ORDER TO CEASE AND DESIST, TO PAY RESTITUTION, AND TO PAY AN ADMINISTRATIVE PENALTY

WHEREAS, the Securities Division of the Mississippi Secretary of State ("Division") has the authority to administer and provide for the enforcement of all provisions of the Mississippi Securities Act ("Act") codified at Mississippi Code Annotated Sections 75-71-101, et seq.; and

WHEREAS, Respondent has violated the Act by engaging in fraud in connection with the offer and sale of securities in the State of Mississippi; and

WHEREAS, the Division is authorized to issue an order requiring a person to pay restitution for any loss or disgorge any profits arising from violations of the Act or a rule adopted or order issued under the Act; to impose a civil penalty for violations of the Act or a rule adopted or order issued under the Act; and to direct any person to cease and desist from engaging in the act, practice, or course of business when the Administrator determines a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act; and
WHEREAS, action by the Division in this instance is necessary and appropriate in the public interest and for the protection of investors, and is consistent with the purposes fairly intended by the policy and provisions of the Act;

NOW, THEREFORE, the Division, as Administrator of the Act, hereby enters its Order to Cease and Desist, to Pay Restitution, and to Pay an Administrative Penalty:

I. PARTIES

1. The Secretary of State ("Administrator") has the authority, pursuant to the Act, to administer and enforce the Act and to 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.

2. Respondent Michael Bennie Anderson is an individual with a last known residence address of 18078 Carson Ct., Saucier, Mississippi 39574.

II. FINDINGS OF FACT

3. Respondent is not registered in the Central Registrations Depository ("CRD") and has never been registered in Mississippi as a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative.

4. Respondent has never registered any security with the Division.

5. At some time in 2016 prior to August 2016, Respondent met complainant/investor "JP," a Mississippi resident. JP and Respondent met through JP’s fiancée who had worked for Respondent and had been solicited by Respondent for investment in Respondent’s project.

6. After being introduced, Respondent solicited investment from JP.

7. Respondent orally advised JP that an investment of $5,000.00 would yield a return of $25,000.00 in eight weeks, and that the investment was a “sure thing.”

8. Respondent’s oral representations to JP were confirmed by the written promissory note
which reflected the $25,000.00 return in eight weeks.

9. On August 8, 2016, JP gave Respondent a cashier’s check made out to the respondent personally in the amount of $5,000.00 for investment into Respondent’s project. In turn, Respondent gave an executed promissory note to JP, which reflected JP’s investment of $5,000.00 and the promised return of $25,000.00 in a period “not to exceed 8 week (sic) from the date of this note.”

10. Respondent never returned JP’s original investment and never paid any return on the investment amount as promised in the promissory note.

III. APPLICABLE LAW

11. Miss. Code Ann. § 75-71-102 (28) sets forth:

Definitions.
"Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term includes both a certificated and an uncertificated security. The term does not include an insurance or endowment policy or annuity contract under which an insurance company promises to pay a sum of money either in a lump sum or periodically for life or other specified period; or an interest in a contributory or noncontributory pension or welfare plan subject to the Employee Retirement Income Security Act of 1974. An "investment contract" includes, among other contracts, an investment in a limited partnership, an interest in a limited liability company, an investment in a viatical settlement or similar agreement, and an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.
12. Miss. Code Ann. § 75-71-501 sets forth:

**General fraud.**
It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:
(1) To employ a device, scheme, or artifice to defraud;
(2) To make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
(3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

13. The Division may employ remedies set out in § 75-71-604 of the Act:

**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, 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;

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(3) Issue an order:

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(B) Imposing a civil penalty in the case of an issuer of registered securities, broker-dealer, investment advisor, agent, investment adviser representative, or other person who violated this chapter;

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(D) Barring or suspending the person from association with a broker-dealer or investment advisor registered in this state; or requiring the person to pay restitution for any loss or disgorge any profits arising from the violation, including interest.

