

IN THE CIRCUIT COURT FOR PRINCE GEORGE’S COUNTY

MELANIE SENTER LUBIN *
Securities Commissioner *
for the State of Maryland *

Plaintiff, *

v. *

CASE No. C-16-CV-23-003981

MATHIAS BAMA, et al. *

Defendants. *

* * * * *

**SETTLEMENT AGREEMENT AS TO MATHIAS BAMA, VALENTINE BAMA,
AND HILAIRE LEUNKAM**

This Settlement Agreement is made and entered into by and between Plaintiff the Securities Commissioner for the State of Maryland, Melanie Senter Lubin (the “Securities Commissioner”), and Defendants Mathias Bama (“Bama”), Valentine Bama (“Valentine”), and Hilaire Leunkam (“Leunkam”), (collectively the “Individual Defendants”).

WHEREAS, the Securities Commissioner is the principal executive officer of the Division of Securities in the Office of the Maryland Attorney General (the “Securities Division”), and in executing this agreement is acting pursuant to the authority granted under the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2014 Repl. Vol. & Supp. 2023) (the “Securities Act”); and

WHEREAS, the Securities Commissioner commenced this civil action by filing a Complaint against the Individual Defendants and Prosperity Partners, Inc. (“Prosperity Inc.”), Prosperity Partners, LLC (“Prosperity LLC”), and Prosperity Medical and Health System, LLC (“Prosperity Medical”) (together “Prosperity”).

in the Circuit Court for Prince George's County (the "Complaint"), charging the Individual Defendants and Prosperity with violations of the Securities Act; and

WHEREAS, the Individual Defendants have agreed to enter into this Settlement Agreement; and

WHEREAS, the Securities Commissioner has determined that it is in the public interest and appropriate for the protection of investors to enter into this Settlement Agreement to resolve this action.

NOW, THEREFORE, the parties agree as follows:

1. Solely for purposes of reaching a settlement and agreement of all claims made by the Securities Division, the Individual Defendants admit and submit to the jurisdiction of this Court over them and over the subject matter of this action, and that venue is proper in this Court.

2. The Individual Defendants acknowledge service of the Summons and Complaint in this action.

3. The Individual Defendants consent to the entry of a Final Judgment and Consent Order for Permanent Injunction (the "Final Judgment and Consent") and of an administrative Consent Order. This Settlement Agreement is incorporated by reference in the Final Judgment and Consent.

4. Prior to any findings or adjudication on the merits, the Individual Defendants waive their rights to a trial on the merits and agree to the entry of the attached Final Judgment and Consent, in resolution of the Complaint.

5. The Individual Defendants agree to cease and desist from engaging in acts and practices that violate the Securities Act and the regulations adopted thereunder.

6. The Individual Defendants agree to cease and desist from engaging in the securities business in Maryland, including but not limited to the offer and sale of securities in the form of stocks, bonds, limited partnerships, general partnerships, promissory notes, and investment contracts.

7. The Individual Defendants agree to cease and desist from engaging in the investment advisory business in Maryland, including but not limited to holding out and/or acting as an investment adviser, investment adviser representative, financial planner, or other financial adviser or financial consultant.

8. The Individual Defendants agree that any cash monies paid pursuant to the Final Judgment and Consent filed in this matter, and any other monies recovered by the Securities Division in connection with this matter will be used by the Office of the Attorney General for pro rata distribution, within its sole discretion as to the time and amounts of such distributions, to persons whom the Securities Commissioner within her discretion considers to be investors in Prosperity's securities who have not been provided with or have not otherwise obtained full and actual payment of principal in connection with their Prosperity share or promissory note investments (the "Prosperity Investors").

9. The Securities Commissioner has assessed a civil monetary penalty of \$17,200,540.41 against the Individual Defendants, jointly and severally, for the violations set forth in the Complaint. In light of the Individual Defendants' sworn financial affidavits, collection of the civil monetary penalty shall be deferred indefinitely unless and until any Individual Defendant fails to comply with the terms of this Consent Order or an Individual Defendant receives any recovered assets or windfall assets as described below. This penalty shall be reduced dollar for dollar by any restitution paid to investors.

