



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

ORLENE HAWKS  
DIRECTOR

In the matters of:

MUSTAFA SCHEIB  
Unregistered

Docket No. 19-015975  
Complaint No. 338699

and

CBIG CCS, LLC  
Unregistered

Docket No. 19-015977  
Complaint No. 338700

Respondents.

\_\_\_\_\_ /

**FINAL ORDER**

1. These matters came before the Department of Licensing and Regulatory Affairs under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.* (the "Act").
2. The Interim Director of the Corporations, Securities & Commercial Licensing Bureau, who is the Administrator of the Act (the "Administrator"), received the Proposal for Decision (the "PFD"), Exceptions to the PFD filed by Respondent, Response to Exceptions on behalf of the Department, 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 Erick Williams Administrative Law Judge, dated February 13, 2020, the Exceptions to PFD, the Response to Exceptions, and the complete hearing record.
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 authorized by section 604 of the Act, MCL 451.2604, are imposed:

A. Respondent Mustafa Scheib must pay a FINE in the amount of Twenty Thousand Dollars and 00/100 Cents (\$20,000.00). The fine must be paid by cashier's check or money order, with Complaint No. 338699 clearly indicated on the cashier's check or money order.

B. Respondent CBIG CCS, LLC must pay a FINE in the amount of Twenty Thousand Dollars and 00/100 Cents (\$20,000.00). The fine must be paid by cashier's check or money order, with Complaint No. 338700 clearly indicated on the cashier's check or money order.

C. Both fines must be made payable to the State of Michigan and be sent to the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Final Order Monitoring – Securities & Audit Division, P.O. Box 30018, Lansing, Michigan 48909 within sixty (60) days from the mailing date of this Final Order.

D. Respondents must continue to Cease and Desist from violating the Act, according to the cease and desist orders issued in these matters on June 24, 2019.

E. Failure to comply with this Order may subject Respondents to additional administrative or criminal sanctions, fines, and penalties. Under 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 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 the Act may be fined but shall not be imprisoned if the individual did not have knowledge of the rule or order.

F. No application for a permit, registration, licensure, relicensure, reinstatement, or renewal submitted by Respondents under the Act will be considered or granted by the Department until all final orders of the Department are fully complied with.

G. If applicable, Respondents must submit in writing to the Department proof of compliance with each and every requirement of this Final Order in a form acceptable to the Department.

H. Failure to pay the civil fines within six months after the fines becomes overdue may result in the referral of the fines to the Michigan Department of Treasury for collection action against Respondents.

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

Given under my hand at Okemos, Michigan, this 5th day of May 2020.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

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

Date mailed: May 5, 2020

FEB 14 2020

REGULATORY COMPLIANCE  
DIVISIONSTATE OF MICHIGAN  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

IN THE MATTER OF:

Corporations, Securities & Commercial  
Licensing Bureau,  
Petitioner

v

Mustafa Scheib,  
Respondent

Docket No.: 19-015975

Case No.: 338699

Agency: Corp. Securities  
Commercial Licensing  
Bureau

Case Type: Cease and Desist

Filing Type: Sanction

IN THE MATTER OF:

Corporations, Securities & Commercial  
Licensing Bureau,  
Petitioner

v

CBIG CCS, LLC,  
Respondent

Docket No.: 19-015977

Case No.: 338700

Agency: Corp. Securities  
Commercial Licensing  
Bureau

Case Type: Cease and Desist

Filing Type: Sanction

Issued and entered  
this 13<sup>th</sup> day of February 2020  
by: Erick Williams  
Administrative Law Judge

PROPOSAL FOR DECISIONBACKGROUND

This opinion finds that Mr. Scheib, and CBIG CCS, LLC, violated MCL 451.2301 and MCL 451.2501 (b).

This matter involves two companion cases with similar facts and charges.

Case 19-015975: On June 24, 2019, the Corporations, Securities & Commercial Licensing Bureau (CSCLB) issued a cease and desist order against Mustafa "Moose" Scheib charging violations of MCL 451.2102c(c), MCL 451.2301, MCL 451.2501(b), and MCL 2503(1).

Case 19-015977: On June 24, 2019, the CSCLB issued a cease and desist order against CBIG CCS, LLC, charging violations of MCL 451.2102c(c), MCL 451.2301, MCL 451.2501(b), and MCL 2503(1).

In summary, CSCLB alleged that Mr. Scheib, representing CBIG CCS, LLC, sold an investment to a client, promised to use the money to purchase a business, but instead used the money toward a purchase of a precious gem.

James E. Long and Wisam Naum, Assistant Attorneys General, represent the CSCLB. Sheldon L. Miller represents Mr. Scheib and CBIG CCS, LLC.

A hearing was held on December 11, 2019. After the hearing the evidentiary record was closed. The parties submitted closing briefs in January and February 2020.

Pursuant to MCL 451.2604 (3), hearings of this type are governed by the Michigan Administrative Procedures Act, MCL 24.271 et seq.

### **APPLICABLE LAW**

MCL 451.2102c (c) reads in part:

(c) "Security" means a note; 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 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. ...

MCL 451.2301 reads:

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.

MCL 451.2501 (b) reads:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly ...

- (b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

MCL 451.2503 (1) reads:

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.

## **EXHIBITS**

The following exhibits were admitted in evidence at the December 11, 2019, hearing; all were offered by CSCLB.

