

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

In the matter of:

Agency No. 344830

MAXAD ASSOCIATES, LLC
CRD/IARD# 306022

Applicant.

_____/_____
This 9th day of February, 2022

Issued and entered

**NOTICE OF INTENT TO DENY INVESTMENT ADVISER
REGISTRATION APPLICATION**

I. RELEVANT FACTS AND APPLICABLE LAW.

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) ("the Securities Act"), 2008 PA 551, as amended, MCL 451.2101 *et seq*:

1. On or around July 1, 2021, Maxad Associates, LLC (IARD# 306022, "Applicant"), a Michigan limited liability company owned and operated by Xavier Honablue, applied for registration as an investment adviser under the Securities Act. Registration application amendments were made by additional Form ADV filings on August 23, 2021; August 27, 2021; and September 3, 2021.
2. Applicant has not submitted information sufficient to complete its application for investment adviser registration, nor has it submitted filings necessary to withdraw its registration.
3. A review of information related to Applicant's investment adviser registration application by staff within State of Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities, and Commercial Licensing Bureau ("the Bureau") revealed that Applicant made materially false statements in its Form ADV registration application:

A. In Form ADV, Part 1, Item 11(D)(1), Applicant stated that neither it or any advisory affiliate, including Xavier Honablue, had ever been found to have made a false statement or omission, or been dishonest, unfair, or unethical. However, Mr. Honablue was found in a final order issued by the Illinois Securities Department to have engaged in an act, practice, or course of business that was fraudulent, deceptive, or manipulative under Illinois securities laws by engaging in unregistered day trading and failing to fully disclose the impact of costs, fees, and commissions to an Illinois investor.

B. In Form ADV, Part 1, Item 11(D)(5), Applicant stated that neither it nor any advisory affiliate, including Xavier Honablue, had ever been denied, suspended, revoked, or otherwise prevented by order from associating with an investment-related business or had investment-related business activities restricted by order. However, Mr. Honablue is subject to a final order issued by the Illinois Securities Department that prohibits him from offering or selling securities and from acting as an investment adviser or as an investment adviser representative in the state of Illinois.

4. The Director of the Bureau ("Administrator") has reviewed materials relating to the Applicant's application for registration as an investment adviser and finds that Applicant has submitted an application that was false and misleading in materials respects.
5. MCL 451.2412(1), provides that if the Administrator finds that the Order is in the public interest and MCL 451.2412(4) authorizes the action, the Administrator may issue an Order denying an application for registration as an investment adviser.
6. MCL 451.2412(4) states in relevant part:
 - (4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:
 - (a) The person filed an application for registration in this state under this act or the predecessor act within the previous 10 years, which, as of the effective date of registration or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained a statement that, in light of the circumstances under which it was made, was false or misleading with respect to a material fact...
7. MCL 451.2412(6) authorizes the Administrator to deny a registration application pending final determination of an administrative proceeding.
8. The Administrator may deny Applicant's investment adviser registration application under MCL 451.2412(1) because it is in the public interest and because Applicant submitted an application that was incomplete or that contained statements that were false or misleading, causing the applicability of MCL 451.2412(4)(a).

II. ORDER.

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends to deny the investment adviser registration application of Maxad Associates, LLC under MCL 451.2412(1) and MCL 451.2412(4).

2. Applicant's application is summarily denied under MCL 451.2412(6) pending any administrative proceeding that may result in the event Applicant requests a hearing. If a hearing is not requested by Applicant or is not ordered by the Administrator within 30 days after the date of service of the order, the order is final. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend the order until final determination.

3. In accordance with MCL 451.2412(1) and (6): This is NOTICE that the Administrator intends to deny Applicant's investment adviser registration application, and that Applicant has thirty (30) calendar days after the date that this Order is served on Applicant to submit a written request to the Administrator that this matter be scheduled for a hearing. If the Administrator timely receives a written request, the Administrator shall schedule a hearing within 15 days after receipt of the written request. If a hearing is not requested by Applicant or is not ordered by the Administrator within 30 days after the date of service of this Order, Applicant's application for investment adviser registration will be DENIED as a matter of law. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Applicant, may modify or vacate this Order or extend the Order until final determination.

If Applicant requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909 or electronically to CSCL-FOIA@Michigan.gov.

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

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

2/9/2022
Date