



STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ORLENE HAWKS  
DIRECTOR

In the matter of:

Docket No. 20-009658

RONALD RICHER  
CRD# 2988381

Agency No. 341295

Respondent.

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**FINAL ORDER**

1. This matter came before the Department of Licensing and Regulatory Affairs under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.* (the "Act") and associated administrative rules.
2. The Director of the Corporations, Securities & Commercial Licensing Bureau, who is the Administrator of the Act (the "Administrator"), received the Proposal for Decision and Proposed Order Granting Motion for Summary Disposition (the "PFD"), and the entire hearing record, in accordance with MCL 451.2604 and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*
3. The Administrator considered the Findings of Fact and Conclusions of Law in the PFD of Thomas A. Halick, Administrative Law Judge, dated October 20, 2020.
4. The PFD is incorporated by reference.
5. Respondent was found in violation of the Act and/or its associated administrative rules.

**THEREFORE, IT IS ORDERED**, that the following penalties are imposed:

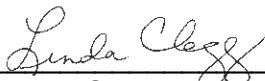
- A. Respondent's securities agent registration under the Act is immediately REVOKED, as authorized by MCL 451.2412(2) & (4)(g).
- B. Respondent may not engage in any activities requiring a securities agent registration under the Act after the effective date of this Final Order, until he obtains the appropriate registration under the Act.
- C. Failure to comply with this Final Order may subject Respondent to additional administrative, civil, or criminal sanctions, fines, and penalties. Under section 604 of the Act, MCL 451.2604, the Administrator may commence an administrative proceeding directing a person that violated an order issued under the Act to stop and signifying an intent to impose a civil fine of up to \$10,000.00 for a single violation or

up to \$500,000.00 for multiple violations with the possibility of doubling those amounts if the victims of the violation(s) were 60 years of age or older or unable to protect their financial interests due to disability of illiteracy or an inability to understand the language of an agreement presented to them. Under section 603 of the Act, MCL 451.2603, if a person violates an order issued under the Act, the Administrator may maintain a civil action to stop the violation and enforce compliance with the order and may include, among other relief, the imposition of a civil fine of up to \$10,000.00 for a single violation or up to \$500,000.00 for multiple violations. Under section 508 of the Act, MCL 451.2508, a person that willfully violates the Act or an order issued under the Act is guilty of a felony punishable by imprisonment for not more than 10 years, a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under the Act may be fined but may not be imprisoned if the individual did not have knowledge of the rule or order. The attorney general or the proper prosecuting attorney may institute criminal proceedings under the Act with or without reference from the Administrator.

**This Final Order is effective immediately upon its mailing.**

Given under my hand this 3rd day of March 2021.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

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

Date mailed: March 3, 2021

This is the last and final page of the Final Order in the matter Ronald Richer, Complaint No. 341295.

**STATE OF MICHIGAN  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES**

**IN THE MATTER OF:**

**Corporations, Securities & Commercial  
Licensing Bureau,  
Petitioner**

**v**

**Ronald Richer,  
Respondent**

**Docket No.: 20-009658**

**Case No.: 341295**

**Agency: Corp. Securities  
Commercial Licensing  
Bureau**

**Case Type: Security Division**

**Filing Type: A Notice of Intent to  
Revoke, Suspend,  
Condition or Limit  
Securities Agent  
Registration**

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**Issued and entered  
this 20<sup>th</sup> day of October 2020  
by: Thomas A. Halick  
Administrative Law Judge**

**PROPOSAL FOR DECISION AND**

**PROPOSED ORDER GRANTING MOTION FOR SUMMARY DISPOSITION**

**PROCEDURAL HISTORY**

On August 27, 2020, a contested case hearing commenced under the Michigan Uniform Securities Act, MCL 451.21010 *et seq.*, 2008 PA 551, as amended (the "Securities Act").

On March 31, 2020, the Corporations, Securities & Commercial Licensing Bureau ("Petitioner" or "Bureau"), a division of the Department of Licensing and Regulatory Affairs, issued to Ronald Richer ("Respondent") a Notice of Intent to Revoke, Suspend, Condition, or Limit Securities Agent Registration ("Notice"). The Notice alleged that Respondent was in violation of the Securities Act and that the Bureau intended to commence administrative proceedings against his registration if he did not request an Opportunity to Show Compliance within thirty days.