- 1 Scheib e-mail, 31 Mar 14
- 2 Texas Growth Fund brochure, 30 pp
- 3 CBIG Call Center Services LLC business description, 13 pp
- 4 CBIG Business Plan, Oct 2015, 28 pp
- 5 CBIG CCS, LLC, LLC, agreement, 54 pp
- 6 E-mail, 15 Apr 18
- 7 Letter of direction and approval of referral agent, 16 Jun 16
- 8 Funds transfer form, 7 Jul 16

- 9 Funds transfer form, 15 Dec 16
- 10 Scheib letter, 9 Sep 16
- 11 E-mail thread
- 12 E-mail thread
- 13 E-mail thread
- 14 [REDACTED] e-mail, 25 Feb 17
- 15 E-mail thread
- 16 E-mail thread
- 19 Material submitted to CSCLB by Scheib, 3 Apr 18, 52 pp
- 20 Galliver memorandum of phone call with Scheib, 26 Mar 19
- 21 Connecticut grievance dismissal, 5 Dec 18
- 26 Financial projections
- 27 Thumb drive, including 1 Nov 17 audio recording [password: CODcivil1]

Although the Scheib side attached additional exhibits to its February 2020 reply brief, those exhibits, presumably available during the hearing, are not considered here because the evidentiary record was closed after the December 11, 2019 hearing.

### FINDINGS OF FACT

Mustafa Scheib does business under the name Moose M. Scheib. He lives in Dearborn, Michigan. He is licensed to practice law in Connecticut.<sup>1</sup> Mr. Scheib is involved in a number of transactions or deals.<sup>2</sup> He describes himself as a deals guy.<sup>3</sup>

#### **Investment**

One of Mr. Scheib's business interests is the EB-5 visa program. Scheib described the program as follows:

EB-5 basically is called the millionaire visa. You need a million dollars to invest in the EB-5 project.... And there's certain zones, targeted employment zones, TEA zones they're called ... The investment's half a million because those areas need more jobs. So, the government gives you a break. Rather than a million – you can invest half a million....

If a company wanted to build a hotel, they could borrow 60 million from the bank or they could go to a regional center and say we would like some of our money from EB-5, and that regional center would get investors from other parts of the

---

<sup>1</sup> Scheib, 11 Dec 19, p 219. Exhibit 21.

<sup>2</sup> Scheib, 11 Dec 19, pp 227-228.

<sup>3</sup> Scheib, 11 Dec 19, p 227.

world and put together their investment and lend that money to the developer. So basically, it's a lower finance way of getting money...

So, a bank might charge seven percent to a developer or a construction loan might be 10 percent. The regional center charge, you know, four and a half percent or something in that range, so....

It's basically a benefit to the developers because they get money for cheaper....

[The people who are putting up the money] They get a – they get – after two years they get a conditional green card and after five – I think after five years they can apply to – for citizenship....

... [P]eople do this millionaire visa for the green card, not for a return or not, you know, any other reason. They wanna buy their way to the U.S.<sup>4</sup>

Mr. Scheib testified that, prior to November 2016, he had a clientele of people living in the Middle East – speakers of Arabic – who were interested in coming to the United States.<sup>5</sup>

Mr. Scheib met ██████████ in about 2013 in Qatar. ██████████ was a producer at Al Jazeera television network. Scheib, among other things, was trying to attract Middle Eastern investors to Michigan. Scheib and ██████████ became friends.<sup>6</sup>

Scheib testified that ██████████ was initially interested in the EB-5 visa program because it was a source of material for her TV shows; later she became interested because she "wanted to do that."<sup>7</sup>

Scheib testified:

She was always off and on. Should I go to America? Should I not? I wanna go back to Jamaica. No, maybe I need to be in America with my kids if I send 'em to college there. So, from 2013 – 2014 when I met her 'til, you know – 'til – 'til, you know, the latest, she's always been interested or talking about EB-5.<sup>8</sup>

---

<sup>4</sup> Scheib, 11 Dec 19, pp 221-222.

<sup>5</sup> Scheib, 11 Dec 2019, p 223.

<sup>6</sup> Scheib, 11 Dec 19, pp 223-224.

<sup>7</sup> Scheib, 11 Dec 19, pp 226, 229.

<sup>8</sup> Scheib, 11 Dec 19, p 226.



Mr. Scheib wrote a brochure advertising CBIG CCS, LLC, that listed Ms. [REDACTED] as a media consultant.<sup>9</sup>

Ms. [REDACTED] testified that, in early 2016, she began taking steps toward securing an EB-5 visa and moving to the United States. Mr. Scheib offered her two investment opportunities designed to qualify for the EB-5 visa program. [REDACTED] testified:

... Moose knew that I wanted my older son to go to college in the US and so the conversation turned to, well, you know, you should – you should invest in an EB-5. You wanna be in the US, you want to educate your children in the US, you should think of EB-5 as a route for you....<sup>10</sup>

So, around 2016 after we – he had set up a call with a friend of his who just so happened to run an immigration law firm that specializes in immigration. After he set up that call, we – they were advising me as to my options to – to move to the US, and they had advised that EB-5 was probably my – my best bet....<sup>11</sup>

So, at first it was Texas Growth Fund, which I knew a lot about and had had one of the project managers appear on Al Jazeera talking about it. So, I went quite far down the road with Texas Growth Fund. I – I signed an agreement, did an investor questionnaire, did my due diligence, and then it abruptly changed somewhere around May. Moose had said, Texas Growth Fund is oversubscribed but don't worry, I'm starting my own project. And you know, the great thing about that is I can guarantee you'll get your money back quickly, and no matter what happens I'll give you a guarantee you're gonna get your money back.<sup>12</sup>

Ms. [REDACTED] testified that Mr. Scheib gave her a brochure describing the Texas Growth Fund.<sup>13</sup>

[REDACTED] recalls that, later in the negotiations, Scheib switched his recommendation from the Texas Growth Fund to CBIG CCS, LLC, a company owned by Mr. Scheib himself, which has a mailing and banking address at 344 Old Woodward Avenue, Suite 200, Birmingham, Michigan, 48009. That address is also the office of Mayer Morganroth,

---

<sup>9</sup> [REDACTED] 11 Dec 2019, pp 32-33. Exhibit 4, p 25

<sup>10</sup> [REDACTED] 11 Dec, p 24.

<sup>11</sup> [REDACTED] 11 Dec 24, p 25

<sup>12</sup> [REDACTED] 11 Dec 2019, p 26.

<sup>13</sup> [REDACTED] 11 Dec 19, pp 26-27. Exhibit 2.

