



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

**Complaint Nos. 323701, 323702**

**SAMI INVESTMENTS, LLC**  
**Unregistered**

and

**HOUSTON PETERSON**  
**Unregistered**  
**CRD No. 2421280**

**FINE PAYMENT INSTRUCTIONS**

The FINE must be received by the Department on or before APRIL 24, 2017. The FINE must be paid by cashier's check or money order, with the Complaint No. clearly indicated on the check or money order, made payable to the State of Michigan, and sent to the address indicated below.

Once the FINE has been overdue for at least six months, it will be referred to the Michigan Department of Treasury for collection. Questions may be directed to Final Order Monitoring staff at (517) 241-9180.

**To ensure the proper posting of the payment to your account, please mail the Fine Payment Processing Stub with your payment to:**

Michigan Department of Licensing and Regulatory Affairs  
**CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**  
**Final Order Monitoring – Securities & Audit Division**  
P.O. Box 30018 – Lansing, MI 48909

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**FINE PAYMENT PROCESSING STUB**  
**Please return this with your payment.**

Make your check or money order drawn from a U.S. financial institution payable to the STATE OF MICHIGAN.  
Do not send cash.

Agency C3 ACCOUNT Code  
10117

Complaint Nos.: 323701, 323702	Due: APRIL 24, 2017 Total Amount Due: \$2,500.00
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Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU  
P.O. BOX 30018 · LANSING, MICHIGAN 48909  
[www.michigan.gov/cscl](http://www.michigan.gov/cscl)

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

In the matters of:

SAMI INVESTMENTS, LLC  
Unregistered

Complaint No. 323701

and

HOUSTON PETERSON  
Unregistered  
CRD#2421280

Complaint No. 323702

Respondents.

\_\_\_\_\_ /

Issued and entered  
This 23rd day of February, 2017

**CONSENT ORDER RESOLVING**  
**NOTICES AND ORDERS 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 April 18, 2016, 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 notices and orders to cease and desist ("cease and desist orders") to SAMI Investments, LLC ("SAMI") and Houston Peterson ("Peterson").
2. The cease and desist orders accused SAMI of violating the Act, specifically MCL 451.2301, MCL 451.2402(4), and MCL 451.2501(b) and Peterson of materially aiding in SAMI's violation of MCL 451.2402(4).
3. SAMI and Peterson timely requested an administrative hearing, under MCL 451.2604(2) & (3), and subsequently cooperated with the Bureau in an attempt to resolve the matter by exchanging relevant documents and discussing outstanding issues, resulting in the Administrator ordering a settlement of this matter based on the terms and conditions set forth in the Stipulation below.
4. SAMI and Peterson were represented by, and had the advice of, legal counsel throughout the process of resolving the cease and desist orders.

5. Neither Peterson nor SAMI are registered under the Act in any capacity in Michigan.
6. SAMI and Peterson indicate that neither they nor any of their affiliates are engaging in general advertising or solicitation of investors of sole assignments in mortgage loans or membership interests in SAMI over the internet or otherwise and have terminated SAMI's contract with Jason Young, who is not registered under the Act as a securities agent.

## B. STIPULATION

SAMI, Peterson, and the Administrator (collectively, "the Parties") agree that the cease and desist orders will be resolved with the following conditions:

1. SAMI and Peterson neither admit nor deny any allegations in the cease and desist orders, and agree that they and any entity under the direct control or supervision of either Respondent will comply with the Act at all times going forward, specifically MCL 451.2301, MCL 451.2402, and MCL 451.2501.
2. The Administrator agrees to reduce the fines in the cease and desist orders, and SAMI and Peterson agree to pay one Two Thousand Five Hundred Dollar (\$2,500.00) fine jointly imposed against SAMI and Peterson and to the Bureau within 60 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 Respondents' identifying information (names and complaint nos. 323701 & 323701), and be mailed to:

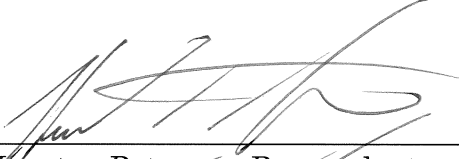
Corporations, Securities & Commercial Licensing Bureau  
Final Order Monitoring – Securities & Audit Division  
P.O. Box 30018  
Lansing, MI 48909

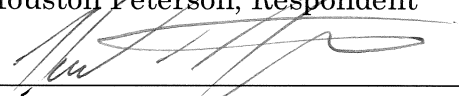
3. If any portion of the fine is overdue for at least six months, the Administrator may refer it to the Michigan Department of Treasury for collection action against SAMI and Peterson. In addition, the Administrator reserves the right to pursue any other action or proceeding permitted by law to enforce payment of the fine.
4. 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 cease and desist

orders, pending any other action the Administrator chooses to take as a result of SAMI's or Peterson's failure to comply

5. The Parties further agree that this matter 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, 1976 PA 442, as amended, MCL 15.241. The Administrator currently publishes copies of orders issued under the Act to the Bureau's website and includes a summary of order content in monthly disciplinary action reports separately published on the Bureau's website. The Administrator will also update its Form U6 filed with the CRD, which update will include that the matter was settled by Consent Order wherein SAMI and Peterson neither admitted nor denied the violations alleged in the cease and desist orders.
6. SAMI and Peterson understand and intend that by signing this Stipulation, they are waiving the right, pursuant to the Act, the rules promulgated under that Act and the predecessor Act, 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 MCL 451.2604, by presentation of evidence and legal authority and at which SAMI and Peterson 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.

