

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 343041

CHRISTOPHER M. ROUMAYEH  
CRD# 4510051

Respondent.

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This 3<sup>rd</sup> day of February, 2021

Issued and entered

**NOTICE AND ORDER TO CEASE AND DESIST**

Linda Clegg, the Director (“Administrator”) of the Corporations, Securities, and Commercial Licensing Bureau (“Bureau”), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (“Securities Act”), hereby orders Christopher M. Roumayeh (“Respondent”) to cease and desist from making or causing to be made statements that are false or misleading in records to the Administrator, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. Christopher M. Roumayeh (CRD#4510051, “Respondent”) is registered as an investment adviser representative associated with Capital Asset Advisory Services, LLC (CRD/IARD#110929, “CAAS”), a federal covered investment adviser notice-filed in Michigan. Respondent was previously registered as an agent and an investment adviser representative associated with Merrill, Lynch, Pierce, Fenner & Smith Incorporated (CRD#7691, “ML”); he voluntarily resigned from ML in or around June of 2019 after ML began an internal review of Respondent’s activities.

**B. Findings of Fact**

1. The Bureau investigated Respondent's activities under the Securities Act after a Financial Industry Regulatory Authority ("FINRA") regulatory filing notified the Bureau of an Acceptance, Waiver, and Consent ("AWC") was entered wherein Respondent agreed to be suspended from association with any FINRA member.
2. Respondent agreed in the AWC to be suspended from association with any FINRA member from June 1, 2020 until February 28, 2022 because of allegations related to his association an undisclosed E-Sports business while employed by ML.
3. FINRA alleged, and Respondent neither admitted nor denied<sup>1</sup>, that between 2014 and 2019 he failed to disclose outside business activities ("OBAs") involving an E-Sports team business, submitted false statements to ML regarding the OBAs, participated in a private securities transaction to raise capital for the OBAs without notifying or receiving permission from ML, and concealed his relationships with the OBAs by forming entities and establishing bank accounts in his spouse's name.
4. Respondent was the subject of an investigation by the Bureau in 2019 in relation to the OBAs and his regulatory disclosures. In connection with the investigation, Respondent made various representations to Bureau staff in correspondence dated October 4, 2019, including:

A. "Mr. Roumayeh did not participate in any capital raising and/or investment matters regarding [the E-Sports team]. Mr. Roumayeh did not solicit any investment(s) in [the E-Sports team] from clients and /or employees, or from any other individuals and/or entities."

B. "[Mr. Roumayeh] also did not participate in the formation of [the E-Sports team], or in any investment, borrowing and/or any other financial matters concerning [the E-Sports team].

C. "[The E-Sports team] was formed as an independent business venture solely between [ML Customer] and [Respondent's spouse]... Mr. Roumayeh did not have banking or check signing authority for [the E-Sports team], and did not pay any invoices or execute any other financial transactions for [the E-Sports team].

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<sup>1</sup> Respondent, through counsel, stated in correspondence to the Bureau that the statements of fact in the AWC are accurate recitations of what occurred with respect to Respondent's OBAs.

5. The above representations quoted from the October 4, 2019 correspondence to the Bureau directly contradict the facts outlined in the FINRA AWC. Respondent has acknowledged through counsel in writing that the FINRA AWC is factually accurate. Specifically:

A. Respondent stated in October 2019 that he did not engage in any capital raising activities for the E-Sports team even though the FINRA AWC identifies that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

B. Respondent stated in October 2019 that he did not participate in the formation of the E-Sports team or any financial matters on its behalf even though the FINRA AWC states that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

C. Respondent stated in October 2019 that the E-Sports team venture was “solely” between a ML customer and Respondent’s spouse and that Respondent executed no financial transactions for the venture even though the FINRA AWC states that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

## **II. RELEVANT STATUTORY PROVISIONS**

1. Section 505 of the Securities Act, MCL 451.2505, states:

A person shall not make or cause to be made, in a record that is used in an action or proceeding or filed under this act, a statement that, at the time and in the light of the circumstances under which it is made, is false or misleading in a material respect, or, in connection with the statement, omit to state a material fact necessary to make the statement made, in the light of the circumstances under which it was made, not false or misleading.

## **III. CONCLUSIONS OF LAW**

1. Respondent Christopher M. Roumayeh made or caused to be made multiple written statements that at the time and in light of the circumstances under which they were made were false and misleading in a material respect when he made multiple false statements regarding his participation in an E-Sports team Other Business Activity. The false statements Respondent submitted were in violation of section 505 of the Securities Act, MCL 451.2505.

#### IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from filing false information with the Administrator, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, MCL 451.2604(2) this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In a Final Order, the Administrator intends to impose a civil fine of \$10,000.00 against Respondent under section 604(4) of the Securities Act, MCL 451.2604(4).
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

#### V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau  
Regulatory Compliance Division  
P.O. Box 30018  
Lansing, MI 48909

#### VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the

fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$10,000.00 – Christopher M. Roumayeh, under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau  
Final Order Monitoring  
P.O. Box 30018  
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

  
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Linda Clegg, Director and Administrator  
Corporations, Securities & Commercial Licensing Bureau

2/3/2021  
Date



**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

In the matter of:

Agency No. 343041

CHRISTOPHER M. ROUMAYEH  
CRD# 4510051

Respondent.