P17966, Mr. Scheib's lawyer. CBIG CCS, LLC, was managed by James Cline, who lived in Michigan.<sup>14</sup>

In an April 2018 e-mail, written two years later, Mr. Scheib looked back on the Texas Growth Fund transaction and discussed why he and the fund had parted ways. He wrote that he had originally "landed a contract to represent a project with the Texas Growth Fund" but the relationship soured. Scheib wrote:

That is where I came in by attending EB5 industry functions, making appropriate contacts, and landing a contract to represent a project with the Texas Growth Fund ("TGF") as well as others.

While it took us nearly 16-18 months to get all these parts moving and operating properly and within compliance, we began seeing positive results of our marketing efforts (both online and in person) in the following ways:

Prospective clients started asking better questions  
Clients filled out initial forms for TGF  
Clients began requesting calls with TGF  
Clients began requesting referrals to legal counsel and other professionals  
Clients visited TGF offices / project in Austin, TX

After receiving such positive results, TGF began asking too many questions such as how we were doing our online marketing. TGF's new President began undermining our clients at every opportunity. TGF did not want several investors for their Colorado project due to them being Muslim; even when we gave them Indian clients (who were not Muslim) they privately told me that would not work for their developer client. Other things began to emerge: TGF did not return our investor calls; TGF's legal counsel did not follow-up with clients we referred; TGF stopped reimbursing us for costs associated with TGF business.<sup>15</sup>

Ms. ██████ testified that, in about May 2016, Mr. Scheib told her that the Texas Growth Fund investment had become unavailable; it was "oversubscribed." Scheib then suggested that she invest in CBIG, LLC. Scheib testified that he laid out the CBIG CCS, LLC offer to Ms. ██████. Scheib gave ██████ documents describing CBIG CCS, LLC, including profit projections.<sup>16</sup>

---

<sup>14</sup> Scheib, 11 Dec 19, p 252, 255, 270, 274, 276. Exhibit 10.

<sup>15</sup> Exhibit 6.

<sup>16</sup> ██████ 11 Dec 19, pp 30-31, 71-74. Scheib, 11 Dec 19, p 249. Exhibits 3, 5, 26.

Ms. [REDACTED] testified that, after the Texas Growth Fund investment became unavailable, she was reluctant to invest \$500,000 in the CBIG CCS, LLC, investment. To encourage her to invest in CBIG CCS, LLC, Scheib offered [REDACTED] what he described as a "guarantee." Scheib offered to give her a portion of his commission on a diamond deal he was pursuing. Partly on the strength of that guarantee, [REDACTED] then decided to invest in CBIG CCS, LLC.

The diamond deal is described in more detail below.

It is not clear whether Ms. [REDACTED] actually signed the investment agreement. [REDACTED] recalls that she signed the agreement.<sup>17</sup> But there is no signed agreement in evidence.

[REDACTED] testified:

I was saying, look, I – I just can't do this. I don't have the money to lose, and I'm not feeling very comfortable giving you half a million dollars. So, Moose's assurance was, look, I'm working on this big deal. No matter what happens, you're gonna get your money back and you're gonna get your money back quickly, long before the two-year period has passed. So, the red diamond is the way I'm gonna guarantee you your money back, sign this guarantee. So, this was the guarantee document.<sup>18</sup>

[REDACTED] agreed to invest in the CBIG CCS, LLC. By June 2016, she was working with a law firm on an EB-5 petition. Jordi Bayer of the Greenberg Traurig law firm sent [REDACTED] the following e-mail message on June 7, 2016:

Dear [REDACTED],

It is nice to meet you and I am looking forward to working with you on your EB-5 petition. To begin, attached please find our EB-5 questionnaire for your review and completion. You will note that there is also a list of documents you will need to compile in connection with your petition.

Please feel free to contact me should you have any questions as you work through completing the questionnaire and gathering the relevant supporting documents. I would also be happy to schedule a call to discuss the source of funds for your investment and any other questions you may have regarding the EB-5 process. [Exhibit 12]

---

<sup>17</sup> [REDACTED], 11 Dec, 2019, p 36.

<sup>18</sup> [REDACTED], 11 Dec 19, p 54.

Between July and December 2016, ██████ paid a total of \$500,000 to CBIG CCS, LLC. On July 3, 2016, ██████ paid \$475,000.<sup>19</sup> On 15 December 2016, ██████ paid \$25,000.<sup>20</sup> On September 9, Mr. Scheib, acting in behalf of CBIG CCS, LLC, acknowledged receipt of \$500,000.<sup>21</sup>

### Failure to Disclose Business Collapse

CBIG CCS, LLC, owned by Mr. Scheib,<sup>22</sup> was a marketing operation to solicit foreign investors in the EB-5 visa program. The company had offices in Detroit and Birmingham, Michigan. CBIG CCS, LLC, was itself a vehicle for its investors to qualify for EB-5 visas. The fact that ██████ sent her \$500,000 to CBIG CCS, LLC, implies that she intended the money as an EB-5 investment, that is, as an investment that would qualify her for an EB-5 visa.

CBIG CCS, LLC failed on or around November 2016 when Middle Eastern investors lost interest in migrating to the United States. Scheib testified:

Miller: And were you successful in that program?

Scheib: No.

Miller: Why?

Scheib: Trump got elected.

Miller: And what difference did that make?

Scheib: Most of the clientele I had from the Middle East speak Arabic, or most of 'em, and they don't want – a lot of the folks that we were talking to didn't wanna come to the U.S. after Trump was elected. Actually, when he started building up steam, you know, in that summer and his ratings going up, as his ratings went up, less and less interest almost correlated with – with that.<sup>23</sup>

On December 19, 2016, one of Ms. ██████ lawyers (Rohit Turkhud of the Fakhouri law firm) sent ██████ a set of rhetorical questions criticizing her proposed EB-5 transaction.

---

<sup>19</sup> Exhibit 8. Exhibit 19, p 51.

