

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

In the matter of:

Agency No. 339869

DANIEL CADEZ, JR.  
CRD# 3001507

and

THE CADEZ GROUP, LTD  
D/B/A ADVANCED FINANCIAL PLANNING, INC.  
CRD/IARD# 116896  
Respondents.

Agency No. 338687

Issued and entered  
this 24~~th~~ day of October, 2019

**CONSENT ORDER RESOLVING:**

- **Notice of Intent to Revoke Investment Adviser Representative Registration of Daniel Cadez, Jr.;**
- **Notice of Intent to Revoke Investment Adviser Registration of The Cadez Group, Ltd, D/B/A Advanced Financial Planning, Inc.; and**
- **Notice and Order to Cease and Desist.**

A. Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (the Act), 2008 PA 551, MCL 451.2101 *et seq* (the “Securities Act”):

1. Daniel Cadez, Jr. (CRD# 3001507, “Cadez”) is an individual who resides in the State of Michigan and is registered in Michigan as an investment adviser representative of the Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD/IARD# 116896 (“The Cadez Group”), a Michigan-registered adviser.
2. The Cadez Group is a Michigan corporation that is registered as an investment adviser pursuant to the Securities Act. The Cadez Group is owned and operated by Cadez.
3. On July 31, 2019, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau

(the "Bureau") and the Director of the Bureau who serves as the Administrator of the Act (the "Administrator") issued a Notice and Order to Cease and Desist ("C&D") to Cadez under MCL 451.2411(6) and MCL 451.2501(b). The C&D Order asserted that:

- a. Cadez violated the Securities Act by taking and maintaining custody of client funds without obtaining annual audits for the years 2015, 2016, 2017, 2018, or to date in 2019 as required by 17 CFR 275.206(4)-2, contrary to Order No. 2011-009-M, the Sixth Transition Order Administering the Securities Act, Rule 451.4.13, and MCL 451.2411(6).
  - b. Cadez, through the private placement memorandum he distributed to investors on behalf of Pishon Partners, LP, represented that investors would receive annual audited financial statements from the limited partnership; this representation was untrue, as no audited financial statements were prepared and distributed for the years 2015, 2016, 2017, 2018, or to date in 2019. The statement regarding provision of annual audited financial statements was in connection with the offer or sale of a security, material, and untrue, contrary to section 501(b) of the Securities Act, MCL 451.2501(b).
4. On July 31, 2019, the Bureau and the Administrator also issued a Notice of Intent to Revoke Investment Adviser Representative Registration and Order of Summary Suspension to Cadez (Agency No. 339869) and a separate Notice of Intent to Revoke Investment Adviser Registration and Order of Summary Suspension to The Cadez Group (Agency No. 338687).
  5. The July 31, 2019 Notice of Intent (NOI) issued to The Cadez Group was based on The Cadez Group's alleged custody of client funds or securities as a result of its associated person Cadez's role in a private fund called Pishon, Ltd., in violation of the Securities Act. As of July 31, 2019, The Cadez Group's Investment Adviser registration was summarily suspended pending outcome of revocation proceedings instituted by the NOI in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).
  6. The July 31, 2019 NOI issued to Cadez was based on Cadez's alleged unlawful custody of The Cadez Group client funds or securities in violation of the Securities Act as well as Cadez's alleged untrue statements of fact in
-

connection with the offer or sale of a security. As of July 31, 2019, Cadez's Investment Adviser Representative registration was summarily suspended pending the outcome of revocation proceedings instituted by the NOI in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).