10. In the event any Individual Defendant discovers or becomes aware of, or if any Individual Defendant acquires or recovers from any source, assets not now in the Individual Defendant's possession but attributable or accruing to or having been received from or belonging to investors in Prosperity's share or promissory note investments ("recovered assets"), the Individual Defendant shall notify the Commissioner within ten business days of such discovery or acquisition, whichever happens first, of the recovered assets. In a manner approved by the Commissioner, the Individual Defendant shall then turn any recovered assets over to the Office of the Attorney General for subsequent distribution to the Prosperity investors in a manner within the Commissioner's discretion. If any Individual Defendant receives assets or discovers that he will receive or acquire assets in excess of \$50,000 in a single year from the sale of real estate propert(ies), gift, lottery, or by some other windfall hereinafter defined as "Windfall Assets", the Individual Defendant shall notify the Commissioner within ten business days of discovery or acquisition, whichever happens first, of the windfall assets, and the Individual Defendant shall pay to the Office of the Attorney General eighty percent (80%) of the Windfall Assets up to \$500,000 and one hundred percent (100%) of the Windfall Assets over \$500,000 until the full amount of the fine is paid for subsequent distribution to investors in a manner within the Commissioner's discretion.

11. The Individual Defendants further consent that if, at time following the entry of the Final Judgment and Consent, the Securities Commissioner obtains information indicating that any Individual Defendant has violated the terms of that agreement or of this Settlement Agreement in any material respect, the Securities Commissioner may, in her sole discretion but with prior notice to the Individual Defendant, petition the Court for an order finding the Individual Defendant in contempt. In connection with any such petition, the only issue shall be

whether the Individual Defendant has violated the terms of the Settlement Agreement in any material respect. In any such petition, the Securities Commissioner may move the Court to consider all available remedies, including but not limited to ordering the Individual Defendant to pay fines; directing the freeze and forfeiture of any assets (as appropriate in light of any bankruptcy that may be pending at that time) or ordering sanctions for contempt of the Court's Final Judgment and Consent. The Securities Commissioner and the Individual Defendants may also request additional discovery. The Individual Defendants may not, by way of defense to any such petition, challenge the validity of this Settlement Agreement or the Findings of Fact and Conclusions of Law set forth in the related administrative Consent Order, which is incorporated by reference herein. The Securities Commissioner, in addition to the above-described petition, may renew the allegations in the Complaint. For the purpose of determining those remedies, the Findings of Fact and Conclusions of Law set forth in the related administrative Consent Order shall be deemed admitted and may be introduced into evidence against the Individual Respondents.

12. The Securities Commissioner and the Securities Division shall release only those civil or administrative claims, actions, or liabilities, within the jurisdiction of the Securities Commissioner under the Securities Act, that were raised against the Individual Defendants based solely upon the facts alleged in the Complaint filed in this action.

13. This Settlement Agreement relates only to the Securities Commissioner and the Individual Defendants. This Settlement Agreement does not waive or relinquish the Securities Commissioner's right to take any action against any other party, nor does it prevent the Securities Commissioner from bringing any action against the Individual Defendants relating to any activities not specifically raised or incorporated by reference in the Complaint.

14. This Settlement Agreement is to operate as a release and discharge only as to the Individual Defendants' civil liability under the Complaint filed together with this Settlement Agreement.

15. Nothing in this Settlement Agreement precludes any person from pursuing any claim the person may have against the Individual Defendants or a related entity.

16. This Settlement Agreement may not be amended, modified, superseded, or canceled, and any conditions or requirements in this Settlement Agreement may be waived only by a written instrument executed by all parties or by Court order.

17. This Settlement Agreement will be effective upon execution by the Individual Defendants and the Securities Commissioner, and upon issuance of the Final Judgement and Consent.