<sup>20</sup> Exhibit 9. Exhibit 19, p 52.

<sup>21</sup> Exhibit 10.

<sup>22</sup> Scheib, 11 Dec 19, p 252

<sup>23</sup> Scheib, 11 Dec 19, p 223.

1. What are you relying on for the EB-5 investment of US \$500,000 that you have made or are in the process of making?
2. We have been asking for the full “1-526 package” for quite some time. We seem to receive information in bits and pieces. How can you make a proper informed decision without reviewing all the necessary documents at one time?
3. How are/were you expected to file an EB-5 petition with the USCIS with so many “loose ends” – as you may gather from our below questions?
4. There is no operating agreement at present. It is “in the stages of finalizing”. So, what document(s) have you reviewed and signed that clearly defines your investment, the purpose for which it is to be used, what your role in this endeavor will be – especially once you migrate to the US if all goes well, what are your rights, liabilities, obligations, etc.? We believe that this minimal due diligence should have been conducted before you invested your moneys into any EB-5 visa opportunity.
5. Have you already invested the mandated amount of US \$500,000? Is it an irrevocable investment or can you get it back if you decide that this opportunity is not for you? How quickly can you get your moneys back should you want to exercise that option? What are the circumstances that you have agreed to that would allow you to ask for and get your moneys back?
6. Is that money being held in escrow? Or is it already being used and is not being held in escrow? What is the “release” mechanism from any relevant escrow account? Is that for the full amount or in tranches?
7. What is the business opportunity that you are investing in for the EB-5 visa? Is it one business opportunity or three different verticals [sic] that you are investing in? Have you vetted it for being a credible business opportunity? What about the credibility from an EB-5 perspective? Will it create the jobs that are needed as a direct result of your investment?
8. Does this business have a “life” of at least five years as that is the average green card processing time?
9. Is there a credible business plan? Have you reviewed it? Have you analyzed it, or had it analyzed by a third party who is qualified to do that? What is the business plan based on?

10. What information and/or documents have you reviewed – whether yourself or by a “business attorney” who can offer you his/her assessment of the investment opportunity before making this investment?

11. What is CBIG CCS’ investment? Only management and time? So, the entire financial risk is yours? Are you OK with that? Have you consulted appropriate legal counsel to fully understand what this entails for you?

12. You are supposedly an “equity” stakeholder in this investment. What are all the implications of that for you? Have you obtained proper legal counsel on this issue? What are your “exit” rights and available strategies?

13. Are there documents that establish how and when the jobs needed for your green card will be created and how each job will flow directly into your investment of \$500,000? Have you reviewed these documents and had them validated?

14. We do not know what value there is to a response which says, “Greenberg Traurig reviewed.” What does “review” mean? Is it an endorsement by them? If so, is there that endorsement in writing? Is GT even qualified to offer that endorsement? What is the value of that endorsement for you as an investor – in fact as possibly the only financial investor – at least at present?

15. Is there a 3<sup>rd</sup> party that will monitor how and when your investment amount will be spent to ensure that it is spent per the business plan? Any such agreements in place?

16. If there is no such 3<sup>rd</sup> party, who will monitor the use of the invested funds and who will ensure that the money is spent as it is supposed to be?

17. What is CBIG CCS’ exit strategy? What is your exit strategy? Do these work together or may they conflict?<sup>24</sup>

It is important to note that, in his December 19, 2016, e-mail, Mr. Turkhud confirms that [REDACTED] had made a \$500,000 investment in CBIG CCS, LLC with a view to securing an EB-5 visa.

Turkhud was frustrated because he had not received answers to his questions about the nature of the investment, and he questioned the probity of the transaction.

---

<sup>24</sup> Exhibit 16, pp 3-4

On January 17, 2017, Mr. Turkhud sent Ms. [REDACTED] another set of questions, criticisms of her investment, and disclaimers:

Re: Some questions that are important for [REDACTED] to consider re your EB-5 investment

Dear [REDACTED]

Many thanks for your e-mail and your responses.

1. We note that your investment is already being used and not being held in escrow. While we always urge our clients to obtain independent third-party assessment of a project's viability and credibility, that may be moot at this time as your investment is already being used. Thank you for informing us that you have done your due diligence on this matter.
2. All business and financial decisions are yours to make. We play no part in those decisions.
3. Any questions that the USCIS may revert with – by the issuance of an RFE (request for evidence) – which relate to the “project” – including the critical issue of “job creation” – must be responded to by Moose and his team.
4. Our team will respond to queries that will be “non-project” related, i.e., your source of funds and related queries.
5. Per our review of e-mails and documents received from James, we do not have an operating agreement. As I have noted in my comment #4 below, I believe that James' last comment on the operating agreement was that it is “in the stages of being finalized.”
6. Would you please request Moose and his team to send you and I (including my colleague, Li Li) the entire project related package that they will want us to submit to the USCIS as an integral part of your filing?<sup>25</sup> It would be in our best interests to have the entire package at one time instead of trying to piece it together. We will process the immigration paperwork for you, after we receive and review the entire set of documents.<sup>26</sup>

---

<sup>25</sup> Scheib has or controls the documents [REDACTED] needs to file her petition.

<sup>26</sup> Exhibit 15 and Exhibit 16, pp 1-2

On February 25, 2017, Mr. Turkhud quit. In his view, [REDACTED] EB-5 petition was untenable. He wrote:

Re EB-5 application – [REDACTED]

Dear [REDACTED]

This is a tough e-mail for me to write, especially as I have had the pleasure and privilege of meeting you and I believe that you are a very nice person and a professional to boot. But I have to write this in your best interest and in the interests of our firm, FLG and the quality of our work that we take much pride in.

At this time in light of the following facts, we have decided that we cannot represent you in your EB-5 petition.