7. Cadez and The Cadez Group timely requested an opportunity to meet with the Bureau in an attempt to negotiate a resolution of the above-captioned matters, including both NOIs and the C&D Order. Thereafter, Cadez, on behalf of himself and The Cadez Group, along with legal counsel for Cadez and The Cadez Group, met with representatives of the Bureau on September 3, 2019 and, as a result of that meeting and further negotiations, the Bureau, Cadez, and The Cadez Group agree to and recommend that the Administrator order a settlement of these matters under the terms and conditions set forth in this Stipulated Consent Order. The Cadez Group and Cadez were represented by, and had the advice of, legal counsel throughout the process of resolving the C&D Order and the July 31, 2019 NOIs. At the meeting, Cadez and the Cadez Group represented that Pishon Partners, LP ceased all trading activities in 2016 and filed a final partnership tax return for 2016, and that approximately \$9,000 of funds were still held at its brokerage firm, which the brokerage firm refused to release because Pishon Partners, LP no longer had a bank account.

## B. STIPULATION

The Cadez Group and Cadez ("Respondents"), and the Administrator (collectively, "the Parties") agree that the C&D Order and NOIs will be resolved and the Summary Suspensions lifted based upon the following conditions:

1. Respondents agree to comply with the Securities Act in connection with all future conduct and activities.
2. Respondents neither admit nor deny the allegations in the C&D Order or the NOIs, and neither admit nor deny any wrongdoing in connection with these matters. Respondents consent to entry of this Consent Order only for the purpose of resolving the C&D Order and the NOIs in an expeditious fashion that avoids the time and expense associated with an administrative proceeding and any appeals therefrom. The Parties agree that this Consent Order is automatically admissible in a proceeding to enforce its provisions or in any administrative proceeding under the Securities Act.

3. The Parties agree that this Consent Order resolves only Respondents' activities, conduct, and alleged Securities Act violations contained in the C&D Order and the NOIs, but it does not address or resolve any other activities, conduct, or potential Securities Act violations engaged in by Respondents not expressly contained in the C&D Order or NOIs or occurring after the date of this Consent Order.
  4. Respondents agree that, effective upon entry of this Consent Order, any request for an administrative hearing related to the C&D Order and/or the NOIs is automatically revoked without further action of the Parties.
  5. The Cadez Group agrees to the revocation of its Michigan Investment Adviser Registration, CRD/IARD# 116896 and Cadez agrees to the revocation of his Michigan Investment Adviser Representative Registration, CRD# 3001507, which shall be effective no later than ninety (90) days after the effective date of this Consent Order and as set forth in Paragraphs B.6. and B.7.
  6. The Parties represent that The Cadez Group currently supervises an Investment Adviser Representative, John W. Ellison ("Ellison"), who is located in Wisconsin. The Cadez Group shall be permitted to continue to supervise Ellison as Ellison's Investment Adviser for no more than ninety (90) days after the effective date of this Consent Order, at which time The Cadez Group's Michigan Investment Adviser registration shall be revoked. If, however, Ellison affiliates with another Investment Adviser at any time prior to ninety (90) days after the effective date of this Consent Order, then The Cadez Group shall so inform the Bureau and the Bureau shall, at that time, update The Cadez Group's registration status on CRD to "Revoked", and file. Until such time as The Cadez Group's Michigan Investment Adviser registration is revoked, The Cadez Group shall not supervise any other Investment Adviser Representatives, other than Ellison, and shall not accept any new clients.
  7. Cadez agrees that the Bureau shall revoke his Michigan Investment Adviser Representative registration. To the extent Cadez is required to maintain his Investment Adviser Representative registration as a condition of maintaining Cadez Group's Investment Adviser registration, then Cadez shall be permitted to continue to maintain his Investment Adviser Representative registration for no more than ninety (90) days after the effective date of this Consent Order as set forth in paragraph B.6. Until such time as Cadez's Michigan Investment Adviser Representative registration is revoked, Cadez
-

shall not accept any new clients or provide investment advice to any clients. The Bureau shall update Cadez's registration status on CRD to "Approved-Restricted" until Cadez notifies the Bureau that he is no longer required to supervise Ellison, or until ninety (90) days after the effective date of this Consent Order, whichever is sooner, at which time the Bureau will update Cadez's registration status on CRD to "Revoked".