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On June 3, 2020, the Michigan Office of Administrative Hearings and Rules (MOAHR) received Petitioner's request for a hearing on the Notice.

On July 14, 2020, a prehearing conference was held. Petitioner appeared by counsel. Respondent failed to appear. The hearing was scheduled for August 27, 2020, by a notice issued on July 22, 2020.

On July 27, 2020, Petitioner filed a Motion for Summary Disposition. Respondent did not file a response to the Motion.

On June 3, 2020, MOAHR mailed a Notice of Hearing to Respondent at two addresses supplied by the Bureau. No mail was returned as undeliverable. The hearing was initiated as scheduled, at 9:00 a.m. on August 27, 2020 in Lansing, Michigan.

Administrative Law Judge Thomas A. Halick presided over the hearing. Assistant Attorney James E. Long appeared for Petitioner. Neither Respondent, nor an attorney or authorized representative appeared at the hearing on Respondent's behalf. Neither party filed a request for adjournment.

After establishing that Respondent had received proper legal notice of the hearing and waiting over twenty-five minutes from the scheduled start time, the Administrative Law Judge conducted the hearing in Respondent's absence, pursuant to Section 72 of the APA, MCL 24.272, 1969 PA 306, as amended, and Rule 134 of the Michigan Administrative Hearing Rules, Mich Admin Code, R 792.10134.

Section 72(1) of the APA provides as follows:

Sec. 72. (1) If a party fails to appear in a contested case after proper service of notice, the agency, if no adjournment is granted, may proceed with the hearing and make its decision in the absence of the party. MCL 24.272(1).

Rule 134 of the Michigan Administrative Hearing Rules provides as follows:

Rule 134. (1) If a party fails to attend or participate in a scheduled proceeding after a properly served notice, the administrative law judge may conduct the proceedings without participation of the absent party. The administrative law judge may issue a default order or other dispositive order which shall state the grounds for the order. Rule 792.10134.

Rule 129 of the Michigan Administrative Hearing Rules provides as follows:

Rule 129. (1) A party may make a motion for summary disposition . . . if . . . there is no genuine issue of material fact.

The Administrative Law Judge found Respondent in default, under Rule 134 and Section 78(2) of the Administrative Procedures Act (APA), MCL 24.278, 1969 PA 306, as amended. Section 78(2) of the APA provides as follows:

Sec. 78. (2) Except as otherwise provided by law, disposition may be made of a contested case by stipulation, agreed settlement, consent order, waiver, *default* or other method agreed upon by the parties. MCL 24.278(2). (Emphasis added).

On August 27, 2020, Respondent

As a result of Respondent's default, the factual and legal allegations contained in Petitioner's Notice were deemed as true and proven. Petitioner's witnesses, Mark Galliver, Stephen Brey (Administrative Law Specialist), and Lindsay DeRosia (Investigation Manager) appeared but did not testify.

James E. Long, an Assistant Attorney General, and attorney for the Bureau offered the following exhibits, which were admitted into evidence:

Exhibit 1: Respondent's undated Central Registration Depository ("CRD") disclosure, listing Respondent's residential address and Respondent's business address.

Exhibit 2: Petitioner's request for information, balance sheet, and instructions with a requested response deadline of 30 days from the date of the letter. Petitioner's Proof of Service that the request for information was sent to both Respondent's residential address and Respondent's employment address, attached to a copy of the notice itself, and a copy of a signed return receipt.

Exhibit 3: Petitioner's follow up request for information, sent via email to Respondent's email, which included the original request for information, balance sheet, and instructions with a requested response deadline of 30 days from the date of the letter.

Exhibit 4: Petitioner's second follow up request for information, sent via email to Respondent's email, which included all previous requests for information and accompanying documents.

Exhibit 5: Respondent's email response to Petitioner's requests, which included a completed and signed Personal Balance Sheet, signed by Ronald Richer and dated for January 4, 2020.

Exhibit 6: Petitioner's Notice of Intent to Revoke, Suspend, Condition, or Limit Securities Agent Registration signed and dated March 31, 2020.

Exhibit 7: Respondent's Notice of Opportunity to Show Compliance or Request a Formal Hearing Date with a document date of March 31, 2020.

Exhibit 8: Attorney for Respondent's email appearance and statement requesting a 30-day forbearance.