1. We have been trying to get the necessary documents from your selected project for several months. We have got nothing.
2. It has been well over a month since our last communication. And even that communication was initiated by us.
3. You have roughly just about two months to file your EB-5 application to meet the next extended date of April 28, 2017.
4. We want you to have the best possible representation for your case. At this point in time we believe we are compromised.
5. We want you to have enough time to retain new counsel who can best represent you.
6. We are pressed for time and we are unable to constantly initiate contact with client for their paperwork to enable us to file their EB-5 petition. That is all that we seem to have done in this matter.
7. Therefore, we will retain a nominal amount of US \$2,000 (as opposed to our normal non-refundable retainer of US \$5,000) as our retainer fee to compensate us for the work that we have put into this matter. All other moneys that you have paid to us will be returned to you. Please advise us how and where you would like the balance moneys to be returned. Our finance team, who are on this



e-mail, will need specific instructions from you please. Alanna/Megan, pl note this and pl check with me if you have any questions on this matter.<sup>27</sup>

It is important to note that Mr. Turkhud's criticisms were based in large part on the failure of CBIG CCS, LLC to provide credible information about its business affairs. The company had not provided an operating agreement, business plan, description of the jobs to be created, escrow agreement, monitoring agreement, or exit plan. Turkhud stated that he had asked CBIG CCS, LLC repeatedly for that material and received little or nothing.

In about November 2016 (at about the time of the presidential election in the United States), CBIG CCS, LLC, failed and was closed. After November – in December 2016 and January and February 2017 – Ms. [REDACTED] lawyer asked Mr. Scheib for detailed information about CBIG CCS, LLC, and received no disclosure that the business had failed and was closed. In December 2016, CBIG CCS, LLC, collected a \$25,000 investment from Ms. [REDACTED].<sup>28</sup> No one told [REDACTED] prior to her \$25,000 payment, that the business was closed.

Ms. [REDACTED] testified that, after Mr. Turkhud's February 25, 2017, e-mail, she asked Mr. Scheib for her money back, and Scheib agreed. She testified:

My lawyer who was filling my immigration paperwork came to me and said, Look, I can't represent you in this. This project doesn't stand up to scrutiny, and I would really advise you to pull out of this, get your money back. At which point I called Moose and said ... can I just get my money back, and he said, yeah, sure, sure, sure. I just need to liquidate some assets. I'll get you your money back.<sup>29</sup>

The first documentation in this record in which Scheib notified [REDACTED] that CBIG CCS, LLC, had failed appears in a November 1, 2017, voice message in which Scheib said:

[REDACTED] I'm sorry that this has been torture. You invested in the EB-5 business with me. And I also invested in that EB-5 business. And I put over three years of time, energy, and effort into it. And no one could have predicted where the market went. When Trump got elected it made things a lot harder on many different levels, including the confidence of people that were in the process of being – of investing. So, there is a lot that happened at the same time. I gave you some security in the deal that really wasn't part of the deal. And I do believe

---

<sup>27</sup> Exhibit 14

<sup>28</sup> Exhibit 9. Exhibit 19, p 52.

<sup>29</sup> [REDACTED] 11 Dec 19, pp 57-58.

that that security will pan out. I know it's been tough. And I know it's been tortuous for you. But I've been doing everything I can on my end to make it right – to move forward properly – to exercise good business judgment. And that's really where it's at, [REDACTED] I do believe that that deal with His Highness will move forward. But I could never have predicted it would take this long. And it really drains me – in addition to having set up all that – all those folks to work and that responsibility of setting up that investment. And then you changing your mind halfway between, which is fine. I agreed to give you the refund. And I'm trying to work through it as best as I can. I've been trying everything including selling family land and working through that process and putting a lot of money into that to get it to the point of sale. So, I've been trying all different avenues. And I don't know. 'Everything happens for a reason', I like to say. And I really hope we can move forward properly. I really want to work with you. I know you entrusted me, and I don't take that lightly. And it's a big responsibility for me, too.<sup>30</sup>

Thus Ms. [REDACTED] was not informed until about a year after the fact that CBIG CCS, LLC, had collapsed and that her investment money had been put to other uses.

### Diamond Deal Guarantee

Mr. Scheib testified that, in May 2016, he met a person in California who owned a valuable diamond. The diamond was a large red diamond with a colorful history. Scheib understood that the diamond might be worth as much as \$120 million. The owner, [REDACTED] was interested in selling it. Scheib, who had developed some contacts in the Republic of Qatar, conceived the idea that he might be able to broker a sale of the diamond to the Emir of the Republic of Qatar, or to a member of the royal family, or to a museum in Qatar, and collect a ten percent commission.<sup>31</sup>

Scheib testified that he asked [REDACTED] to loan him money to help him with the expense of brokering the diamond sale. In exchange, Scheib promised to repay [REDACTED] by assigning her a portion of his expected commission. Scheib testified:

[REDACTED] thought, wow, this is a great opportunity to make a relationship with the royal family. Moose, imagine how many deals you could do if you get this red diamond to [REDACTED], the ruler's mother...

[REDACTED] gave me a contact ... who worked for [REDACTED], the ruler's mother... and once [the contact signed an agreement] [REDACTED] came to me and said, "Hey, I might want to EB-5 later. I'm not sure. I still wanna pursue it, but I need to get

---

<sup>30</sup> Exhibit 27. Scheib, 11 Dec 19, p 260.

<sup>31</sup> Scheib, 11 Dec 19, pp 230-232.

my money out of London. Do you have anything good for me? I said only thing I can work on right now is this diamond and I – and I'd be happy to take a loan against my commission on this.... I said to her I – I'd pay for her son's college, which is like another \$50,000. So I said to her, you know, if you – if you lend me the money, I'll pay you back, you know, what you lent me, and I'll give you another \$50,000 on top of that.<sup>32</sup>

On June 16, 2016, Ms. [REDACTED] and Mr. Scheib both signed a document that reads as follows:

Letter of Direction and Approval of Referral Agent

June 16, 2016

To: CS 1, LLC

Re: Payment of Fee for Sale of Kazanjian Red Diamond under Independent Contractor Agreement and Approval of Referral Agent

Dear Sirs:

Reference is made to that certain Independent Contractor Agreement (the "Agreement"), dated May 10, 2016 by and between CS 1, LLC, a Delaware limited liability company ("Company") and Moose M. Scheib ("Contractor"), pursuant to which Company has agreed to pay Contractor a consulting fee upon the satisfaction of certain conditions and contingencies set forth in the Agreement (the "Consulting Fee") equal to 10.83333% of the Total Purchase Price (as defined in the Exclusive Marketing Agreement dated May 10, 2016 between CS 1, LLC and [REDACTED]) out of the amount that Company actually receives from Owner (as defined in Exclusive Marketing Agreement) pursuant to the Exclusive Marketing Agreement (as defined in the Agreement).