8. Respondents agree that to the extent they currently have custody over any client funds, they shall take immediate steps to distribute such funds to the owner(s) of such funds. The Parties represent that Respondent's attorney, Robert J. Mottern ("Mottern"), has received Respondents' client funds in his attorney trust account for the sole purpose of distributing the funds to the owner(s) of such funds. Upon distribution of Respondents' client funds through Mottern's attorney trust account, Mottern shall provide the Bureau with an affidavit describing the distribution of the funds, including the amount of funds distributed, to whom the funds were distributed, and the date of distribution. The account distribution and Mottern's affidavit to the Bureau describing the fund distribution shall be completed as soon as possible but no later than ninety (90) days after the effective date of this Consent Order.
9. The Administrator agrees to reduce the total fines in the C&D Order, and Respondents agree to pay, jointly and severally, a civil fine of \$1,000.00 to the Bureau within 120 days after the mailing date of this Consent Order. The fine must be paid by check or money order payable to the "State of Michigan," contain The Cadez Group and Cadez's identifying information (name and Agency Nos. 338687 and 339869), and be mailed to:

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

10. If any portion of the fine is overdue for at least six months, the Administrator may refer it to the Michigan Department of Treasury for collection action against The Cadez Group and/or Cadez. In addition, the Administrator reserves the right to pursue any other action or proceeding permitted by law to enforce payment of the fine.
11. The Parties acknowledge and agree that the Administrator retains the right to pursue any action or proceeding permitted by law to enforce compliance


with the provisions of this Consent Order, and that failure to comply with this Consent Order may result in the reinstatement of the C&D Order, pending any other action the Administrator chooses to take as a result of Respondents' failure to comply.

12. Respondents agree to cooperate with the Bureau and comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Consent Order or the Securities Act.
  13. Respondents acknowledge and agree that: (a) the Administrator has jurisdiction and authority to enter this Consent Order; (b) the Administrator may enter this Consent Order without any further notice to Respondents; and (c) upon entry of this Consent Order, it is final and binding, and Respondents waive any right to a hearing or an appeal of this Consent Order and the C&D Order or NOIs under the Securities Act, the rules promulgated under the Securities Act or the predecessor Securities Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
  14. The Parties understand and agree that this Consent Order will be presented to the Administrator for her final approval as evidence by its entry, and that the Administrator may, in her sole discretion, decide to accept or reject this Consent Order. If the Administrator accepts this Consent Order by entering it, this Consent Order becomes fully effective and binding in accordance with Paragraph B.13. above. If the Administrator rejects this Consent Order by refusing to enter it, the Parties waive any objection to submitting a hearing request for adjudication through a formal administrative proceeding and the Administrator remaining the final decisionmaker at the conclusion of that proceeding.
  15. Following entry of the attached Order, the Bureau will file a Form U6 reflecting the Parties' resolution of the NOI and C&D under this Consent Order. This Consent Order is a public record required to be published and made available to the public, consistent with section 11 of the Michigan Freedom of Information Act, MCL 15.241. The Bureau currently publishes copies of orders issued under the Act to the Bureau's website.
-