18. The Individual Defendants agree not to take action, make or direct to be made any statement denying, directly or indirectly, any allegation in the Complaint. The Individual Defendants further agree not to take any action or make any statement that creates or tends to create the impression that the Final Judgement and Consent is without factual basis. Nothing in this provision affects the Individual Defendant's testimonial obligation or their rights to take any legal positions in litigation in which the Securities Division or the Securities Commissioner is not a party.

19. The Individual Defendants state that entry into this Settlement Agreement is a voluntary act on their part, that they have read and understand the settlement documents including this Settlement Agreement, and that no offers, tenders or promises of any kind whatsoever have been made by the Securities Commissioner or any member, officer, agent or representative thereof, other than those contained in this Settlement Agreement.

20. The Securities Commissioner and the Individual Defendants agree that jurisdiction will be retained by the Circuit Court for Prince George’s County. Each party has the right to apply to that Court for such further orders and directions as may be necessary or appropriate for the enforcement of the Settlement Agreement. Because this Settlement Agreement is binding and legally enforceable as to the Individual Defendants and the Securities Commissioner, that Court shall have the authority to specifically enforce the provisions of this Settlement Agreement.

Date

Mathias Bama

Date

Valentine Bama

Date

Hilaire Leunkam

November 14, 2024
Date

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

Melanie Lubin
Maryland Securities Commissioner

Date

/s/ Katharine M. Weiskittel
Katharine M. Weiskittel
Assistant Attorney General
AIS No: 9712180276

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* * * * *

FINAL JUDGMENT AND CONSENT ORDER FOR PERMANENT INJUNCTION

Plaintiff, the Securities Commissioner for the State of Maryland (the “Securities Commissioner”), commenced this action by filing a complaint (the “Complaint”) against Defendants Mathias Bama (“Bama”), Valentine Bama (“Valentine”), and Hilaire Leunkam (“Leunkam”), (together the “Individual Defendants”), Prosperity Partners, Inc. (“Prosperity Inc.”), Prosperity Partners, LLC (“Prosperity LLC”), and Prosperity Medical and Health System, LLC (“Prosperity Medical”) (together “Prosperity”).

The Complaint charges the Individual Defendants with violating sections 11-301, 11-401, and 11-501 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2014 Repl. Vol. & Supp. 2023) (the “Securities Act”). The Securities Commissioner is seeking a permanent injunction and other relief pursuant to section 11-702(b) of the Securities Act.

By the attached Settlement Agreement (incorporated herein by reference), the Individual Defendants consent to the entry of the following Final Judgment and Consent Order for

Permanent Injunction (the “Final Judgment and Consent”) in settlement of the Securities Commissioner’s Complaint:

1. The Securities Commissioner alleged that the Individual Defendants, in connection with the offer and sale of securities, violated provisions of the Securities Act, including section 11-301 prohibiting fraud in the offer and sale of securities.

2. The Securities Commissioner has the authority under section 11-702(b) of the Securities Act to seek the relief requested.

3. This Court has jurisdiction over the subject matter of this action pursuant to section 11-702 of the Securities Act.

4. This Court has personal jurisdiction over the Individual Defendants pursuant to sections 6-102 and 6-103 of the Courts and Judicial Proceedings Article, Annotated Code of Maryland (2013 Repl. Vol. & Supp. 2023). By the Individual Defendants’ consent, venue is proper in this Court.

5. The Individual Defendants have voluntarily agreed to the entry of this Final Judgement and Consent.

IT IS THEREFORE ORDERED, and the Individual Defendants expressly consent and agree that:

A. The Individual Defendants, their agents, servants, employees and those persons in active concert or participation with them directly or indirectly, singly or in concert, who receive actual notice of the Final Judgment and Consent by personal service or otherwise, are restrained and enjoined from engaging in acts and practices that violate the Securities Act and the regulations adopted thereunder, and the Consent Order issued by the Securities Commissioner resolving the administrative proceeding; and

