

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF:)	
)	
)	
DONDI COTTON)	ADMINISTRATIVE PROCEEDING
711 Belva Drive)	NUMBER: LS-12-0547
Vicksburg, MS)	
)	
<i>Respondent</i>)	

CEASE AND DESIST ORDER

Pursuant to the authority granted by Miss. Code Ann. §75-71-101, et seq., the Mississippi Securities Act of 2009 (hereinafter the “Act”) and the rules and regulations promulgated thereunder, the Securities Division of the Office of the Secretary of State of the State of Mississippi (“Division”) has begun an investigation of the activities of Dondi Cotton to determine if he has engaged in, or is about to engage in, any act or practice constituting a violation of the Act or any rule or regulation thereunder.

COMES NOW Jessica Leigh Long, Senior Attorney for the Division, on behalf of the Secretary of State C. Delbert Hosemann, Jr., and issues this Cease and Desist Order against Respondent Dondi Cotton (“Respondent”) for violating provisions of the Act. In support thereof, the Division submits as follows:

I. JURISDICTION

The Act gives authority to the Secretary of State to administer and enforce the Act and regulate the offer and sale of securities in Mississippi including the firms and persons who offer or sell securities or who provide investment advice regarding securities. Dondi Cotton is a Mississippi resident who between 2006 and 2013 solicited investors, handled investor funds, and

facilitated the execution of securities transactions. For these reasons, the Secretary of State has jurisdiction in this matter.

II. FINDINGS OF FACT

1. Respondent Dondi Cotton is a Mississippi resident with a last known address of 711 Belva Drive #12, Vicksburg, Mississippi.
2. Between 2006 and 2013, Respondent was employed with Entergy at Grand Gulf nuclear power station in Port Gibson, Mississippi.
3. Between 2006-2013, Respondent solicited and advised Mississippi residents (“investors”) to invest money into “stock/index options and /or foreign currency.”
4. Respondent executed “Individual Investment Agreement[s]” with investors promising one hundred percent returns on initial investments within one year.
5. The investment agreement also provides all returns greater than 100% to be “profit” for Respondent.
6. Respondent received funds from investors for the purpose of investing in options and/or foreign currency.
7. Respondent is not and has never been licensed or registered with the Division.

III. APPLICABLE LAW

8. Section 75-71-102 of the Act states: “Definitions. In this chapter, unless the context otherwise requires: (1) "Administrator" means the Secretary of State.”
9. Section 75-71-102(4) of the Act states: "'Broker-dealer' means a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account.”
10. With respect to the offer and sale of securities, §75-71-401 of the Act states:

§ 75-71-401. Broker-dealer registration requirement and exemptions.

(a) Registration requirement. It is unlawful for a person to transact business in this state as a broker-dealer unless the person is registered under this chapter as a broker-dealer or is exempt from registration as a broker-dealer under subsection (b) or (d).

11. Section 75-71-105(1) of the Act states:

“Security” means any note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement...

12. Section 75-71-601 of the Act states: “(a) **Administration.** The administrator shall administer this chapter.”

13. Section 75-71-604 of the Act states:

Administrative enforcement.

(a) **Issuance of an order or notice.** If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter, the administrator may:

(1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter;

* * *

(d) Civil penalty. In a final order under subsection (c), the administrator may impose a civil penalty in an amount set forth in Section 75-71-613 for each violation and each violation shall be considered a separate offense in a single proceeding or a series of related proceedings.

IV. CONCLUSIONS OF LAW

14. The Secretary of State’s Office has jurisdiction over this matter pursuant to Miss. Code Ann. §§75-71-101, *et seq.*

15. Respondent effected transactions by soliciting securities transactions, handling investor funds, and facilitating the execution of securities transactions for others. In doing so, Respondent acted as a broker-dealer as that term is defined by the Act.

16. Respondent has at no time been registered with the Division and thereby violates Miss. Code Ann. §75-71-401 of the Act.

VI. PUBLIC INTEREST

This Cease and Desist Order is issued in the public interest and for the protection of investors. It is consistent with the purposes set out in Miss. Code Ann. §§ 75-71-101, *et seq.* (2010).

VII. AMENDMENTS

The Secretary of State hereby reserves the right to amend this Cease and Desist Order.

VIII. ORDER

IT IS THEREFORE ORDERED, pursuant to the authority set out in §75-71-604(a) of the Act, that Respondent DONDI COTTON, shall immediately **CEASE AND DESIST FROM ANY FURTHER ACTIVITY IN, OR ORIGINATING FROM**, the State of Mississippi in connection with the offer and/or sale of securities to any person without the Respondent being duly registered under the Act.

NOTICE is hereby given that if Respondent wishes to contest the allegations set forth above, or offer evidence and arguments to mitigate the allegations, then the Respondent must file a request for hearing. Such request shall be made in writing to Jessica Leigh Long, Senior Attorney, Securities Division of the Mississippi Secretary of State's Office, Post Office Box 136, Jackson, Mississippi 39205, within thirty (30) days from the date of receipt of this Cease and Desist Order. In the event such a hearing is requested, the Respondent may appear, with or

without the assistance of an attorney, on a date and at a time and place to be specified and cross-examine witnesses, present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondent's behalf at the hearing relating to the matters contained herein. If an administrative hearing is requested, written notice of the date, time and place, will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer. In the event such written notice is not received within said thirty (30) day period of time, a FINAL CEASE AND DESIST ORDER may be entered in this proceeding.

Entered, this the 27st day of October, 2014.

C. DELBERT HOSEMANN, JR.
Secretary of State

BY: 

Jessica Leigh Long
Senior Attorney
Securities Division

Jessica Leigh Long, MSB #103316
Senior Attorney
Mississippi Secretary of State's Office
P.O. Box 136
125. S. Congress Street
Jackson, MS 39201
Telephone: (601) 359-6366
Email: Jessica.Long@sos.ms.gov