

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

IN THE MATTER OF

JOHNNIE DANCY

**Administrative Order
Number LS-20-4012-B**

Respondent

ORDER TO CEASE AND DESIST AND TO PAY RESTITUTION

WHEREAS, the Secretary of State of the State of Mississippi (“Administrator”) 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 to -701 (2016 & Supp. 2018); and

WHEREAS, Johnnie Dancy (“Dancy” or “Respondent”) has violated provisions of the Act; and

WHEREAS, the Securities Division of the Mississippi Secretary of State’s Office (“Division”) is authorized to issue an order 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, 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; 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 hereby enters its Order to Cease and Desist to Pay Restitution:

I. FINDINGS OF FACT

Parties

1. The Secretary of State has the authority pursuant to the Act, to administer and enforce the Act and to regulate the offer and sale of securities in Mississippi as well as the firms and persons who offer or sell securities or who provide investment advice regarding securities.
2. Johnnie Dancy is an individual with an email address of TIGGERTHORN3@gmail.com and a last known address of 14001 Fondren Road, Missouri City, TX 77489. Dancy is not and has not at any time been registered with the Division in any capacity.

Events

3. The Division discovered an advertisement entitled "MAKE 5000\$ A WEEK P E N N Y STOCKS \$\$\$\$\$\$we" that Dancy had posted on Craigslist, an online classified advertisements website. In the advertisement, Dancy said, "I LL SHOW YOU HOW TO OPEN YOUR OWN TD ACCOUNT AND SHOW U HOW WE MAKE HUGE PROFITS" by investing in penny stocks—stocks that trade below five dollars (\$5.00) a share—and offered to train prospective clients, presumably on how to make "HUGE PROFITS" and "HUGE GAINS," for two hundred dollars (\$200.00).
4. The advertisement further said that Dancy was not only offering to train potential clients but also offering to work with them, and he made such statements as "WE CAN MAKE

MONEY TOGETHER RIGHT AWAY EVEN IF U DONT HAVE MUCH CASH!!!!!!” and “I CAN TRAIN YOU FOR 200\$ OR THERE ARE OTHER OPTIONS. FOR ME AND U TO MAKE A TON OF CASH WORKING TOGETHER!!!!!!” Dancy also claimed that the system promoted in the advertisement could result in “SOMETIMES 1000 PERCENT RETURNS!!!!!!”

5. The advertisement further stated:

“NEW WINNERS

INO 8\$ TO 14\$!!!

AMAZ 0016 TO 0037 100%!!!

Crc 1\$ TO 2.10 ...100%!!!

TLSS 40% TODAY BOUGHT IT FRIDAY!!!!

TLSS TODAY REBOUGHT IT AGAIN 320% THIS TIME CRAZY!!!!!!!!!!”

Dancy referred to specific trades and amounts earned from the trades without providing contextual information or support material and documentation, including historical recommendations and investment performance.

6. Dancy first ran the Craigslist advertisement targeted to persons in and around Meridian, Mississippi, on May 14, 2020.

7. At all times relevant to this action, Dancy was not registered with the Division.

II. APPLICABLE LAW

8. Miss. Code Ann. Section 75-71-102 sets forth:

Definitions.

(1) “Administrator” means the Secretary of State.

...

(15) "Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the

advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation. ...

- (28) "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.

9. Under Miss. Code Ann. Section 75-71-403(a), "It is unlawful for an individual to transact business in this state as an investment adviser unless the person is registered under

this chapter as an investment adviser or is exempt from registration as an agent under subsection (b).”

10. Miss. Code Ann. Section 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.

11. The Division may employ remedies set out in Miss. Code Ann. Section 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; 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;

- (3) Issue an order:

- (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.

12. Miss. Code Ann. Section 75-71-611(b) sets forth:

(b) **Conduct constituting appointment of agent for service.** If a person, including a nonresident of this state, engages in an act, practice, or course of business prohibited or made actionable by this chapter or a rule adopted or order issued under this chapter and the person has not filed a consent to service of process under subsection (a), the act, practice, or course of business constitutes the appointment of the administrator as the person's agent for service of process in a noncriminal action or proceeding against the person or the person's successor or personal representative.

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

III. CONCLUSIONS OF LAW

14. The Administrator, after consideration of the facts set forth above, finds and concludes that the Secretary has jurisdiction over the Respondents 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.

15. The penny stocks Darcy promotes trading in are securities as defined in Miss. Code Ann. Section 75-71-102(28).

16. When Dancy offered, for compensation, his services to advise clients on how to make money trading in securities, specifically penny stocks, he acted as an investment adviser as defined in Miss. Code Ann. Section 75-71-102(15).

17. When Dancy transacted business as an investment adviser without being registered with the Division, he violated Miss. Code Ann. Section 75-71-403(a).

18. Dancy violated Miss. Code Ann. Section 75-71-501 when he omitted to state material, contextual information in his representations throughout the advertisement.

19. When Dancy lured potential clients into his scheme using incomplete and misleading language such as "MAKE 5000\$ A WEEK," Dancy violated Miss. Code Ann. Section 75-71-501 as the language he used in the advertisement omitted material facts such as disclosures stating that returns or profits cannot be guaranteed.

IV. ORDER

IT IS HEREBY ORDERED:

1. That Respondent immediately CEASE AND DESIST from offering investment advice in Mississippi or to residents of Mississippi;
2. That Respondent immediately CEASE AND DESIST from making intentional fraudulent statements and other misrepresentations that operate or would operate as a fraud upon investors;
3. That Respondent PAY RESTITUTION to any Mississippi client (investor) in an amount not less than the client's total investment, with individual restitution amounts owed to be determined in a subsequent order by the Administrator.

V. 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 Jessica Leigh Long, Assistant Secretary of State, Securities Division, Mississippi Secretary of State's Office, Post Office Box 136, Jackson, MS 39205, within thirty (30) days from the date of receipt of this Order to Cease and Desist and to Pay Restitution. 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, as well as 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 Order becomes final, without any further action, by operation of law.

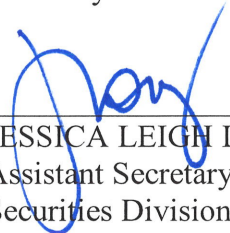
VI. RIGHT TO AMEND

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

ISSUED this the 5th day of June, 2020.

Michael Watson
Secretary of State

BY:



JESSICA LEIGH LONG
Assistant Secretary of State
Securities Division

CERTIFICATE OF SERVICE

I, Jessica Leigh Long, 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 the following:


Johnnie Dancy
Tiggerthorn3@@gmail.com

Johnnie Dancy
1401 Fondren Road
Missouri City, TX 77489

Johnnie Dancy
c/o Secretary of State of Mississippi
Securities Division
P.O. Box 136
Jackson, MS 39205

91 7199 9991 7039 7017 8617

This the 5th day of June, 2020.



JESSICA LEIGH LONG
Assistant Secretary of State
Securities Division

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