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This 3<sup>rd</sup> day of February, 2021

Issued and entered

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REPRESENTATIVE REGISTRATION**

**I. RELEVANT FACTS AND APPLICABLE LAW.**

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* ("Securities Act"):

1. Christopher M. Roumayeh (CRD#4510051, "Respondent") is registered as an investment adviser representative associated with Capital Asset Advisory Services, LLC (CRD/IARD#110929, "CAAS"), a federal covered investment adviser notice-filed in Michigan. Respondent was previously registered as an agent and an investment adviser representative associated with Merrill, Lynch, Pierce, Fenner & Smith Incorporated (CRD#7691, "ML"); he voluntarily resigned from ML in or around June of 2019 after ML began an internal review of Respondent's business activities.
2. The Corporations, Securities, and Commercial Licensing Bureau ("the Bureau") within the Michigan Department of Licensing and Regulatory Affairs routinely monitors disclosures made through the Financial Industry Regulatory Authority's ("FINRA") Central Registration Depository ("CRD"). One such disclosure related to Respondent and was filed by ML with respect to an internal review into Respondent's activities in the securities industry.
3. The Bureau's investigation developed evidence that Respondent, while employed as an agent and investment adviser representative of ML, engaged in an undisclosed outside business activity ("OBA"), intentionally withheld information about the OBA from ML, and that submitted false information to the Bureau in a prior investigation related to the OBA.
4. The Bureau previously requested information from Respondent on various topics associated with the OBA. The question topics included organization of entities

associated with the OBA, capital raising for the OBA, operations of and transactions for the OBA, among others. Respondent repeatedly denied his significant involvement with the OBA and stated that it was his spouse's business venture. These assertions were made in writing to the Bureau on or around October 4, 2019 and were false. Examples of false statements include:

A. "Mr. Roumayeh did not participate in any capital raising and/or investment matters regarding [the E-Sports team]. Mr. Roumayeh did not solicit any investment(s) in [the E-Sports team] from clients and/or employees, or from any other individuals and/or entities."

B. "[Mr. Roumayeh] also did not participate in the formation of [the E-Sports team], or in any investment, borrowing and/or any other financial matters concerning [the E-Sports team]."

C. "[The E-Sports team] was formed as an independent business venture solely between [ML Customer] and [Respondent's spouse]... Mr. Roumayeh did not have banking or check signing authority for [the E-Sports team], and did not pay any invoices or execute any other financial transactions for [the E-Sports team]."

5. Each of the representations in paragraphs I.4.A – I.4.C were false when they were made to the Bureau in June of 2019, and Respondent acknowledged<sup>1</sup> as much in an Acceptance, Waiver, and Consent ("AWC") with FINRA in or around May of 2020 which suspended him from association with any FINRA member:

A. Respondent stated in October 2019 that he did not engage in any capital raising activities for the E-Sports team even though the FINRA AWC identifies that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

B. Respondent stated in October 2019 that he did not participate in the formation of the E-Sports team or any financial matters on its behalf even though the FINRA AWC states that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

C. Respondent stated in October 2019 that the E-Sports team venture was "solely" between a ML customer and Respondent's spouse and that Respondent executed no financial transactions for the venture even though the FINRA AWC

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<sup>1</sup> Respondent, through counsel, stated in correspondence to the Bureau that the statements of fact in the AWC are accurate recitations of what occurred with respect to Respondent's OBAs.

states that he did; the statement was not true at the time and was submitted in writing to the Bureau in connection with its investigation at the time.

6. Respondent, concurrent with the issuance of this Notice of Intent to Revoke Investment Adviser Representative Registration, is the subject of a Notice and Order to Cease and Desist for submitting false statements to the Administrator in violation of MCL 451.2505.
7. The Director ("Administrator") of the Bureau has reviewed materials relating to Respondent's actions as a registrant under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke Respondent's investment adviser representative registration.
8. Section 412(2) of the Securities Act, MCL 451.2412(2), states:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, or director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

9. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

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(e) The person is the subject of an order, issued after notice and opportunity for hearing by any of the following:

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(iii) The securities and exchange commission or a self-regulatory organization suspending or expelling the registrant from membership in a self-regulatory organization.

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(l) The person is the subject of a cease and desist order issued by the securities and exchange commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state.

(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years...



10. Section 412(7) of the Securities Act, MCL 451.2412(7) states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

11. The Administrator may revoke Respondent Christopher M. Roumayeh's investment adviser representative registration under section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest and because:

- A. Respondent is the subject of an order issued by a self-regulatory organization suspending him from membership, causing the applicability of section 412(4)(e)(iii), MCL 451.2412(4)(e)(iii);
- B. Respondent is the subject of a cease and desist order issued by a state securities regulator, causing the applicability of section 412(4)(l), MCL 451.2412(4)(l); and
- C. Respondent engaged in dishonest or unethical behavior in the securities industry by being dishonest with his previous employer in regulatory filings and by submitting false information to the Bureau in written submissions during an investigation, causing the applicability of section 412(4)(m), MCL 451.2412(4)(m).

## **II. ORDER.**

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

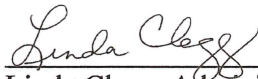
1. The Administrator intends to revoke the investment adviser representative registration of Christopher M. Roumayeh under section 412(2) of the Securities Act, MCL 451.2412(2), because he is subject to an order from a self-regulatory organization suspending him from membership; he is the subject of a cease and desist order issued by a state; and, because he engaged in dishonest or unethical business practices in the securities industry within the previous 10 years, all of which support the revocation of the investment adviser representative registration under the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is notice that the Administrator intends to commence administrative proceedings to revoke Respondent's investment adviser representative registration, and that Respondent has thirty (30) days after the date that this Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

**If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.**

**Requests for compliance conferences and hearings may be submitted by e-mail to CSCL-FOIA@michigan.gov.**

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES, AND COMMERCIAL LICENSING BUREAU

  
\_\_\_\_\_  
Linda Clegg, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

2/3/2021  
\_\_\_\_\_  
Date