

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

IN THE MATTER OF

**WILLIAM C. MAROTTA
BULLSEYE TRADING, LLC**

**Administrative Order
Number LS-21-4792**

Respondent

ORDER TO CEASE AND DESIST

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 (2020); and

WHEREAS, William C. Marotta (“Marotta” 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 an 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 hereby enters its Order to Cease and Desist.

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. Marotta is an individual with a last known Mississippi address of 3711 Pleasant Hill Rd., Olive Branch, MS 38654. Marotta is not and has not at any time been registered with the Division in any capacity.

3. Bullseye Trading, LLC ("Bullseye") was a Florida company with the address of 6503 North Military Trail, Boca Raton, FL 33427. Bullseye is not and has not at any time been registered with the Division in any capacity.

Events

4. Bullseye was formed in Florida on July 20, 2020, and Marotta was listed as a manager in the formation documents. The business was voluntarily dissolved on October 9, 2020.

5. On August 3, 2021, the Division was notified by the Miami office of the Securities and Exchange Commission ("SEC") about an investor complaint they received regarding unregistered activity. The complaint alleged Marotta, through Bullseye, was soliciting money from investors for "pre-IPO" shares of Robinhood Markets, Inc. ("Robinhood"). The SEC referred the complaint to the Division based on Marotta's address listed on Bullseye's business formation documents.

6. Upon investigation, the Division discovered Marotta lived in, and operated Bullseye out of, his Olive Branch, Mississippi, residence. In addition to soliciting money for pre-IPO shares of Robinhood, Marotta was soliciting customers to subscribe to his investment advisory services.

7. In communications with a Complainant 1, Marotta offered two subscription levels. There was a \$50 per month option and a \$200 per month “premium” subscription option for personalized stock picks.

8. On June 3, 2020, Marotta communicated via a messaging app with Complainant 1. The communications, in part, went as follows:

- Complainant 1 tells Marotta that he will invest \$500-\$1000 if Marotta will “lead him in the right direction and make him some money.”
- Marotta tells Complainant 1, “I’m going to 10000% lead you in the right direction lol not worried about that” and that “all he needs to do is subscribe to the premium channel to get buy and sell signals.” Marotta then lets him know that it costs \$50 for the first month and instructs him to send the money through Cash App and he will be invited into the premium channel.
- Marotta then discusses with Complainant 1 the types of investments that Complainant 1 would be interested in.
- Marotta then mentions that the premium channel “blew up” when he advised the group on two trades that made 400% gains.

9. On June 4, 2020, Complainant 1 sent Marotta a screenshot receipt of the \$50 fee being paid to Marotta which gave him access to Marotta’s services. Complainant 1 then asked Marotta if he should buy stock after hours and Marotta advised him to hold on to what he had.

10. On June 26, 2020, Marotta asked Complainant 1 for the remaining VIP subscription payment and on June 28, 2020, Complainant 1 sent Marotta a screenshot receipt of him paying Marotta \$240. Marotta told Complainant 1 to show him his portfolio and then advised him on whether to hold, buy, or sell various stocks in his portfolio.

11. The Division made multiple attempts to contact Marotta in regards to the investigation. Additionally, the Division sent subpoenas to known addresses of Marotta. To date, the Division has been unable to interview Marotta regarding the investigation.

12. At all times relevant to this action, Marotta and Bullseye were not registered with the Division in any capacity.

II. APPLICABLE LAW

13. Miss. Code Ann. Section 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.

...

14. Miss. Code Ann. Sections 75-71-403 to -404 state:

§ 75-71-403. Investment adviser registration requirement and exemptions.

- (a) **Registration requirement.** It is unlawful for a person 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 investment adviser under subsection (b).

- (b) **Exemptions from registration.** The following persons are exempt from the registration requirement of subsection (a):

- (1) A person without a place of business in this state that is registered under the securities act of the state in which the person has its principal place of business if its only clients in this state are:
- (A) Federal covered investment advisers, investment advisers registered under this chapter, or broker-dealers registered under this chapter;
- (B) Institutional investors;

- (C) Bona fide preexisting clients whose principal places of residence are not in this state if the investment adviser is registered under the securities act of the state in which the clients maintain principal places of residence; or
 - (D) Any other client exempted by rule adopted or order issued under this chapter;
 - (2) A person without a place of business in this state if the person has had, during the preceding twelve (12) months, not more than five (5) clients that are resident in this state in addition to those specified under paragraph (1); or
 - (3) Any other person exempted by rule adopted or order issued under this chapter.
- (c) **Limits on employment or association.** It is unlawful for an investment adviser, directly or indirectly, to employ or associate with an individual to engage in an activity related to investment advice in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with an investment adviser, federal covered investment adviser, or broker-dealer by an order under this chapter, the Securities and Exchange Commission, or a self-regulatory organization, unless the investment adviser did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from the investment adviser and for good cause, the administrator, by order, may waive, in whole or in part, the application of the prohibitions of this subsection to the investment adviser.
- (d) **Investment adviser representative registration required.** It is unlawful for an investment adviser to employ or associate with an individual required to be registered under this chapter as an investment adviser representative who transacts business in this state on behalf of the investment adviser unless the individual is registered under Section 75-71-404(a) or is exempt from registration under Section 75-71-404(b).

§ 75-71-404. Investment adviser representative registration requirement and exemptions.

