

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

In the matter of:

Complaint Nos. 343279, 343337, and 343606

RYAN CICCHELLI
Unregistered
CRD# 7241691

Respondent.

ISSUED AND ENTERED
THIS 18th OF August, 2021.

ADMINISTRATIVE CONSENT AGREEMENT AND ORDER
(hereinafter "Consent Order")

A. RELEVANT INFORMATION AND STATUTORY PROVISIONS, under the Michigan Uniform Securities Act (2002) (the "Act"), 2008 PA 551, MCL 451.2101 et seq.:

1. On May 12, 2021, the Director of the Corporations, Securities & Commercial Licensing Bureau of the Michigan Department of Licensing and Regulatory Affairs (the "Bureau"), as the Administrator of the Act (the "Administrator"), issued a Notice and Order to Cease and Desist ("C&D Order") against Ryan Cicchelli ("Respondent"), Complaint Nos. 343279, 343337, and 343606. Respondent previously had an application to be an investment adviser representative pending with Estate Performance Advisors, LLC (CRD#300658), but is not currently registered in any capacity under the Securities Act. For purposes of this Consent Order, Respondent and Bureau staff are referred to individually as a "Party" and collectively as the "Parties."

2. As a result of negotiations, the Parties agree to and recommend that the Administrator order a settlement of this matter under the terms and conditions set forth in this Consent Order. Respondent had the opportunity to consult with legal counsel throughout the process of resolving the C&D Order through this Consent Order.

B. AGREEMENT. The Parties agree to resolve the C&D Order under the following terms and conditions:

1. Respondent agrees to comply with the Act in connection with all future conduct and activities, including but not limited to ensuring that he is registered or exempt before effecting any further securities transactions in Michigan and ensuring that any securities he offers or sells in Michigan are registered or exempt.
2. Respondent agrees to pay the Bureau a reduced civil fine in the settlement amount of two thousand five hundred and 00/100 Dollars (\$2,500.00) (the "Reduced Civil Fine"). Respondent agrees to pay the Reduced Civil Fine within sixty (60) calendar days after the mailing date of this Consent Order, once entered. The Reduced Civil Fine must be paid by cashier's check or money order made payable to the "State of Michigan," contain identifying information (name and "Complaint Nos. 343279, 343337, and 343606"), and be mailed to the Bureau at the following address:

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

If any portion of the Reduced Civil Fine is overdue, the Administrator may refer it to the Michigan Department of Treasury for collection action against Respondent. In addition, and consistent with Paragraph B.13. below, the Administrator reserves the right to take other available legal action to enforce payment of and collect the Reduced Civil Fine.

3. The Bureau will report and publish this Consent Order according to its current policy, as follows:

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 will publish this Consent Order consistent with its current policy, whereby copies of orders issued under the Act are posted to the Bureau's website and a summary of order content is included in monthly disciplinary action reports separately published on the Bureau's website. Following entry of the attached Order, the Bureau will update the

relevant Form U6 with the Central Registration Depository reflecting the Parties' resolution the Disciplinary Order.

4. Notwithstanding the potential application of MCL 451.2412(9), this Consent Order expressly preserves the Bureau's and Administrator's ability to rely on and assert, in any future proceeding under the Act, all activities, conduct, and alleged Act violations by Respondent contained in or relating to the C&D Order.
5. Respondent neither admits nor denies the allegations in the C&D Order or any wrongdoing in connection with this matter, and consents to entry of this Consent Order only for the purpose of resolving the C&D Order in an expeditious fashion that avoids the time and expense associated with an administrative proceeding on the Hearing Request and any appeals therefrom.
6. The Parties agree that this Consent Order resolves only Respondent's activities, conduct, and alleged Securities Act violations contained in the Disciplinary Order through the effective date of this Consent Order. The Bureau reserves the right to take further action as permitted by law to address activities, conduct, or potential Securities Act violations alleged in the Disciplinary Order if not abated, or that were not addressed in the Disciplinary Order itself. Further, the Parties acknowledge that this Consent Order does not preclude any other individual or entity, including but not limited to other authorized state or federal agencies or officials, from initiating or pursuing civil or criminal action against Respondent, and does not preclude Bureau staff from referring this matter to any law enforcement agency. The Consent Order does not preclude the Bureau or its staff from fully cooperating with any state or federal agency or official that may investigate or pursue its own civil or criminal enforcement against Respondent.
7. Respondent agrees that effective upon entry of this Consent Order, Respondent's Hearing Request is automatically revoked without further action by the Parties.