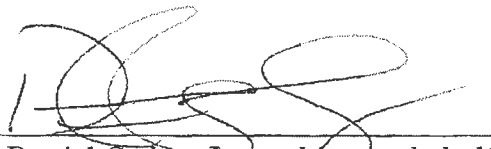
16. The Parties acknowledge and agree that this Consent Order contains the entire understanding of the Parties and supersedes and forever terminates all prior and contemporaneous representations, promises, understandings, and negotiations, whether oral or written, with respect to its subject matter. The Parties further agree that this Consent Order may only be amended, modified, or supplemented by a duly executed writing signed by each Party and approved by Order of the Administrator.
  17. The Parties acknowledge and represent that: (a) each Party has read this Consent Order in its entirety and fully understands all of its terms, conditions, ramifications, and consequences; (b) each Party unconditionally consents to the terms of this Consent Order; (c) each Party has consulted with or had ample opportunity to consult with legal counsel of his, her, or its choosing prior to executing this Consent Order; (d) each Party has freely and voluntarily signed this Consent Order; and (e) the consideration received by each Party as described in this Consent Order is adequate.
  18. Respondents understand and intend that by signing this Consent Order, they are waiving the right, pursuant to the Act, the rules promulgated under that Act and the Uniform Securities Act (Predecessor Act), 1964 PA 265, MCL 451.501 *et seq.*, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *et seq.*, to prior notice and a hearing before an administrative law judge, at which the Bureau would be required to defend any disciplinary action taken under Section 604 (6) of the Act, MCL 451.2604, by presentation of evidence and legal authority and at which Respondents would be entitled to appear with or without an attorney to cross-examine all witnesses presented by the Bureau and to present such testimony or other evidence or legal authority deemed appropriate.
  19. The Parties agree that facsimile or electronically transmitted signatures may be submitted in connection with this Consent Order and are binding on that Party to the same extent as an original signature.
-

Through their signatures, the Parties agree to the above terms and conditions:

Dated: 10/15/19

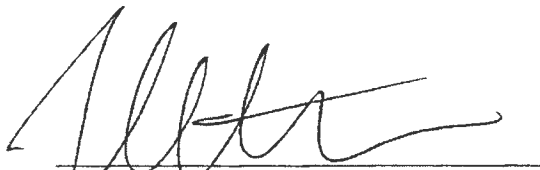
Signed:   
The Cadez Group  
By: Daniel Cadez, Jr.

Dated: 10/19/19

Signed:   
Daniel Cadez, Jr., on his own behalf

Acknowledged and Review by:

Dated: 10/18/19

Signed:   
Robert J. Mottern  
Attorney for Respondents

Approved by:

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_  
Timothy L. Teague  
Securities & Audit Division Director  
Corporations, Securities & Commercial  
Licensing Bureau



Through their signatures, the Parties agree to the above terms and conditions.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
The Cadez Group  
By: Daniel Cadez, Jr.

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Daniel Cadez, Jr., on his own behalf

Acknowledged and Review by:

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Robert J. Mottern  
Attorney for Respondents

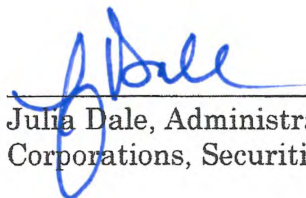
Approved by:

Dated: 10-21-19 Signed: Timothy L. Teague  
Timothy L. Teague  
Securities & Audit Division Director  
Corporations, Securities & Commercial  
Licensing Bureau

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THIS CONSENT ORDER ARE BINDING AND EFFECTIVE, IN ACCORD WITH THE FULLY EXECUTED STIPULATION CONTAINED HEREIN.



---

Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

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

In the matter of:

Agency No. 339869

DANIEL CADEZ, JR.  
CRD# 3001507

Respondent.

\_\_\_\_\_ /

This 31<sup>st</sup> day of July, 2019  
Issued and entered

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director (“Administrator”) of the Corporations, Securities & Commercial Licensing Bureau (“the 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 Daniel Cadez, Jr. (“Respondent”) to cease and desist from unlawfully taking custody of client funds or securities, and from making untrue statements of material facts in connection with the offer or sale of securities, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. Daniel Cadez, Jr. (CRD#3001507) (“Respondent”) is registered as an investment adviser representative through The Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc., (CRD/IARD#116896) (“TCG”), a Michigan-registered investment adviser firm. Respondent and TCG have been summarily suspended since on or around April 24, 2019. (Exhibits 1 and 2 – NOIs to Revoke and Orders of Summary Suspension).

**B. Findings of Fact**

1. The Bureau initiated an examination of Respondent’s investment adviser firm, TCG, in or around December of 2018. Respondent and TCG failed to cooperate

with the examination, resulting in the issuance of a Notice of Intent to Revoke and an Order of Summary Suspension against the registrations of both Respondent as an investment adviser representative and TCG as an investment adviser. These orders were issued on or around April 24, 2019. (Exhibits 1 and 2).

