

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

In the matter of:

Complaint Nos. 320709 & 326571

NANCY BARTOLAMEOLLI
CRD #4924149

Respondent,

-and-

In the matter of:

Complaint Nos. 320708 & 326570

WOODCREST INVESTMENTS, LLC
IARD #150986

Respondent.

_____ /

Issued and entered
this 22nd day of November, 2016

ADMINISTRATIVE CONSENT ORDER

I. RECITALS

WHEREAS, on June 7, 2016, the Director of the Corporations, Securities & Commercial Licensing Bureau ("Bureau") of the Michigan Department of Licensing and Regulatory Affairs ("LARA"), as the Administrator ("Administrator") of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101, *et seq.* ("Act"), issued a Notice and Order to Cease and Desist against Nancy Bartolameolli, CRD #4924149, Complaint Nos. 320709 & 326571 ("Respondent Bartolameolli"), and a separate Notice and Order to Cease and Desist against Woodcrest Investments, LLC, a Michigan limited liability company organized and owned by Respondent Bartolameolli, IARD #150986, Complaint Nos. 320708 & 326570

(“Respondent Woodcrest Investments”). Respondent Bartolameolli and Respondent Woodcrest Investments are referred to collectively herein as “Respondents”; Respondents and Bureau staff are referred to collectively herein as “the Parties”; and the two Notices and Orders to Cease and Desist issued against Respondents on June 7, 2016 are referred to collectively herein as the “C&D Orders.”

WHEREAS, the C&D Orders ordered Respondents to immediately cease and desist from violating the Act, specifically sections 401(1) and 402(1) & (4) of the Act, MCL 451.2401(1) and 451.2402(1) & (4), and further notified Respondents that the Administrator intended to impose a civil fine against Respondents in the amount of \$10,000 each under MCL 451.2604(4)(a). The conduct at issue in the C&D Orders relates to Respondents’ sale of securities in the form of Diversified Energy Group, Inc. bonds (“DEG Bonds”) from December 2009 through May 2012. The Bureau learned about this conduct through a regulatory referral and received no complaints from Respondents’ customers. Respondents stopped selling the DEG Bonds when they became aware the issuer was under investigation by the Bureau’s predecessor and fully cooperated with that investigation.

WHEREAS, the C&D Orders were immediately effective pursuant to MCL 451.2604(2); however, Respondents timely requested an administrative hearing on the C&D Orders under MCL 451.2604(2) & (3). Thereafter, Respondents waived the 15-day statutory requirement to schedule a hearing, and the Parties agreed to hold Respondents’ hearing requests in abeyance and preserve Respondents’ hearing rights while they discussed the possible resolution of this matter. Accordingly,

Respondents' hearing requests remain outstanding and no administrative hearing has been scheduled to date (the "Outstanding Hearing Requests").

WHEREAS, the Parties have cooperated and negotiated in good faith to resolve this matter.

WHEREAS, as a result of their negotiations, the Parties have agreed to and recommend that the Administrator order a settlement of this matter pursuant to the terms and conditions set forth below, through the entry of an Administrative Consent Order.

II. ORDER

Based on the foregoing recitals and Respondents' consent to the entry of this Administrative Consent Order, the ADMINISTRATOR HEREBY ORDERS that:

1. Respondents shall pay to the Bureau a reduced civil fine in the amount of One Thousand and 00/100 Dollars (\$1,000.00) each, for a total fine of Two Thousand and 00/100 Dollars (\$2,000.00) (the "Civil Fine"), within sixty (60) days after the date of entry of this Administrative Consent Order. The Civil Fine payment shall be made via cashier's check or money order payable to the "State of Michigan," contain Respondents' identifying information (name and Complaint Nos. 320709 & 326571 [Respondent Bartolameolli] and Complaint Nos. 320708 & 326570 [Respondent Woodcrest Investments]), and be mailed to:

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

Respondents may pay the Civil Fine in installments, provided that the total amount due of \$2,000 is paid in full on or before the 60-day deadline.

2. If any portion of the Civil Fine is overdue for at least six (6) months, the Administrator may refer it to the Michigan Department of Treasury for collection action against Respondents. In addition, and consistent with Paragraph 9 below, the Administrator reserves the right to pursue any other action or proceeding permitted by law to enforce payment of the Civil Fine.

3. Respondents agree to comply with the Act in connection with all future conduct and activities, including but not limited to by ensuring that they are registered or exempt before effecting any securities transactions in Michigan and ensuring that any securities they offer or sell in Michigan are registered or exempt.

4. Respondents agree to comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Administrative Consent Order and/or Michigan securities laws.

5. Respondents acknowledge and agree that they hereby withdraw their Outstanding Hearing Requests, and this Administrative Consent Order fully and finally resolves those requests.

