustrated below:

Date	Hourly Rate
January 2021	\$15.00
April 2021	\$18.00
November 2021	\$30.00
March 2022	\$35.00
July 2022	\$55.00

September 2022	\$70.00
January 2023	\$75.00

c. Prosperity increased Valentine Bama’s, Bama’s brother, pay as illustrated below:

Date	Hourly Rate
May 2022	\$30.00
September 2022	\$70.00
November 2022	\$75.00

d. Prosperity increased Leunkam’s hourly rate as illustrated below:

Date	Hourly Rate
January 2021	\$20.00
May 2021	\$30.00
November 2021	\$65.00
March 2022	\$75.00
November 2022	\$80.00

46. Between January 2021 and April 2023, Bama, Leunkam and their family members received the following payments through ADP, Inc.:

Insider	Year	Total Payment
Hilaire Leunkam	2021	\$ 83,814.00
Hilaire Leunkam	2022	\$ 202,920.00
Hilaire Leunkam	3/17/2023	\$ 62,700.00
Saraphine Leumkam	2021	\$ 44,423.00
Saraphine Leumkam	2022	\$ 122,548.00
Saraphine Leumkam	5/17/2023	\$ 31,500.00
Beauzard Leunkam	2022	\$ 13,443.00
Beauzard Leunkam	2023	\$ 21,600.00
Assaaformbi Bama	2021	\$ 46,507.84
Assaaformbi Bama	2022	\$ 134,669.30
Assaaformbi Bama	5/17/2023	\$ 60,900.00
Kenamah Bama	2021	\$ 5,791.21
Kenamah Bama	2022	\$ 8,095.12
Kenamah Bama	5/17/2023	\$ 480.00
Mathias Bama	2021	\$ 153,810.00
Mathias Bama	2022	\$ 380,754.00
Mathias Bama	5/17/2023	\$ 113,572.00
Songhikenjou Bama	2022	\$ 8,071.90
Songhikenjou Bama	5/17/2023	\$ 14,840.00
Stella Bama	2021	\$ 7,360.00
Stella Bama	2022	\$ 40,269.00
Stella Bama	5/17/2023	\$ 30,774.40
Valentine Bama	2022	\$ 95,453.90
Valentine Bama	5/17/2023	\$ 48,600.00
		\$ 1,732,896.67

47. Respondents have not produced documentation to show that they will be able to make payments of investors' principal and/or 72% annual interest returns.

48. Respondents appeared to be paying monthly interest payments to investors out of those investors' own invested capital, or out of funds from later investors -- the way payments to investors are made in a Ponzi scheme.

49. Respondents have not disclosed to investors any risks related to the offer and sale of Prosperity's stock, including that the equity shares are illiquid, very risky, and unsuitable for

unsophisticated and nonaccredited investors.

50. Respondents did not disclose that the Prosperity notes and equity shares as offered and sold by Respondents are investment contracts, notes, and/or equity shares, all of which constitute “securities” within the meaning of section 11-101 of the Securities Act.

51. Respondents did not disclose to investors that neither Prosperity’s notes nor its equity shares were registered as securities and that no exemption filings or claims that the securities were federal covered securities had been filed with respect to the offer and sale of Prosperity’s securities in Maryland.

52. Respondents did not disclose to investors that they were required to register as broker-dealers or agents to offer and sell Prosperity’s notes and equity shares but had not registered as broker-dealers or agents.

53. Respondents did not disclose to investors that Prosperity compensated at least 42 agents that were required to register as broker-dealers or agents to offer and sell Prosperity’s notes and equity shares but had not registered as broker-dealers or agents.

54. Respondents have failed to make to investors numerous other material disclosures related to the offer and sale of Prosperity’s securities.

V. CONCLUSIONS OF LAW

THE COMMISSIONER, THEREFORE, CONCLUDES AS A MATTER OF LAW:

55. Respondents Prosperity and Prosperity Medical violated section 11-401 of the Act by transacting business in Maryland as unregistered broker-dealers or agents.