2. Thereafter, Respondent began cooperating with the examination and provided documents relevant to his and TCG's custody of client funds or securities, including private placement memorandums related to pooled investment vehicles over which Respondent maintained control, and certain audited financial statements with respect to those pooled investment vehicles.
3. Respondent organized and operated a "Mini Master-Feeder" structure private fund called Pishon, Ltd. with TCG as the fund's investment manager. Pishon, Ltd. invested all or substantially all of its assets into Pishon Partners, LP, a Delaware limited partnership whose general partner was Gaugamela Capital Management, LLC, an affiliate of TCG. All of these entities were controlled by Respondent. The limited partners of Pishon Partners, LP were passive investors who relied on Respondent's efforts to generate returns on their investments. Some investors were also investment advisory clients of TCG.
4. The private fund structure described in paragraph I.B.3 gave Respondent and TCG custody of TCG client assets under the Administrator's Transition Order 6, Order No. 2011-009-M ("Transition Order 6"), as "custody" is defined by SEC Rule 206(4)-2, 17 CFR 275.206(4)-2 ("the SEC Custody Rule").<sup>1</sup>
5. The SEC Custody Rule and Transition Order 6 generally prohibit custody of client funds or securities by investment advisers and their supervised persons unless the investment adviser undertakes specific safeguards depending on the variety of custody. Custody as a result of a private fund relationship as described in paragraph I.B.3 is permitted if the private fund at least annually distributes to its limited partners audited financial statements within 120 days of the end of its fiscal year which were audited by an independent certified public accountant overseen by the Public Company Accounting Oversight Board, and upon liquidation, it distributes audited financial statements to all of its limited partners.

---

<sup>1</sup> The custody provisions of Transition Order 6 were rescinded by Administrative Order 2019-1 on July 3, 2019. Rule 451.4.13 imposes the same requirements upon investment advisers in Michigan for conduct occurring on and after July 3, 2019 as Transition Order 6 did from its issuance in 2011 to its rescission in 2019. Transition Order 6 was in place for the bulk of the conduct described in this Notice and Order to Cease and Desist and is therefore primarily referred to in this memorandum. To the extent Respondent's conduct occurred under Rule 451.4.13, the applicability of 17 CFR 275.206(4)-2 remains the same, as do the legal analysis and conclusions.

6. Respondent complied with the safeguards described in paragraph I.B.5 for the years 2012, 2013, and 2014 by obtaining and distributing audited financial statements to limited partners of Pishon Partners, LP. Respondent has failed to provide evidence that he, TCG, or Pishon Partners, LP complied with Transition Order 6 or the SEC Custody Rule for the years 2015, 2016, 2017, 2018, or 2019.
7. The Confidential Private Offering Memorandum for Pishon Partners, LP, at page 59, stated:

The General Partner, in its sole discretion, may select the auditor *which will complete the year-end audit* for the Partnership. The Partnership's books of account *shall be audited* as of the close of each fiscal year by [CPA Firm], or any other independent accounting firm designated by the General Partner. Within 120 days after the end of each fiscal year, or as soon thereafter as is reasonably practicable, *annual reports containing audited financial statements will be sent to all Limited Partners.* [*Emphasis added.*] (Exhibit 3 – Excerpt of Pishon Partners, LP PPM).

8. Respondent and the various entities he controlled within the private fund structure failed to obtain and distribute audited financial statements to limited partners of Pishon Partners, LP for the years 2015, 2016, 2017, 2018, or to date in 2019. A reasonable investor might consider it important to his or her investment decision to know that the limited partnership in which he or she invests will not provide audited financial statements on an annual basis notwithstanding representations in the limited partnership's private offering memorandum that such information will be provided.