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(g) Enforcement by court; further civil penalty. If a person does not comply with an order under this section, the administrator may petition a court of competent jurisdiction to enforce the order and collect administrative civil penalties and costs imposed under the final order. The court may not require the administrator to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount set forth in Section 75-71-613 for each violation and may grant any other relief the court determines is just and proper in the circumstances.

14. Miss. Code Ann. § 75-71-613(d) sets forth:

(d) **Amount of civil penalty and further civil penalty under Section 75-71-604--administrative enforcement.**

(1) The amount of the civil penalty described in Section 75-71-604(d) is a maximum of Twenty-five Thousand Dollars ($25,000.00) for each violation, provided that an additional civil penalty may be imposed up to a maximum of Fifteen Thousand Dollars ($15,000.00) for violations of the chapter committed against elders or disabled persons.

(2) The amount of the further civil penalty described in Section 75-71-604(g) is a maximum of Twenty-five Thousand Dollars ($25,000.00) for each violation.

IV. **ACTION NECESSARY TO PROTECT THE PUBLIC**

15. The previous paragraphs are incorporated by this reference.

16. Action by the Division is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of the Act.

17. Based upon the foregoing Findings of Fact, the Division makes the following:

V. **CONCLUSIONS OF LAW**

18. The previous paragraphs are incorporated by this reference.

19. The Administrator, after consideration of the facts set forth above, finds and concludes
that the Secretary has jurisdiction over the Respondent and this matter and that the following is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by the Act.

20. The investment offered by Respondent to JP was a security within the meaning of the Act.

21. Respondent made material misrepresentations to Mississippi investor JP, when he advised JP that investment in the security he offered was a “sure thing” and that an investment of $5,000.00 would return $25,000.00 in only eight weeks. Respondent violated Section 75-71-501(2) of the Act with this material misrepresentation.

22. Respondent gave JP an executed promissory note in exchange for JP’s investment, to lend legitimacy to himself and the investment. Respondent violated Section 75-71-501(1) of the Act by supplying JP with the promissory note, as the same was part of a scheme to defraud. Respondent used the promissory note to assist him in fraud in violation of the Act.

23. The promissory note executed and given by Respondent to JP operated as a fraud or deceit upon JP. Respondent violated Section 75-71-501(3) of the Act.

VI. ORDER

IT IS HEREBY ORDERED:

1. That Respondent immediately CEASE AND DESIST from offering for sale and selling any security in Mississippi;

2. It is FURTHER ORDERED that Respondent immediately PAY RESTITUTION to investor JP, in the amount of Five Thousand Dollars ($5,000.00), plus interest at the legal rate of interest from the date of purchase;
3. It is FURTHER ORDERED that Respondent immediately PAY AN ADMINISTRATIVE PENALTY of Thirty Thousand Dollars ($30,000.00) for violations of the Section 75-71-501 of the Act as set forth above.

VII. RIGHT TO AN ADMINISTRATIVE HEARING

If the 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 Jeffrey L. Lee, 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 Order to Cease and Desist, to Pay Restitution, and to Pay Administrative Penalty. 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. If a request for hearing is not timely filed, this Cease and Desist Order becomes final, without any further action, by operation of applicable law.

VIII. RIGHT TO AMEND

The Secretary of State hereby reserves the right to amend this Order to Cease and Desist, to Pay Restitution, and to Pay an Administrative Penalty, for activities in violation of the Act.

ISSUED, this the 2nd day of November, 2017.
CERTIFICATE OF SERVICE

I, Jeffrey L. Lee, do hereby certify that I have this day, mailed a true and correct copy, via certified mail, return receipt requested, of the Order to Cease and Desist, to Pay Restitution, and to Pay an Administrative Penalty to the following:

Michael B. Anderson
18078 Carson Court
Saucier, MS 39574

This the 2nd day of November 2017.

Jeffrey L. Lee, MSB# 103180
Mississippi Secretary of State’s Office
Post Office Box 136
Jackson, Mississippi 39205
(601) 359-6366
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