8. Respondent agrees 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 Act.
9. Respondent acknowledges and agrees 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 Respondent; and (c) upon entry of this Consent Order, it is final and binding, and Respondent waives any right to a hearing or appeal of this Consent Order and the C&D Order under the Act, the rules promulgated under the Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
10. The Parties understand and agree that this Consent Order will be presented to the Administrator for her final approval as evidenced 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.9. above. If the Administrator rejects this Consent Order by refusing to enter it, the Parties waive any objection to submitting the Hearing Request for adjudication through a formal administrative proceeding and the Administrator remaining the final decisionmaker at the conclusion of that proceeding.
11. 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, agreements, 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.

12. 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.

13. The Parties acknowledge and agree that the Administrator retains the right to pursue any action or proceeding permitted by law to enforce the provisions of this Consent Order.

14. 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.

[This space intentionally left blank]

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

Signed: _____

By: Ryan Cicchelli

Its: Himself

Date: 8-11-21

Reviewed by: Signed: _____

Date: 8/12/21

BRIAN WITUS

Brian Witus// Eric Michaels Attorney for Respondent

Approved on behalf of Bureau staff by:

Signed: _____

Date: _____

By: Lindsay DeRosia,

Interim Securities & Audit Division Director

Corporations, Securities & Commercial Licensing Bureau

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

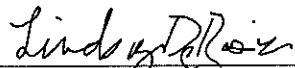
Signed: _____
By: Ryan Cicchelli
Its: Himself

Date: _____

Reviewed by: Signed: _____ Date: _____

Brian Witus// Eric Michaels Attorney for Respondent

Approved on behalf of Bureau staff by:

Signed: 
By: Lindsay DeRosa,
Interim Securities & Audit Division Director
Corporations, Securities & Commercial Licensing Bureau

Date: 8/13/2021

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THE ABOVE FULLY EXECUTED CONSENT AGREEMENT
ARE INCORPORATED IN THIS ORDER.

By: Linda Clegg

Linda Clegg
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:

Complaint Nos. 343279, 343337, 343606

RYAN CICCHELLI
Unregistered
CRD#7241691

Respondent.

Issued and entered

This 12th day of May, 2021

NOTICE AND ORDER TO CEASE AND DESIST

Linda Clegg, the director (“Administrator”) of the Corporations, Securities & 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 Ryan Cicchelli (“Respondent”) to cease and desist from offering and selling unregistered securities, and from acting as an unregistered agent for Jatango, LLC (“Jatango”), contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. Ryan Cicchelli is a resident of the state of Michigan. Respondent is not registered in any capacity under the Securities Act in Michigan. He previously had an application for registration as an investment adviser representative pending with Estate Performance Advisors, LLC (CRD#300658), a Michigan-registered investment adviser until on or around May 10, 2021. Respondent holds various insurance licenses outside the scope of the Securities Act.