- (a) **Registration requirement.** It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser representative under subsection (b).
- (b) **Exemptions from registration.** The following individuals are exempt from the registration requirement of subsection (a):
 - (1) An individual who is employed by or associated with an investment adviser that is exempt from registration under Section 75-71-403(b) or a federal covered investment adviser that is excluded from the notice filing requirements of Section 75-71-405; and
 - (2) Any other individual exempted by rule adopted or order issued under this chapter.
- (c) **Registration effective only while employed or associated.** The registration of an investment adviser representative is not effective while the investment adviser representative is not employed by or associated with an investment adviser registered under this chapter or a federal covered investment adviser that has made or is required to make a notice filing under Section 75-71-405.
- (d) **Limit on affiliations.** An individual may transact business as an investment adviser representative for more than one (1) investment adviser or federal covered investment adviser unless a rule adopted or order issued under this chapter prohibits or limits an individual from acting as an investment adviser representative for more than one (1) investment adviser or federal covered investment adviser.
- (e) **Limits on employment or association.** It is unlawful for an individual acting as an investment adviser representative, directly or indirectly, to conduct business in this state on behalf of an investment adviser or a federal covered investment adviser if the registration of the individual as an investment adviser representative is suspended or revoked or the individual is barred from employment or association with an investment adviser or a federal covered investment adviser by an order under this chapter, the Securities and Exchange Commission, or a self-regulatory

organization. Upon request from a federal covered investment adviser and for good cause, the administrator, by order issued, may waive, in whole or in part, the application of the requirements of this subsection to the federal covered investment adviser.

- (f) **Referral fees.** An investment adviser registered under this chapter, a federal covered investment adviser that has filed a notice under Section 75-71-405, or a broker-dealer registered under this chapter is not required to employ or associate with an individual as an investment adviser representative if the only compensation paid to the individual for a referral of investment advisory clients is paid to an investment adviser registered under this chapter, a federal covered investment adviser who has filed a notice under Section 75-71-405, or a broker-dealer registered under this chapter with which the individual is employed or associated as an investment adviser representative.

15. Sections 75-71-501 and -502(a) of the Act state:

§ 75-71-501. 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.

§ 75-71-502. Prohibited conduct in providing investment advice.

- (a) **Fraud in providing investment advice.** It is unlawful for a person that advises others for compensation, either directly or indirectly 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 part of a regular business, issues or promulgates analyses or reports relating to securities:

(1) To employ a device, scheme, or artifice to defraud another person; or

(1) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

16. Section 75-71-601(a) of the Act states that “[t]he administrator shall administer this chapter”—that is, the Mississippi Securities Act.

17. According to Section 75-71-604 of the Act,

§ 75-71-604. 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;

...

(2) Issue an order:

...

(C) Barring or suspending the person from association with a broker-dealer or investment advisor registered in this state[.]

....

(b) **Summary process.** An order under subsection (a) is effective on the date of issuance. Upon issuance of the order, the administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered, in accordance with Section 75-71-611.

The order must include a statement of any civil penalty or other administrative remedy to be imposed under subsection (a) or costs of investigation the administrator will seek, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing and none is ordered by the administrator within thirty (30) days after the date of service of the order, the order, including the imposition of a civil penalty or other administrative remedy to be imposed under subsection (a) or requirement for payment of the costs of investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

- (c) **Procedure for final order.** If a hearing is requested or ordered pursuant to subsection (b), a hearing must be held pursuant to the administrative hearing procedures set forth in the rules. A final order may not be issued unless the administrator makes findings of fact and conclusions of law in a record in accordance with the administrative hearing procedures set forth in the rules. The final order may make final, vacate, or modify the order issued under subsection (a).

III. CONCLUSIONS OF LAW

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

19. When Marotta, for compensation, engaged in the business of advising others as to the value of securities and the advisability of investing in, purchasing, or selling securities, specifically which stocks his clients should buy and sell, he acted as an investment adviser as defined in Miss. Code Ann. Section 75-71-102(15).

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

IV. ORDER

IT IS HEREBY ORDERED:

21. That Respondent immediately CEASE AND DESIST from offering investment advice under his name, or through Bullseye, by any means, including, but not limited to, mail, website, internet, social media, or any electronic communications to or from the State of Mississippi;

22. That Respondent immediately CEASE AND DESIST from making fraudulent statements and other misrepresentations that operate or would operate as a fraud upon investors;

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 Eric S. Slee, 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. Within fifteen (15) days after the request, the matter would be scheduled for a hearing. 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

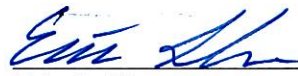
Officer. If a request for hearing is not timely filed, this Order becomes final, without any further action, by operation of law.

VI. RIGHT TO AMEND

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

ISSUED, this the 5th day of September 2023.

Michael Watson
Secretary of State

BY: 
Eric S. Slee
Assistant Secretary of State
Securities Division

CERTIFICATE OF SERVICE

I, Eric S. Slee, 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:

William C. Marotta
3711 Pleasant Hill Rd.
Olive Branch, MS 38654

91 7199 9991 7039 3887 5305

William C. Marotta
1105 Neptune Ct.
Forked River, NJ 08731

91 7199 9991 7039 3887 5312

William C. Marotta
c/o Secretary of State of Mississippi
Securities Division
Post Office Box 136
Jackson, MS 39205

91 7199 9991 7039 3887 5329

This the 5th day of September 2023.



Eric S. Slee
Assistant Secretary of State
Securities Division

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