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

Dated: 2-6-2017 Signed:   
Houston Peterson, Respondent

Dated: 2-6-2017 Signed:   
SAMI Investments, LLC, Respondent  
By: SAMI Capital Management LLC,  
Its Managing Member  
By: Houston Peterson, its Member

Acknowledged by:

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Kimberly Baber, Attorney for SAMI  
and Peterson  
Varnum, LLP

LARA  
FEB 15 2017  
Sec & Audit Division  
Investigation Section

orders, pending any other action the Administrator chooses to take as a result of SAMI's or Peterson's failure to comply

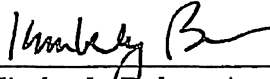
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6. SAMI and Peterson understand and intend that by signing this Stipulation, they are waiving the right, pursuant to the Act, the rules promulgated under that Act and the predecessor Act, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 *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 MCL 451.2604, by presentation of evidence and legal authority and at which SAMI and Peterson 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.

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

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
Houston Peterson, Respondent

Dated: \_\_\_\_\_ Signed: \_\_\_\_\_  
SAMI Investments, LLC, Respondent  
By: SAMI Capital Management LLC,  
Its Managing Member  
By: Houston Peterson, its Member

Acknowledged by:

Dated: 2.6.17 Signed:   
Kimberly Baber, Attorney for SAMI  
and Peterson  
Varnum, LLP

Dated: 2-15-17

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

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

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

In the Matter of:

Complaint No. 323702

HOUSTON PETERSON  
Unregistered  
CRD#2421280

Respondent.

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Issued and entered  
This 18 day of April, 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 Houston Peterson ("Respondent") to cease and desist from materially aiding in a violation of section 402(4) of the Securities Act, MCL 451.2402(4), by SAMI Investments, LLC. Respondent is also notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. Houston Peterson is an individual who resides in the State of Michigan. He is the president and resident agent of SAMI Investments, LLC, a Michigan limited liability company.

**B. Findings of Fact**

1. The Bureau conducted an investigation of Respondent's Activities.
2. The investigation developed evidence that SAMI Investments, LLC is associated with and paid to Jason Young, a Michigan-registered investment adviser representative, a commission of one percent annually

for each dollar of its securities sold as a result of Jason Young's efforts. (See Exhibit 1, Notice & Order to Cease and Desist to SAMI Investments, LLC, CN 323701).

3. Jason Young is not registered or exempt from registration as an agent pursuant to the Securities Act in Michigan. (See Exhibit 2, Notice & Order to Cease and Desist to Jason Young, CN 325647).
4. Respondent, on behalf of SAMI Investments, LLC, signed a contract with Jason Young which created Jason Young's agent relationship with SAMI Investments, LLC. (See Exhibit 3).

## **II. RELEVANT STATUTORY PROVISIONS**

1. Section 402(4) of the Securities Act, MCL 451.2402(1), states:

A broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, shall not employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (1) or exempt from registration under subsection (2).

2. Section 604(1) of the Securities Act, MCL 451.2604(1), states in part:

If the administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act, *or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act, or a rule adopted or order issued under this act*, the administrator may do 1 or more of the following:

(a) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act... (*Emphasis added*).

## **III. CONCLUSIONS OF LAW**

1. Respondent Houston Peterson materially aided SAMI Investments, LLC to associate with or employ an unregistered and non-exempt agent in the offer and sale of its securities (See Exhibits 1 and 2), in violation of section 402(4) of the Securities Act, MCL 451.2402(4). SAMI Investments, LLC engaged in a contract with Jason Young to pay Jason Young, an unregistered and non-exempt agent, commissions to refer investors to the



issuer. Respondent Houston Peterson signed the contract on behalf of SAMI Investments, LLC (See Exhibit 3), and thereby materially aided in SAMI Investments, LLC's violation of section 402(4) of the Securities Act, MCL 451.2402(4).

**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 materially aiding an issuer in associating with or employing 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 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:

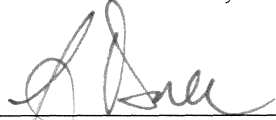
\$10,000.00 – Houston Peterson, under section 604 of the Securities Act, MCL 451.2604.

- 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



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

4/18/16  
Date