As previously disclosed to Company, Contractor has agreed to pay a referral fee to a third party equal to ten percent (10%) of any Consulting Fee (i.e. 9.75% of the Total Purchase Price) receivable by Contractor under the Agreement is referred to herein as the "Net Consulting Fee".

Subject to the following sentence, Contractor hereby irrevocably directs Company to pay Five-Hundred Thousand DOLLARS (\$500,000 USD) out of the Referral Fee otherwise payable to Contractor and/or third parties, when and if

---

<sup>32</sup> Scheib, 11 Dec 19, pp 232-233.

due under the Agreement, to Ms. [REDACTED] [REDACTED] (Qatari National ID # 27982600095) upon the sale of the Kazanjian Red Diamond (Gemological Institute of America's Report Number 1102590297, 5.5 carat square emerald cut diamond) within the terms of the Exclusive Marketing Agreement (as defined in the Agreement) on terms acceptable to Owner. Notwithstanding any provision herein to the contrary, no fee shall be payable to Ms. [REDACTED] ("Referral Agent") unless and until Contractor receives payment from Owner. Such payment shall be due to Referral Agent within ten (10) days of receipt of funds by Contractor.

Sincerely,

/s/ Moose M Scheib

Acknowledged and Agreed:

/s/ Ms. [REDACTED] [Exhibit 7]

In 2018, after CBIG CCS, LLC, had failed and Ms. [REDACTED] had filed legal complaints in various tribunals, including the SEC, the State of Michigan, and the State of Connecticut, Mr. Scheib began to portray Ms. [REDACTED] as a business partner in the diamond deal and not as an investor in CBIG CCS, LLC. In an answer to [REDACTED] complaint against his law license in Connecticut, Scheib gave the diamond deal a new name – he called it the "gateway deal" – and the Connecticut grievance panel described Scheib's position as follows:

[Scheib] maintains that the \$500,000 [REDACTED] provided to him was a loan extended to him through his company. [Scheib] did not represent [REDACTED] as an attorney. [Scheib] maintains that [REDACTED] loaned him the money for the "Gateway Deal." Her security was [Scheib's] irrevocably assigning a portion of his commission in that deal.<sup>33</sup>

In his March 2019 letter to the CSCLB, in answer to [REDACTED] complaint under the Michigan blue sky law, Mr. Scheib again portrayed Ms. [REDACTED] as a partner in the gateway deal:

The complaint ... falsely claim[s] the type of security or investment as "EB-5 investment" and name[s] me and my company as the issuer....

---

<sup>33</sup> Exhibit 21.

Specifically, Complainant loaned me the money, with full disclosure of the Gateway Deal and secured an interest therein with and by me irrevocably assigning a portion of my commission in the Gateway Deal to Complainant in exchange for the loan....

The loan extended by Complainant to me and my company was secured by legal means and documented with an executed agreement signed by both Complainant and myself on June 16, 2016.... My company received part of the loan funds twenty-two days later, on July 5<sup>th</sup>, 2016.<sup>34</sup>

Ms. ████████ denies that she loaned Scheib money in connection with the diamond deal.<sup>35</sup> ████████ testimony that she invested in CBIG CCS, LLC, and not in the diamond deal, is corroborated by several documents, including the CBIG CCS, LLC, financial records and investment agreement and ████████ correspondence with her lawyers.

In his November 1, 2017, voice message, Mr. Scheib admitted that ████████ \$500,000 payment to CBIG CCS, LLC, was an investment intended to qualify her for an EB-5 visa. Scheib said, "You invested in the EB-5 business with me."<sup>36</sup> In an April 15, 2018, e-mail message to Ms. ████████ Mr. Scheib, recapping his business relationship with ████████ wrote:

... As you are aware, we initially began this process by exploring a call center as an option for your investment. We initially thought there was an opportunity to assist MENA region investors in investing their money in the USA and receiving a green card and wanted to pursue that business by setting up a series of contracts that would allow us to monetize this opportunity in a big way while creating 10 jobs so that you could also have the option to get your EB-5 done in the process. That was what we originally planned, and things evolved from there....<sup>37</sup>

There is no document corroborating Scheib's claim that ████████ loaned him \$500,000 to help him negotiate the diamond deal. Not even the June 16, 2016, document supports the claim that ████████ was a partner, investor or creditor. The document contains no acknowledgement of any work, promise or consideration on ████████ part. The document does not mention a loan or a loan repayment.

---

<sup>34</sup> Exhibit 19, pp 4-5.

<sup>35</sup> ████████ 11 Dec 19, p 167.

<sup>36</sup> Exhibit 27.

<sup>37</sup> Exhibit 6.

On the contrary, in other statements, made closer in time to the transaction itself, Mr. Scheib portrayed the June 16, 2016, document as a form of “security” or a “guarantee” that made it more likely that ██████ would get her EB-5 investment back.

In his November 1, 2017, voice message Scheib stated:

... I gave you some security in the deal that really wasn't part of the deal. And I do believe that that security will pan out....<sup>38</sup>

In his April 15, 2018, e-mail message, Scheib wrote:

I agreed to pay you back your investment as a loan for your assistance in that deal with a 50K profit should we close that deal.... No one expected the Red Diamond deal to take so long and for that reason we have been put in this situation where you are in need of your investment or returns as circumstances have changed for you.