6. The Bureau will report this Administrative Consent Order according to its standard procedures, namely: (a) through appropriate CRD/IARD regulator updates providing, *inter alia*, that this Administrative Consent Order fully resolved the C&D Orders and those Orders did not become final; and (b) by posting a copy of this Administrative Consent Order on the LARA/Bureau's website.

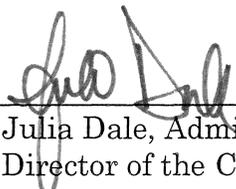
7. For purposes only of the matters resolved by this Administrative Consent Order, and pursuant to Securities and Exchange Commission ("SEC") Rule 506(d)(2)(iii) of Regulation D, 17 CFR 230.506(d)(2)(iii), disqualification under SEC Rule 506(d)(1) of Regulation D, 17 CFR 230.506(d)(1), should not arise as a consequence of this Administrative Consent Order. However, this does not limit the potential application of SEC Rule 506(d)(1), 17 CFR 230.506(d)(1), in any other respect.

8. The Parties and Administrator acknowledge and agree that Respondents neither admit nor deny any wrongdoing in connection with this matter and consent to entry of this Administrative Consent Order only for the purpose of resolving the C&D Orders in an expeditious fashion that avoids the time and expense associated with an administrative hearing and any appeals therefrom. This Administrative Consent Order is admissible only in a proceeding to enforce its provisions or an administrative proceeding under the Act, but it is not admissible for any purpose in any other administrative, civil, or criminal proceeding.

9. 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 Administrative Consent Order.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By: _____


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

III. CONSENT

We, Respondents Nancy Bartolameolli and Woodcrest Investments, LLC, have read and understand the terms of this Administrative Consent Order, agree that the Administrator has jurisdiction and authority to enter this Order, and agree that this Order may be entered without any further notice to us. Upon entry of this Administrative Consent Order, we agree that it is final and binding and waive any right to a hearing and/or appeal of this Order and the C&D Orders under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.*, the rules promulgated under that Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law. We acknowledge and agree that we have consulted with or had ample opportunity to consult with legal counsel of our choosing prior to consenting to this Administrative Consent Order, and that facsimile or electronically-transmitted signatures may be submitted in connection with this Order and shall be binding on such party to the same extent as an original signature. Our consent to the entry of this Administrative Consent Order is for purposes of resolving the C&D Orders only, and we neither admit nor deny any wrongdoing in connection with this matter.

Dated: 11/15/16

Signed: 
Nancy Bartolameolli, Respondent

Dated: 11/15/16

Woodcrest Investments, LLC, Respondent

By: 
Nancy Bartolameolli
Its: Owner & Sole Member

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

In the Matter of:

Complaint No. 320709 & 326571

NANCY BARTOLAMEOLLI
CRD#4924149

Respondent.

Issued and entered
This 7th day of June, 2016

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the "Administrator"), 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 Nancy Bartolameolli ("Respondent") to cease and desist from acting as an unregistered agent for Woodcrest Investments, LLC, an unregistered broker-dealer, contrary to the Securities Act. Respondent is also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. Nancy Bartolameolli is an individual who resides in the State of Michigan. She is registered as an investment adviser representative (CRD#4924149) through Woodcrest Investments, LLC (IARD#150986), a Michigan-registered investment adviser firm; however, she is not registered as an agent pursuant to the Securities Act in Michigan.

B. Findings of Fact

1. The Bureau conducted an investigation of Respondent's Activities.
2. The investigation developed evidence that Respondent, through Woodcrest Investments, LLC, effected transactions in securities in the

form of bonds on behalf of Diversified Energy Group, Inc., a Delaware corporation ("DEG Bonds"). (See Exhibit 1, Notice & Order to Cease and Desist to Woodcrest Investments, LLC, CNs 320708 & 326570).¹

3. Respondent was not registered or exempt from registration as an agent pursuant to the Securities Act in Michigan.

II. RELEVANT STATUTORY PROVISIONS

1. 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).~~

2. 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 Nancy Bartolameolli acted as an agent for Woodcrest Investments, LLC in effecting the sales of DEG Bond securities without the benefit of registration or a properly-claimed exemption, in violation of section 402(1) of the Securities Act, MCL 451.2402(1).

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 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.

^{1 1} The DEG Bonds were not registered pursuant to the Securities Act; however, they were sold in reliance on SEC Rule 506, 17 CFR 230.506 ("Rule 506"), a federal exemption from registration which preempts state securities registration laws to the extent an issuer complies with the Rule 506 requirements.

- 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 \$10,000.00 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 ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$10,000.00 – Nancy Bartolameolli, 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:

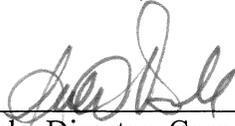
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring

Notice & Order to Cease & Desist
Nancy Bartolameolli (CNs 320709 & 326571)

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



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

6/7/16

Date