## II. RELEVANT STATUTORY PROVISIONS

1. Section 411(6) of the Securities Act, MCL 451.2411(6), states:

(6) Subject to section 15(h) of the securities exchange act of 1934, 15 USC 78o, or section 222 of the investment advisers act of 1940, 15 USC 80b-18a, an agent shall not have custody of funds or securities of a customer except under the supervision of a broker-dealer and an investment adviser representative shall not have custody of funds or securities of a client except under the supervision of an investment adviser or federal covered investment adviser. A rule or order under this act may prohibit, limit, or impose conditions on the custody of funds or securities of a customer by a broker-dealer and on the custody of securities or funds of a client by an investment adviser.

2. Order No. 2011-009-M, Transition Order 6, states in part:

\*\*\*

7. An investment adviser is permitted to take and maintain custody of client funds and securities as long as the investment adviser meets the requirements of at least one of paragraphs (a), (b), or (c) below:

(a) The investment adviser (i) satisfies the requirements of Rule 206(4)-2 promulgated under the Advisers Act, 17 CFR 275.206(4)-2, such that the custody of client funds by the investment adviser would not be deemed a fraudulent, deceptive or manipulative act, practice or course of business under such rule if it were applicable to the investment adviser, or (ii) would otherwise not be precluded from taking and maintaining customer funds under federal law or regulations then in effect and applicable to federal covered investment advisers, if they were applied to the investment adviser; or

(b) The investment adviser provides advisory funds exclusively to “private funds,” as defined in section 402(a) of the Dodd-Frank Act, provided that the requirements of subparagraphs (i) and (ii) below are satisfied:

(i) The equity holders of such private fund are comprised exclusively of persons who are:

(A) “Qualified clients” as defined in Rule 205-3(d)(1) promulgated under the Advisers Act, 17 CFR 257.205-3(d)(1)<sup>2</sup>; or

(B) “Accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended; and

(ii) Custody of the funds or securities is maintained pursuant to the terms of one or more written agreements, which may include a limited partnership agreement, a limited liability company agreement or other similar organizational or operating agreements, between such adviser and its private fund clients; or

---

<sup>2</sup> The erroneous citation appears in the original text of Transition Order 6 and should read “17 CFR 275.205-3(d)(1).”

(c) the investment adviser is otherwise permitted by rule or order of the Administrator to take and maintain custody of client funds or securities and complies with such rule or order....

3. Section 501(b) of the Securities Act, MCL 451.2501(b), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:...

(b) Make an untrue statement of a material fact or 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...

4. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusion.

### **III. CONCLUSIONS OF LAW**

1. Respondent Daniel Cadez, Jr. has custody of client funds or securities through his control of Pishon Partners, LP and its affiliated entities and has not obtained annual audits for the years 2015, 2016, 2017, 2018, or to date in 2019 as required by 17 CFR 275.206(4)-2, contrary to Order No. 2011-009-M, the Sixth Transition Order Administering the Michigan Uniform Securities Act (2002), 2008 PA 551 ("Transition Order 6"), Rule 451.4.13, and MCL 451.2411(6).
2. Respondent Daniel Cadez, Jr., through the private placement memorandum he distributed to investors on behalf of Pishon Partners, LP, represented that investors would receive annual audited financial statements from the limited partnership; this representation was untrue, as no audited financial statements were prepared and distributed for the years 2015, 2016, 2017, 2018, or to date in 2019. The statement regarding provision of annual audited financial statements was in connection with the offer or sale of a security, material, and untrue, contrary to section 501(b) of the Securities Act, MCL 451.2501(b).

#### 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 unlawfully taking custody of client funds, and from making untrue statements of material facts in connection with the offer or sale of securities, contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$20,000.00 against Respondent.
- 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**

Notice & Order to Cease & Desist  
Daniel Cadez, Jr. (CN 339869)  
CRD# 3001507



**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:

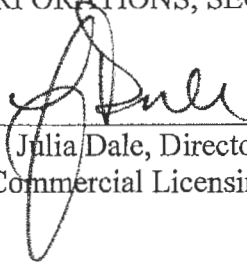
\$20,000.00 – Daniel Cadez, Jr., under section 604 of the Securities Act, MCL 451.2604.