Exhibit 9: Attorney for Respondent's email notice to Petitioner of withdrawal of counsel and accompanying explanation.

Oral argument was taken on the Bureau's Motion for Summary Disposition.

Petitioner recommended that that revocation of Respondent's license would be an appropriate sanction. The record was closed at the conclusion of the hearing.

### ISSUES AND APPLICABLE LAW

Petitioner seeks to revoke Respondent's securities agent registration.

The Bureau, a division of the Department of Licensing and Regulatory Affairs, may revoke Respondent's securities agent registration pursuant to Section 412(2) of the Securities Act:

Sec. 412.

\* \* \*

(2) If the administrator<sup>1</sup> 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 . . . .

MCL 451.2412(2).

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<sup>1</sup> The authority of the "administrator," as defined in Section 102 of the Securities Act, MCL 451.2102(a), was transferred to the Department of Licensing and Regulatory Affairs by Executive Reorganization Order No. 2012-6. MCL 445.2034.

The issue presented in this matter is whether Respondent has met a condition under Subsection (4), thereby authorizing the Bureau to revoke his registration. The Notice of Intent to Revoke alleges that Respondent is insolvent, as set forth in Subsection (4)(g):

Sec. 412.

\* \* \*

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

\* \* \*

(g) The person is insolvent, either because the person's liabilities exceed the person's assets or because the person cannot meet the person's obligations as they mature. The administrator shall not enter an order against an applicant or registrant under this subdivision without a finding of insolvency as to the applicant or registrant.

MCL 451.2412(4).

The Bureau may not order a revocation under Section 412 unless, after Respondent has been given appropriate notice and an opportunity for hearing, findings of fact and conclusions of law have been made on the record pursuant to the APA. See MCL 451.2412(7).

#### **FINDINGS OF FACT**

Based on the entire record in this matter, including Respondent's default, the following findings of fact are established:

1. Ronald G. Richer (CRD #2988381, "Respondent") is an individual who resides in the State of New York. Respondent is presently registered in Michigan as a securities agent through Garden State Securities, INC. ("Garden Securities," CRD #10083), a Michigan-registered broker-dealer.
2. The Corporations, Securities & Commercial Licensing Bureau (the "Bureau"), within the Michigan Department of Licensing and Regulatory Affairs, began an investigation of Respondent's activities in the securities industry after a routine review of disclosures on the Central Registration Depository (CRD) revealed that Respondent was the subject of a lien or civil judgement.

3. The Bureau made multiple attempts to contact Respondent at his personal and business addresses and those addresses were valid addresses for reaching Respondent.
4. The Bureau requested that Respondent provide a balance sheet detailing his solvency or lack thereof. Respondent and Garden Securities have failed to provide a balance sheet as of the October 4, 2019 deadline. However, after a November 12, 2019, and December 3, 2019 inquiry by the Bureau, Respondent and Garden Securities provided a response. The response was received on January 8, 2020, and included a completed Personal Balance sheet, which was signed and completed by Respondent. The personal balance sheet showed that Respondent had a negative net worth of \$105,000 and that his IRS lien (which was reported as \$12,000) remained unpaid. Based on the fact that Respondent is the subject of a civil judgment, there is adequate evidence to find that he is unable to pay his obligations as they mature and that he therefore is insolvent.

#### CONCLUSIONS OF LAW

Respondent was properly served notice by mail at two addresses and he acknowledged to Petitioner's witness his receipt of the notices and requests for information. Under Section 78(2) of the APA, MCL 24.278(2) and Rule 134(1) of the Administrative Hearing Rules, R 792.10134(1), Respondent's failure to attend the scheduled hearing after being properly served notice allows for disposition based on default. When a party defaults, all well-pleaded facts are taken as true. Under Section 72 of the APA, there is no requirement to provide a full evidentiary hearing when all the alleged facts are taken as true. *Smith v Lansing School District*, 428 Mich 248; 406 N.W.2d 825 (1987).

Furthermore, a "party may make a motion for summary disposition of all or part of a proceeding" when there is no genuine issue of material fact. R 792.10129.

Petitioner has the burden of proving the allegations in the formal complaint by a preponderance of the evidence. Rule 806, Mich Admin Code 792.10806.

Petitioner's Motion for Summary Disposition argues that there is no genuine issue of a material fact. The motion was supported with documentary evidence, which was uncontested by Respondent.