That being said, with the initial investment you provided, and some of my own investment, we had built a team, employed our requisite number of employees, and began operation. I also pursued the Red Diamond alongside these operations....<sup>39</sup>

Mr. Scheib led Ms. ██████ to believe (and ██████ apparently still believes) that the diamond deal was a kind of “guarantee” or “security”.<sup>40</sup> ██████ demonstrated her continuing belief in the “guarantee” tale during her 2019 testimony when she said:

I was saying, look, I – I just can't do this. I don't have the money to lose, and I'm not feeling very comfortable giving you half a million dollars. So, Moose's assurance was, look, I'm working on this big deal. No matter what happens, you're gonna get your money back and you're gonna get your money back quickly, long before the two-year period has passed. So, the red diamond is the way I'm gonna guarantee you your money back, sign this guarantee. So, this was the guarantee document.<sup>41</sup>

Mr. Scheib's offer to share his commission on the diamond deal with Ms. ██████ was hardly a “guarantee.” Scheib promised to pay ██████ \$500,000 if and only if the sale closed. The economic value of that promise – that is, \$500,000 times the probability of

---

<sup>38</sup> Exhibit 27.

<sup>39</sup> Exhibit 6.

<sup>40</sup> ██████, 11 Dec 19, pp 54, 112.

<sup>41</sup> ██████, 11 Dec 19, p 54.

closing – was well below \$500,000. Scheib’s promise to share his commission on the diamond deal with [REDACTED] is better described as a “promotional gift” than a “guarantee.” Imagine a car dealer who gives a customer a \$50,000 lottery ticket as a promotional gift when the customer buys a \$50,000 car. The lottery ticket is hardly a guarantee that the customer will get her money back. If the dealer tries to describe the lottery ticket as a guarantee, the description will be false, because the value of the lottery ticket – that is, the payoff amount times the odds of winning the lottery – is a small fraction of the payoff amount. Scheib’s promise to give [REDACTED] \$500,000 when the diamond deal closes was like giving her a \$500,000 lottery ticket. The value of that promise was a fraction of \$500,000. In short, Mr. Scheib’s statement to Ms. [REDACTED] that he had given her a \$500,000 “guarantee” was false.

### Unsuitable Investment

Mr. Scheib is familiar with the rules of the EB-5 visa program. When Scheib presented [REDACTED] the June 16, 2016, document and portrayed it as a “guarantee” he knew that a “guarantee” (if it was really a guarantee) would render an investment ineligible for EB-5 treatment.<sup>42</sup>

Under the rules of the EB-5 visa program, a foreign investor who invests money in the United States must put her money at risk, and a guarantee that makes the investment risk-free will render the investment ineligible for EB-5 treatment.<sup>43</sup>

See generally, 8 CFR 204.6 (j) (2), which reads in part:

To show that the petitioner has invested or is actively in the process of investing the required amount of capital, the petition must be accompanied by evidence that the petitioner has placed the required amount of capital at risk for the purpose of generating a return on the capital placed at risk....

In his closing brief, Mr. Scheib gives his understanding of the effect of the “guarantee” as follows:

The guarantee that Respondent [Scheib] gave to [REDACTED] in the signed document automatically meant that she could not use that money for an EB-5 program.<sup>44</sup>

---

<sup>42</sup> Scheib, 11 Dec 19, pp 229-230.

<sup>43</sup> Scheib, 11 Dec 19, p 229-230.

<sup>44</sup> Respondent’s closing brief, 20 Jan 20, p 2.

Presumably, Mr. Scheib knew about the “at risk” requirement – and the disqualifying effect of a “guarantee” – when, in June 2016, he promised to share his commission on the diamond deal with Ms. [REDACTED] and thus “guarantee” her investment in CBIG CCS, LLC. Although Scheib presumably knew that a “guarantee” – if real – would render [REDACTED] investment ineligible for EB-5 treatment and defeat her plans to come to the United States, he did not share that information with [REDACTED]. In effect, Scheib collected \$500,000 from [REDACTED] for a deal designed to help her come to the United States when he knew that, because of the “guarantee”, the deal was fatally flawed. Thus, Scheib omitted to disclose a material fact.

### CONCLUSIONS OF LAW

This was a Michigan transaction. CBIG CCS, LLC, is owned by Mr. Scheib, who lives in Dearborn, Michigan. The company was managed by James Cline of Detroit, Michigan. The company was represented by Mayer Morganroth of Birmingham, Michigan, a licensed Michigan attorney. The organization collected investment funds in Michigan.<sup>45</sup> Ms. [REDACTED] sent \$500,000 to Mr. Morganroth’s address.<sup>46</sup>

MCL 451.2301 and MCL 451.2501 apply to offers and sales of securities. Granted, no signed investment agreement is in evidence. However, there was an offer and sale. Mr. Scheib offered -- and Ms. [REDACTED] paid for -- an investment in CBIG CCS, LLC.<sup>47</sup> An investment contract is a security, as defined by MCL 451.2102c (c). Those facts bring the transaction under MCL 451.2301 and MCL 451.2501.

The investment in CBIG CCS, LLC, is not a federally covered security, not exempted from registration, and not registered in Michigan. CBIG CCS, LLC, and Mr. Scheib therefore violated MCL 451.2301.

Mr. Scheib gave Ms. [REDACTED] a document -- Exhibit 7 -- the promise to share commission -- stating that it was a “guarantee” that [REDACTED] would get her \$500,000 investment in CBIG CCS, LLC, back. That statement was fraudulent in two respects. First, it was false because Exhibit 7 was not a guarantee but a promotional gift worth a fraction of \$500,000. Second, it was misleading because Scheib omitted to disclose that a guarantee – if genuine – would have rendered [REDACTED] investment ineligible for EB-5 treatment and defeated her plan to move to the United States. Scheib thus violated MCL 451.2501 (b).

---

<sup>45</sup> Scheib, 11 Dec 19, p 252, 255, 270, 274, 276. Exhibit 8-10, and 19.