- 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.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

  
By: Julia Dale, Director, Corporations, Securities  
& Commercial Licensing Bureau

7/31/19  
Date

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

In the matter of:

Agency No. 339869

DANIEL CADEZ, JR.  
CRD# 3001507

Respondent.

\_\_\_\_\_  
This 31<sup>st</sup> day of July, 2019

Issued and entered

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REPRESENTATIVE REGISTRATION  
AND ORDER OF SUMMARY SUSPENSION**

**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* (the "Securities Act"):

1. Daniel Cadez, Jr. (CRD#3001507, "Respondent") is an individual who resides in the State of Michigan. Respondent is presently registered in Michigan as an investment adviser representative of the Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD#116896, "Cadez Group"), a Michigan-registered investment adviser.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs notified Respondent and Cadez Group in or around October of 2018 that Bureau staff was beginning an examination of Cadez Group's books and records pursuant to MCL 451.2411(4).
3. On or around April 24, 2019, Respondent and Cadez Group were suspended for failing to cooperate with the Bureau's examination of Cadez Group. (Exhibit 1, "the April Order"). Since the issuance of the April Order, Respondent and Cadez Group have cooperated with the examination and provided relevant documents to Bureau examiners.
4. Documents provided by Respondent demonstrated that Respondent has unlawful custody of Cadez Group client funds or securities in violation of the Securities Act, and that Respondent made untrue statements of fact in connection with the offer or sale of a security; these findings resulted in the issuance of Notice and Order to Cease and Desist against Respondent. (Exhibit 2 – Daniel Cadez, Jr. Cease and Desist Order).

5. The Director of the Bureau (“Administrator”) has reviewed materials regarding 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 withdraw the April Order, and to institute new administrative proceedings under the Securities Act to revoke Respondent’s investment adviser representative registration based upon his willful failure to comply with the Securities Act, and his being subject to a cease and desist order issued by the securities regulator of a state.
6. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

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, 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...

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

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

\*\*\*

(b) The person willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous 10 years.

\*\*\*

(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...

8. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

(6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. 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 the order until final determination.

9. 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.

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

- A. Respondent willfully violated or failed to comply with the Securities Act by taking custody of client funds or securities, and by making untrue statements of material facts in connection with the offer or sale of securities, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(b) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(b); and
- B. Respondent is the subject of a cease and desist order issued under the securities laws of a state, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(1) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(1).

11. The Administrator may summarily suspend Respondent's investment adviser representative registration pursuant to section 412(6) of the Securities Act, MCL 451.2412(6), pending the outcome of the administrative proceedings initiated by this Notice.

## 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 April 24, 2019 Notice of Intent to Revoke Investment Adviser Representative Registration and Order of Summary Suspension issued against Respondent is withdrawn as a result of Respondent's cooperation with the Bureau's examination, and replaced by this Notice and Order.

2. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REPRESENTATIVE REGISTRATION OF DANIEL CADEZ, JR. under section 412(2) of

the Securities Act, MCL 451.2412(2), because he willfully violated or failed to comply with the Securities Act and because he is subject to a cease and desist order issued by a state securities regulator, both of which support the revocation of his investment adviser representative registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

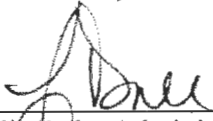
3. Respondent's investment adviser representative registration is SUMMARILY SUSPENDED pending the outcome of revocation proceedings instituted by this NOTICE in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).

4. 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 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.**

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

By:

  
\_\_\_\_\_  
Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

7/31/19  
Date

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

In the matter of:

Agency No. 339869

DANIEL CADEZ, JR.  
CRD# 3001507

Respondent.

