

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

In the matter of:

DORIAN HARVEY,
Unregistered,

Complaint No. 339628

Respondent.

Issued and entered
this 14th day of January, 2020

**CONSENT ORDER RESOLVING
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.*:

1. On September 4, 2019, 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) against Respondent Dorian Harvey, an individual who resides in the State of Michigan who is not registered in any capacity under the Act, ("Respondent"), Complaint No. 339628. For purposes of this Consent Order Resolving Notice and Order to Cease and Desist ("Consent Order"), Respondent and Bureau staff are referred to individually as a "Party" and collectively as the "Parties."
2. The C&D Order ordered Respondent to immediately cease and desist from violating the Act, specifically section 301 of the Act, MCL 451.2301, and further notified Respondent that the Administrator intended to impose a civil fine against him in the amount of \$10,000 under MCL 451.2604(4).
3. The C&D Order was immediately effective pursuant to MCL 451.2604(2); however, Respondent timely requested an administrative hearing on the C&D Order pursuant to the Act (including section 604, MCL 451.2604) and the Michigan Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.* (including section 71, MCL 24.271) (the "Hearing Request").

Thereafter, the Parties waived the 15-day statutory requirement to schedule a hearing and agreed to hold Respondent's Hearing Request in abeyance while negotiating possible resolution through this Consent Order.

4. 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 was represented by, and had the advice of, legal counsel throughout the process of resolving the C&D through this Consent Order.

B. AGREEMENT

The Parties agree to resolve the C&D pursuant to the following terms and conditions:

1. Respondent agrees to comply with the Act and agrees to permanently cease and desist offering or selling any securities in Michigan that are not registered or exempt under the Act or the rules promulgated under the Act or the predecessor Act.
2. Respondent agrees to pay the Bureau a reduced civil fine in the settlement amount of Two Thousand Five Hundred 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 No. 339628"), 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.

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 any 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. The Parties agree that this Consent Order is automatically admissible in a proceeding to enforce its provisions or in any administrative proceeding under the Act.
6. The Parties agree that this Consent Order resolves only Respondent's activities, conduct, and alleged Act violations contained in the C&D Order, but it does not address or resolve any other activities, conduct, or potential Act violations engaged in by Respondent not expressly contained in the C&D Order or occurring after the date this Consent Order is entered.
7. Respondent agrees that, effective upon entry of this Consent Order, the 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 Michigan 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 signatories to this Consent Order below represent and warrant that they have the legal capacity and authority to enter into this Consent Order on behalf of the named Parties and to bind the named Parties to the terms and conditions contained herein.

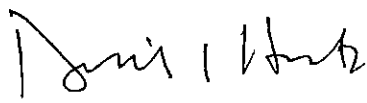
15. The Parties agree that facsimile or electronically-transmitted signatures may be submitted in connection with this Consent Order and are binding on that Party to the same extent as an original signature.

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

Signed: 
Dorian Harvey, Respondent

Dated: 12-17-19

Acknowledged and Reviewed by:

Signed: 
David J. Houston
Attorney for Respondent

Dated: 1-6-2020

Approved by:

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

Dated: _____

15. 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.

Signed: _____
Dorian Harvey, Respondent

Dated: _____

Acknowledged and Reviewed by:

Signed: _____
David J. Houston
Attorney for Respondent

Dated: _____

Approved by:

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

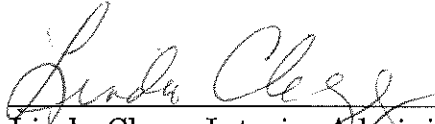
Dated: 1-8-20

C. ORDER

The Administrator NOW, THEREFORE, ORDERS:

THE TERMS AND CONDITIONS IN THE FOREGOING FULLY EXECUTED
CONSENT AGREEMENT ARE INCORPORATED BY REFERENCE AND MADE
BINDING AND EFFECTIVE THROUGH THIS CONSENT ORDER.

By:



Date: 1-9-2020

Linda Clegg, Interim Administrator and Interim 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. 339628

DORIAN HARVEY
Unregistered

Respondent.

_____ /

This 4th day of September, 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 Dorian Harvey (“Respondent”) to cease and desist from offering or selling unregistered 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. Respondent Dorian Harvey is an individual who resides in the State of Michigan and is the owner of TeamHarveyUSA Realty, Inc. (“TeamHarvey”), a Michigan corporation. Neither Respondent nor TeamHarvey is registered in any capacity, nor has either registered any securities offerings under the Securities Act.

B. Findings of Fact

1. The Bureau received a consumer complaint regarding Respondent and TeamHarvey, and as a result, opened an investigation of Respondent’s activities under the Securities Act.

2. The investigation developed evidence that Respondent, through his company TeamHarvey, marketed, offered, and sold promissory notes to Michigan investor BY. Investor BY was offered and purchased more than one promissory note from Respondent and TeamHarvey between 2015 and 2016.
3. In 2016, BY invested \$10,000 with Respondent and TeamHarvey and was promised a 30% return on the promissory note investment. Respondent's purpose in issuing the note was to raise capital for TeamHarvey's general business operations, and BY's purpose in buying the note was to earn an investment return in the form of interest. An offering letter sent to BY, and possibly to other investors, identified offerees of the note as "investors". While the note purports to create a security interest in some form of real property for BY, Respondent and TeamHarvey produced no evidence to suggest any collateral actually secures the note.
4. The note was not registered under the Securities Act, and Respondent has not proven that it was federal covered or exempt from registration under the Securities Act.

II. RELEVANT STATUTORY PROVISIONS

1. Section 102(c) of the Securities Act defines "Security", in part, as:

a note^[1]; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or

[¹ A promissory note is presumed to be a security under the "Family Resemblance Test" adopted by the Supreme Court in *Reves v Ernst & Young*, 494 US 56, 64-67 (1990), unless the note is on a list of non-security notes. The presumption may be rebutted by analyzing four factors which might identify the note as a non-security. Those factors as applied here support the conclusion that the note is a security: (1) The notes were offered to raise capital for TeamHarvey's general business operations and BY's purpose was to earn a valuable investment return in the form of interest; (2) the plan of distribution of the instrument according to the offering letter was to "investors"; (3) the investors would reasonably expect the notes to be securities, as the offerees of the notes were described as "investors" and were passive, relying on Respondent and TeamHarvey to generate a return on the money laid out; (4) no other regulatory scheme exists to provide a safeguard for investors in these notes; while the note purported to create a security interest underlying it, Respondent provided no evidence that such a security interest exists. All four factors weigh in favor of defining these notes as securities.]

group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

2. 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 sections 201 to 203.
- (c) The security is registered under this act.

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 exclusions.

III. CONCLUSIONS OF LAW

1. Respondent Dorian Harvey, through TeamHarveyUSA Realty, Inc., offered and sold a promissory note security to Michigan investor BY which was not federal covered, exempt from registration, or registered, contrary to section 301 of the Securities Act, MCL 451.2301.

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 or selling unregistered, non-exempt 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 \$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 – Dorian Harvey, under section 604 of the Securities Act, MCL 451.2604.

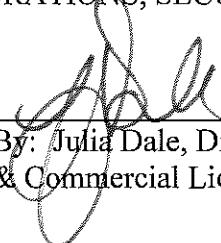
- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Notice & Order to Cease & Desist
Dorian Harvey (CN 339628)

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 & REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU


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

9/4/19
Date