<sup>46</sup> Scheib, 11 Dec 19, p 252, 255, 270, 274, 276. Exhibit 8-10, and 19.

<sup>47</sup> Scheib, 11 Dec 19, p 249. Exhibit 5.



Scheib and CBIG CCS, LLC, omitted to inform [REDACTED] until a year after the fact that CBIG CCS, LLC, had collapsed in November 2016 and that some of [REDACTED] investment had been diverted to other uses. Indeed, after the collapse, Scheib and CBIG CCS, LLC, collected a \$25,000 payment from [REDACTED] without disclosing the collapse. Scheib and CBIG CCS, LLC, thus violated MCL 451.2501 (b).

**PROPOSED DECISION**

CBIG CCS, LLC, and Mr. Scheib, violated MCL 451.2301 and MCL 451.2501 (b).

**EXCEPTIONS**

Pursuant to MCL 24.281 and 2015 AACRS R 792.10132, the parties may file exceptions to this proposal for decision within 21 days after the proposal for decision is issued and entered. An opposing party may file a response to exceptions within 14 days after exceptions are filed. All exceptions and responses must be filed with the Michigan Office of Administrative Hearings and Rules, P.O. Box 30695, Lansing, Michigan 48909-8195, and served on all parties to the proceeding.



**Erick Williams**  
**Administrative Law Judge**

**PROOF OF SERVICE**

I certify that I served a copy of the foregoing document upon all parties and/or attorneys to their last-known address in the manner specified below, this 13<sup>th</sup> day of February, 2020.

  
D. Hagar  
Michigan Office of Administrative  
Hearings and Rules

**Via Inter-Departmental Mail:**

James E. Long  
Department of Attorney General  
5th Floor Williams Building  
525 W Ottawa  
Lansing, MI 48933

Kim Breitmeyer  
Corporations, Securities & Commercial Licensing  
2501 Woodlake Circle  
Okemos, MI 48864

**Via First Class Mail:**

Mustafa Scheib  
15 Bradford Court  
Dearborn, MI 48126

CBIG CCS, LLC  
Att: Mustafa Scheib  
15 Bradford Court  
Dearborn, MI 48126

Sheldon L Miller  
31731 Northwestern Hwy, Ste 280W  
Farmington Hills, MI 48334

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

In the Matter of:

Complaint No. 338700

CBIG CCS, LLC  
Unregistered

Respondent.

\_\_\_\_\_ /  
This 24<sup>th</sup> day of June, 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 CBIG CCS, LLC (“Respondent”) to cease and desist from offering or selling unregistered securities and from misstating material facts in connection with the offer or sale of a security, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

**I. BACKGROUND**

**A. The Respondent**

1. CBIG CCS, LLC is a Delaware-organized limited liability company which has not filed a certificate of authority to do business in Michigan. Respondent is not registered in any capacity pursuant to the Securities Act in Michigan, nor has it registered any securities offerings pursuant to the Securities Act in Michigan.

**B. Findings of Fact**

1. The Bureau investigated Respondent’s activities in the securities industry in Michigan.

2. The investigation developed evidence that Respondent offered or sold a security to a Jamaican national who was residing in Qatar at the time of the offer or sale (“Offeree”). Offeree wired \$500,000 in installments of \$475,000 and \$25,000 to a Michigan bank account for Respondent at the direction of its owner and manager, Mustafa Scheib (“Scheib”). The wire transfer confirmations state “EB5 Investment” in the reference line. Offeree reasonably believed Respondent and Scheib to be in Michigan at the time of the offer and sale.
3. The securities offered or sold in Michigan were not registered pursuant to the Securities Act, nor has Respondent identified any applicable exemption, exception, preemption, or exclusion from the Securities Act.
4. Respondent, through Scheib, represented that Offeree’s investment funds would be directed to an EB-5 investment in a call center which would allow Offeree to obtain legal immigration status in the United States. Instead, the funds were purportedly used by Respondent and Scheib to purchase a rare diamond for resale to a member of the Qatari Royal Family, and not for any EB-5 investment. A reasonable investor might consider the proposed use of the proceeds of his or her investment to be important to his or her investment decision.

## **II. RELEVANT STATUTORY PROVISIONS**

1. Section 102c(c) of the Securities Act, MCL 451.2102c(c), defines “Security”, in part, as:

a note; 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 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 501(b) of the Securities Act, MCL 451.2501(b), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:...

- (b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading...

4. 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, CBIG CCS, LLC, offered or sold securities in Michigan, and has not identified a relevant exemption, exception, preemption, or exclusion from Securities Act registration requirements, contrary to section 301 of the Securities Act, MCL 451.2301.
2. Respondent, CBIG CCS, LLC, made an untrue statement of a material fact in connection with the offer or sale of a security in Michigan when it, through Mustafa Scheib, stated that Offeree's investment funds would be directed towards an investment in a call center to qualify Offeree for EB-5 immigration status. Instead, the funds were purportedly directed towards the purchase of a rare diamond for resale to members of the Qatari Royal Family. The fact regarding the use of investment funds was material and was untrue, contrary to section 501(b) of the Securities Act, MCL 451.2501(b).

**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 continuing to offer or sell unregistered, non-exempt securities and from making untrue statements of material fact in connection with the offer or sale of 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 civil fines of \$20,000.00 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.
- E. The Administrator retains the right to pursue further administrative action against Respondent under the Securities Act if the Administrator determines that such action is necessary and appropriate in the public interest, for the protection of investors and is authorized by the Securities Act.

**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:

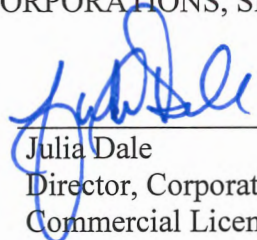
\$20,000.00 – CBIG CCS, LLC, under section 604 of the Securities Act, MCL 451.2604.

- 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 Respondent.

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

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

6/24/19  
Date