Respondent is insolvent because he cannot meet his obligations as they mature, as outlined under section 412(4)(g) of the Securities Act, MCL 451.2412(4)(g), 2008 PA 551, as amended.



Because Respondent cannot meet his obligations as they mature, Revocation of Respondent's securities agent registration is in the public interest. MCL 451.2412(2).

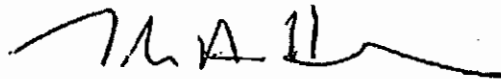
The Bureau is authorized by law to enter an order imposing sanctions against Respondent's securities agent registration to be determined by the Bureau. MCL 451.2412(2)

**PROPOSED DECISION AND RECOMMENDED SANCTIONS**

This ALJ concurs in counsel's recommendation that Respondent's registration be revoked. It is the proposed decision of the ALJ that the Administrator, the Department, issue a Final Order upholding the Notice of Intent to Revoke Securities Agent Registration.

**EXCEPTIONS**

If a party chooses to file Exceptions to this Proposal for Decision, the Exceptions must be filed within twenty-one (21) days after the Proposal for Decision is issued and entered. If an opposing party chooses to file a Response to the Exceptions, it must be filed within fourteen (14) days after the Exceptions are filed. All exceptions and Responses to Exceptions must be filed with the Michigan Office of Administrative Hearings and Rules, Ottawa State Building, 611 West Ottawa Street, 2<sup>nd</sup> floor, Lansing, Michigan 48909, and served on all parties to the proceeding.



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**Thomas A. Halick**  
**Administrative Law Judge**

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**PROOF OF SERVICE**

I certify that I served a copy of the foregoing document upon all parties and/or attorneys, to their last-known addresses in the manner specified below, this 20<sup>th</sup> day of October 2020.



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C. Gibson

**Michigan Office of Administrative  
Hearings and Rules**

**Via Electronic Mail Only:**

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

In the matter of:

Agency No. 341295

RONALD RICHER  
CRD# 2988381

Respondent.

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Issued and entered  
This 31<sup>st</sup> day of March, 2020

**NOTICE OF INTENT TO REVOKE, SUSPEND, CONDITION, OR LIMIT**  
**SECURITIES AGENT 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* (the "Securities Act"):

1. Ronald Richer (CRD#2988381, "Respondent") is an individual who resides in the State of New Jersey. Respondent is presently registered in Michigan as a securities agent through Garden State Securities, Inc. (CRD#10083), a Michigan-registered broker-dealer.
2. The Corporations, Securities & Commercial Licensing Bureau ("the Administrator") within the Michigan Department of Licensing and Regulatory Affairs began an investigation of Respondent's activities in the securities industry after a routine review of disclosures on the Central Registration Depository ("CRD") revealed that Respondent was the subject of a lien or civil judgment.
3. The Administrator's staff requested that Respondent provide a balance sheet detailing his solvency or lack thereof. Respondent submitted a balance sheet which showed that his liabilities exceeded his assets, causing him to be insolvent. The Administrator of the Securities Act has sufficient evidence to find that Respondent's liabilities exceed his assets, and that he is therefore insolvent.
4. The Administrator has reviewed materials regarding Respondent's financial condition as it relates to his registration as an agent under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke, suspend, condition, or limit Respondent's securities agent registration.

5. 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...

6. 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:

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(g) The person is insolvent, either because the person's liabilities exceed the person's assets or because the person cannot meet the person's obligations as they mature. The administrator shall not enter an order against an applicant or registrant under this subdivision without a finding of insolvency as to the applicant or registrant...

7. 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.

8. The Administrator may revoke, suspend, condition, or limit Respondent's securities agent registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because Respondent is insolvent, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(g) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(g).

## 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, SUSPEND, CONDITION, OR LIMIT THE SECURITIES AGENT REGISTRATION OF RONALD RICHER under section 412(2) of the Securities Act, MCL 451.2412(2), because he cannot pay obligations as they mature, causing him to be insolvent, which supports the revocation, suspension, conditioning, or limitation of his securities agent registration under the above-cited provisions of 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, suspend, condition, or limit Respondent's securities agent 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 & REGULATORY AFFAIRS  
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



Stephen Brey, Administrative Law Specialist  
On behalf of the Corporations, Securities  
& Commercial Licensing Bureau

3/31/2000  
Date

&