B. Findings of Fact

1. Bureau staff investigated Respondent's activities under the Securities Act after receiving multiple consumer complaints related to Jatango.
2. The investigation developed evidence that Respondent met with Michigan investor RB and his spouse at their home in or around April of 2019 to discuss insurance needs. At the end of the meeting about insurance products, Respondent recommended that RB and his spouse invest in Jatango. Respondent assisted RB and his spouse to complete and transfer the paperwork necessary to effect the investment in Jatango. RB and his spouse obtained a money order from their credit union for \$20,000 and gave the funds to Respondent to forward to Jatango to effect the purchase of the investment contract securities.
3. The investigation developed evidence that Respondent met with Michigan investor CW in or around October of 2018 to discuss insurance products. During the meeting about insurance products, Respondent recommended that CW invest in Jatango. Respondent thereafter assisted CW to complete and transfer the paperwork necessary to effect the investment in Jatango. CW liquidated tax-deferred investments to fund a \$50,000 investment in Jatango and incurred a substantial tax liability as a result.¹ CW recalled that she gave the \$50,000 check to Respondent to forward to Jatango to effect the investment transaction.
4. The Jatango investments offered and sold to RB and his spouse and to CW were not registered and neither Respondent nor Jatango has identified a relevant exemption, exception, preemption, or exclusion justifying the failure to register the securities offerings.²
5. Respondent was not registered as an agent under the Securities Act and has not identified a relevant³ exemption, exception, preemption, or exclusion justifying the failure to register as an agent.

¹ CW believed the Jatango investment would be a "rollover" from one tax-deferred account to another, such that there would not be any adverse tax consequences. Instead, CW represented to the Bureau that there was a \$9,000 taxable event as a result of the chain of transactions leading to the Jatango investment.

² The Bureau is issuing a Notice and Order to Cease and Desist to Jatango, LLC concurrent with the issuance of this Notice and Order to Cease and Desist.

³ Respondent claimed he acted as a finder under MCL 451.2102(i) and not an agent of an issuer. A finder is defined by MCL 451.2102(i) as "a person who, for consideration, participates in the offer to sell, sale, or purchase of securities by locating, introducing, or referring potential purchasers or sellers." The Court of Appeals has stated, "If a finder becomes an advocate and seeks to induce a person to invest, the exemption for activities as a finder is lost. A finder operating under the Act may not actively participate in the offer and sale... [A]n active participant in the transaction will likely be classified as an unregistered agent and endanger an exemption from registration." *Pransky v Falcon Group, Inc.*, 311 Mich App 164, 183-84.

II. RELEVANT STATUTORY PROVISIONS

1. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under section 201 to 203.
- (c) The security is registered under this act.

2. Section 402(1) of the Securities Act, MCL 451.2402(1), states:

An individual shall not transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (2).

3. 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 Ryan Cicchelli offered and sold Jatango, LLC investment contract securities to Michigan residents. The securities were not federal covered, exempt from registration, or registered, in violation of section 301 of the Securities Act, MCL 451.2301.
2. Respondent Ryan Cicchelli acted as an agent for Jatango, LLC when he offered and sold the Jatango investment contract securities to Michigan investors without the benefit of registration or a properly-claimed exemption, exception, preemption, or exclusion, in violation of section 402(1) of the Securities Act, MCL 451.2402(1).

Here, both RB and CW stated that Respondent recommended the Jatango investments, helped them complete the paperwork necessary to invest, and passed the paperwork and payments onto the issuer. Respondent confirms he assisted these investors with key parts of the transactions. Respondent's activities went beyond "locating, introducing, or referring" these Michigan investors. As a result, Respondent's activities went beyond the allowable activities of an unregistered finder, and into activities of an agent required to be registered or exempt from registration under MCL 451.2402(1).

Notice & Order to Cease & Desist
Ryan Cicchelli (CNs 343279, 343337, 343606)

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 offering and selling unregistered securities and from acting as an unregistered agent, 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 a 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. This Notice and Order to Cease and Desist may become final pursuant to Section VI, below.
- 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

By email: CSCL-FOIA@Michigan.gov

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:

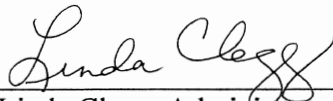
\$20,000.00 – Ryan Cicchelli, under section 604 of the Securities Act, MCL 451.2604.

- 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



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

5/12/2021
Date