B. The Individual Defendants are hereby permanently restrained and enjoined from engaging in the securities business in 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, including but not limited to the offer, sale, or issuance of stocks, bonds, limited partnerships, general partnerships, promissory notes, and investment contracts; and

C. The Individual Defendants are permanently restrained and enjoined from engaging in the investment advisory business in Maryland, including but not limited to holding out and/or acting as an investment adviser, investment adviser representative, financial planner, or other financial adviser or financial consultant; and

D. The Individual Defendants, jointly and severally, are assessed a civil monetary penalty pursuant to section 11-701.1(b)(4) of the Securities Act in the amount of \$17,200,540.41 for the violations set forth in the Complaint. In light of the Individual Defendants' sworn financial affidavits, collection of the civil monetary penalty shall be deferred indefinitely unless and until any Individual Defendant fails to comply with the terms of this Consent Order or an Individual Defendant receives any recovered assets or windfall assets as described below. This penalty shall be reduced dollar for dollar by any restitution paid to investors.

E. The Individual Defendants acknowledge that, for the purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, any debt for disgorgement, prejudgment interest, civil penalty, or any other amounts due by the Individual

Defendants under this Order or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this proceeding, is a debt for violation by the Individual Defendants of the Maryland securities laws or any regulation or order issued under such laws, as set forth in section 523(a)(19) of the Bankruptcy Code, 11 U.S.C §523(a)(19).

F. The Individual Defendants agree that any cash monies paid pursuant to this Final Judgment and Consent, and any other monies recovered by the Securities Division in connection with this matter will be used by the Office of the Attorney General for pro rata distribution, within its sole discretion as to the time and amounts of such distribution(s), to persons whom the Securities Commissioner within her discretion considers to be Prosperity investors who have not been provided with or have not otherwise obtained full and actual payment of principal in connection with their Prosperity share or promissory note investments (the “Prosperity Investors”), and who have not waived any claims as to the Individual Defendants’ indebtedness to them in connection with their Prosperity share or promissory note investments.

IT IS FURTHER ORDERED, and the Individual Defendants expressly consent and agree that, in the event that any Individual Defendant discovers or becomes aware of, or if any Individual Defendant acquires or recovers from any source, assets not now in their possession but attributable to or accruing to or having been received from or belonging to investors in Prosperity’s share or promissory note investments (“recovered assets”), the Individual Investor shall notify the Securities Commissioner within ten business days of such discovery or acquisition, whichever happens first, of the recovered assets and, in a manner approved by the Commissioner, the Individual Defendant shall then turn any recovered assets over to the Office

of the Attorney General for subsequent distribution to the Prosperity investors in a manner within the Commissioner's discretion; and

IT IS FURTHER ORDERED, and the Individual Defendants expressly consent and agree that, if any Individual Defendant receives assets or discovers that he will receive or acquire assets in excess of \$50,000 in a single year from the sale of real estate propert(ies), gift, lottery, or by some other windfall hereinafter defined as "Windfall Assets", the Individual Defendant shall notify the Commissioner within five business days of discovery or acquisition, whichever happens first, of the windfall assets, and the Individual Defendant shall pay to the Office of the Attorney General eighty percent (80%) of the Windfall Assets up to \$500,000 and one hundred percent (100%) of the Windfall Assets over \$500,000 until the full amount of the fine is paid for subsequent distribution to investors in a manner within the Commissioner's discretion; and

IT IS FURTHER ORDERED, and the Individual Defendants expressly consent and agree that the Court retains jurisdiction of this matter for purposes of the construction, modification, and enforcement of this Final Judgment and Consent.

DATE OF THIS ORDER:

SO ORDERED:

Judge for the Circuit Court of
Prince George's County

By Consent:

Date

Mathias Bama

Date

Valentine Bama

Date

Hilaire Leunkam

Date

Melanie Senter Lubin
Securities Commissioner

Date

/s/ Katharine M. Weiskittel
Katharine M. Weiskittel
Assistant Attorney General
AIS No: 9712180276