\_\_\_\_\_ Issued and entered  
This 24<sup>th</sup> day of April, 2019

**NOTICE OF INTENT TO REVOKE  
INVESTMENT ADVISER REPRESENTATIVE REGISTRATION  
AND ORDER OF SUMMARY SUSPENSION**

**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* (the "Securities Act"):

1. Daniel Cadez, Jr. (CRD#3001507, "Respondent") is an individual who resides in the State of Michigan. Respondent is presently registered in Michigan as an investment adviser representative of the Cadez Group, LTD, d/b/a Advanced Financial Planning, Inc. (CRD#116896, "Cadez Group"), a Michigan-registered investment adviser.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the State of Michigan Department of Licensing and Regulatory Affairs notified Respondent and Cadez Group in or around October of 2018 that Bureau staff was beginning an examination of Cadez Group's books and records pursuant to MCL 451.2411(4).
3. The onsite portion of the examination began on or around December 11, 2018. Thereafter, on January 23, 2019, Bureau staff submitted a written request for further information from Respondent and Cadez Group. Respondent and Cadez Group failed to respond to the request, and to follow-up requests on or around February 21, 2019; March 7, 2019; and March 15, 2019.
4. Bureau staff requested production of documents for inspection in connection with the examination through numerous methods of communication, including in person, through multiple email requests and reminders, and through U.S. Mail.

5. Respondent has failed to provide the records necessary for Bureau staff to complete its examination of Cadez Group, thereby impeding an examination being conducted pursuant to MCL 451.2411(4).
6. The Director of the Bureau (“Administrator”) has reviewed materials regarding Respondent’s actions to impede the Bureau’s lawful examination 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 and to suspend his registration pending the outcome of revocation proceedings.
7. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

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, 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...

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

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

\*\*\*

(h) The person refuses to allow or otherwise impedes the administrator from conducting an audit or inspection under section 411(4) or refuses access to a registrant's office to conduct an audit or inspection under section 411(4)...

9. Section 412(6) of the Securities Act, MCL 451.2412(6), states:

(6) The administrator may suspend or deny an application summarily, restrict, condition, limit, or suspend a registration, or censure, bar, or impose a civil fine on a registrant pending final determination of an administrative proceeding. On the issuance of the order, the administrator shall promptly notify each person subject to the order that the order has been issued, the reasons for the action, and that, within 15 days after the receipt of a request in a record from the person, the matter will be scheduled for a hearing. If a hearing is not requested by a person subject to the order or is not ordered by the administrator within 30 days after the date of service of the order, the order is final. 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 the order until final determination.

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's investment adviser representative registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent has impeded the Bureau's examination under MCL 451.2411(4), giving the Administrator cause to issue an order under sections 412(2) and 412(4)(h) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(h).

12. The Administrator may summarily suspend Respondent's investment adviser representative registration pursuant to section 412(6) of the Securities Act, MCL 451.2412(6), pending the outcome of the administrative proceedings initiated by this Notice.

## **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 DANIEL CADEZ, JR. under section 412(2) of the Securities Act, MCL 451.2412(2), because he has impeded the inspection of the records of Cadez Group, LTD under section 411(4) of the Securities Act, MCL 451.2411(4), which supports the revocation of his investment adviser representative registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*

2. Respondent's investment adviser representative registration is SUMMARILY SUSPENDED pending the outcome of revocation proceedings instituted by this NOTICE in accordance with section 412(6) of the Securities Act, MCL 451.2412(6).

3. 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 revoke Respondent's

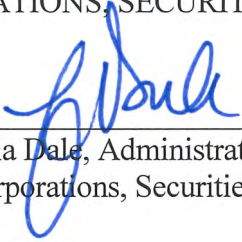


investment adviser representative registration, and that Respondent has thirty (30) days after the date that this Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance. If the Administrator timely receives a written request, depending upon the election, 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.**

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

By:

  
\_\_\_\_\_  
Julia Dale, Administrator and Director  
Corporations, Securities & Commercial Licensing Bureau

  
\_\_\_\_\_  
Date