56. Respondents Prosperity and Prosperity Medical violated section 11-402(a) of the

Act by employing unregistered agents in Maryland.

57. Respondents Prosperity and Prosperity Medical violated section 11-501 of the Act by offering and selling unregistered securities in the form of its investment contracts/promissory notes and equity shares.

58. Respondents Prosperity and Prosperity Medical violated section 11-301 of the Act by, among other things and as described in detail above, failing to disclose the risks of Prosperity's and Prosperity Medical's securities, misleading investors about Prosperity's and Prosperity Medical's use of the proceeds of their investments, and failing to disclose that the securities they sold were not registered and that no exemption or notice filing had been made on behalf of the securities.

VI. SANCTIONS

NOW THEREFORE, IT IS HEREBY ORDERED, and the Prosperity Partners Trustee and the Prosperity Medical Trustee expressly have no objection that:

A. Respondents Prosperity and Prosperity Medical are permanently barred from the securities and investment advisory business in the State of Maryland, whether doing business from Maryland or from outside of Maryland with Maryland residents or otherwise engaging in activity within the scope of the Act as set forth in section 11-801 of the Act, for or on behalf of any others, or from acting as principal or consultant in any entity so engaged, including engaging in the offer and sale of any securities whether registered, exempted or preempted from registration.

B. Any civil monetary penalty that could be assessed against Respondents Prosperity and Prosperity Medical pursuant to section 11-702 of the Act for the violations set forth in this

Order are waived in light of Respondents Prosperity's and Prosperity Medical's Chapter 7 bankruptcies and the appointment of an independent trustees, Roger Schlossberg and Merrill Cohen, to marshal Respondents Prosperity's and Prosperity Medical's assets for the benefit of creditors including investors. In the event that either bankruptcy proceeding is dismissed by Order of the Bankruptcy Court, this proceeding may be reopened to address the issue of a civil monetary penalty.

C. Any civil monetary relief for the benefit of investors that could be assessed as part of this Order against Respondents Prosperity and Prosperity Medical for the violations set forth in this Order is deferred to any relief available as part of the resolution of Respondents Prosperity's and Prosperity Medical's Chapter 7 bankruptcies under the auspices of the independent trustees, Roger Schlossberg and Merrill Cohen, who are marshalling Respondents Prosperity's and Prosperity Medical's assets for the benefit of creditors including investors. In the event that either bankruptcy proceeding is dismissed by Order of the Bankruptcy Court, this proceeding may be reopened to address the issue of civil monetary relief for the benefit of investors.

VII. JURISDICTION RETAINED

64. Jurisdiction, subject to section III above, 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.

65. This Consent Order relates only to the Commissioner and Respondents Prosperity and Prosperity Medical.

66. In the event that judicial intervention in this matter is sought by the Commissioner

or Respondents Prosperity and Prosperity Medical, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to section 11-702 of the Securities Act or the U.S. Bankruptcy Court for the District of Maryland in Greenbelt. The Circuit Court for Baltimore City will have personal jurisdiction over Respondents Prosperity and Prosperity Medical pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article, Title 6, Annotated Code of Maryland (2013 Repl. Vol. and Supp. 2023) or the U.S. Bankruptcy Court for the District of Maryland in Greenbelt. Venue will be properly in that Court pursuant to section 6-201(a) and 6-202(11) of that article or the U.S. Bankruptcy Court for the District of Maryland in Greenbelt.

67. The terms of this Consent Order may be modified by a subsequent Order issued by the Commissioner, by a Court of competent jurisdiction, or by agreement of the Parties.

SO ORDERED:

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

Date: November 14, 2024

Melanie Senter Lubin
Securities Commissioner

BY CONSENT:

Roger Schlossberg, solely in his capacity
As Chapter 7 Bankruptcy Trustee for Prosperity Partners, Inc

_____, 2024
Date

Merrill Cohen, solely in his capacity as Chapter 7 Bankruptcy Trustee for
Prosperity Medical and Health System, LLC

_____, 2024
Date