

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

In the matter of:

CHRISTAL CIMONE CASSON
CRD# 6328754
Unregistered

Complaint Nos. 341358 & 341359

And

CANNAS CAPITAL, LLC
Unregistered

Respondents.

Issued and entered
this 6th day of January, 2021

ADMINISTRATIVE CONSENT AGREEMENT AND ORDER

A. Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002) (the “Securities Act”), 2008 PA 551, MCL 451.2101 *et seq.*:

1. On March 31, 2020, the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau (the “Bureau”) and the Interim Director of the Bureau, who serves as Administrator of the Securities Act (the “Administrator”), issued the following two orders (the “Disciplinary Orders”):
 - a. A Notice and Order to Cease and Desist, under MCL 451.2604, to Christal Cimone Casson, Complaint No. 341358, alleging

unregistered investment adviser representative activity in violation of MCL 451.2404(1); and

b. A Notice and Order to Cease and Desist, under MCL 451.2604, to Cannas Capital, LLC, Complaint No. 341359, alleging unregistered investment adviser activity in violation of MCL 451.2403(1).

2. Christal Cimone Casson is a resident of the state of Michigan who was previously registered as an agent of a broker-dealer under the Securities Act, but not at any time during the time period relevant to this action. She has never been registered as an investment adviser representative. Cannas Capital, LLC is a Michigan-organized limited liability company owned and operated by Christal Cimone Casson. For purposes of this Consent Order, Christal Cimone Casson and Cannas Capital, LLC are collectively referred to as “Respondents.”
3. Following issuance of the Disciplinary Orders, the Bureau and Respondents (collectively, the “Parties”) have engaged in ongoing discussions to resolve the matters referenced therein through this Administrative Consent Agreement and Order (the “Consent Order”).
4. Respondents were represented by legal counsel during the process of resolving the Disciplinary Orders.

B. STIPULATION

The Parties agree to resolve the Disciplinary Orders based on the following terms and conditions:

1. Respondents agree to comply with the Securities Act in connection with their future conduct and activities governed by the Securities Act.
2. Respondents agree that they will not offer and that no website within their control, including but not limited to <https://ccimonecasson.com/>, will advertise that they offer services that come within the definition of “investment adviser” under the Securities Act without being registered or exempt from registration as investment advisers and/or investment adviser representatives, as applicable.
3. In an effort to resolve the Disciplinary Orders, Respondents have asserted that, going forward, they intend to operate in a manner that complies with or excludes them from the definitions of “investment adviser” and “investment adviser representative,” as those terms are defined in the Securities Act.
4. The Bureau provides no assurances of compliance with the definitional exclusions and notes that the burden to demonstrate compliance with a definitional exclusion rests with the person claiming the definitional exclusion under MCL 451.2503.
5. Respondents will disclose in their advertisements that they are not registered as an investment adviser and that they will not provide individualized advice about investments of any kind, regardless of whether the discussion of investing involves an individual security, a class of securities, or a market in which investment securities are available for purchase or sale, and will not

give advice or recommendations regarding specific securities.

Notwithstanding the foregoing, nothing in this paragraph is intended to prohibit, and shall not be construed as prohibiting, Respondents from advertising such registrations if they do become registered and maintain those registrations under the Securities Act.

6. Respondents agree to pay the Bureau a reduced civil fine in the settlement amount of FIVE HUNDRED DOLLARS AND NO CENTS (\$500.00) (the “Reduced Civil Fine”). Respondents agree 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 check or money order made payable to the “State of Michigan,” contain identifying information (name and “Complaint Nos. 341358 & 341359”), and 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.11. below, the Administrator reserves the right to take other available legal action to enforce payment of and collect the Reduced Civil Fine.

7. Respondents agree that, effective upon entry of this Consent Order, the Requests for Hearing (the “Hearing Requests”) submitted in response to the Disciplinary Orders are automatically revoked without further action by the Parties.
8. 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 currently publishes copies of orders issued under the Securities 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. Following entry of the Order, the Bureau will file a Form U6 with the Central Registration Depository reflecting the Parties’ resolution of the Disciplinary Orders under this Consent Order.
9. Respondents neither admit nor deny any wrongdoing in connection with this matter and consent to entry of this Consent Order only for the purpose of resolving the Disciplinary Orders in an expeditious fashion that avoids the time and expense associated with an administrative hearing and any related appeals.
10. Respondents agree to comply with any reasonable investigative demands made by the Bureau in the future for purposes of ensuring compliance with this Consent Order or the Securities Act.

11. 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.
12. Respondents acknowledge and agree 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 Disciplinary Orders under the Securities Act, the rules promulgated under the Securities Act or the predecessor Act, the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*, or other applicable law.
13. 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. If the Administrator rejects this Consent Order by refusing to enter it, the Parties waive any objection to submitting the Hearing Requests for adjudication through a formal administrative proceeding before the Michigan Office of Administrative Hearings and Rules and the Administrator remaining the final decisionmaker at the conclusion of that proceeding.

14. The Parties agree that this Consent Order resolves only Respondent's activities, conduct, and alleged Securities Act violations contained in the Disciplinary Orders, but it does not address or resolve any other activities, conduct, or potential Securities Act violations engaged in by Respondent not expressly contained in the Disciplinary Orders or occurring after the date this Consent Order is entered. Further, the Parties acknowledge that this Consent Order does not preclude any other individual or entity, including but not limited to other authorized state or federal agencies or officials, from initiating or pursuing civil or criminal action against Respondent, and does not preclude Bureau staff from referring this matter to any law enforcement agency. The Consent Order does not preclude the Bureau or its staff from fully cooperating with any state or federal agency or official that may investigate or pursue its own civil or criminal enforcement against Respondent.
15. 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.

16. 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.

17. 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: _____
Christal Simone Casson

Dated: _____

Signed: _____
Cannas Capital, LLC
By: Christal Simone Casson, Owner

Dated: _____

Approved by:

16. 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.
17. 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: 
Christal Simone Casson Dated: 12/18/2020

Signed: 
Cannabis Capital, LLC Dated: 12/18/2020
By: Christal Simone Casson, Owner

Approved by:

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

Dated: 12/21/20

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:  _____

Linda Clegg
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 Nos. 341359

CANNAS CAPITAL, LLC
Unregistered

Respondent.

_____ /

This 31st day of March, 2020

Issued and entered

NOTICE AND ORDER TO CEASE AND DESIST

The Corporations, Securities & Commercial Licensing Bureau (“Administrator”), pursuant to its 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 Cannas Capital, LLC (“Respondent”) to cease and desist from acting as an unregistered investment adviser, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. Cannas Capital, LLC is a Michigan-organized limited liability company which is not registered in any capacity under the Securities Act in Michigan.

B. Findings of Fact

1. The Administrator’s staff began an investigation of Respondent’s activities under the Securities Act in Michigan.
2. The Administrator’s staff’s investigation developed evidence that Respondent is holding itself out to the public as an investment adviser, offering to provide one-on-one discussions with Michigan investors for a fee to discuss investing strategies and market basics specific to the cannabis industry.
3. Respondent is not registered as an investment adviser and has not identified a relevant exemption from registration.

II. RELEVANT STATUTORY PROVISIONS

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

"Investment adviser" means a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation...

2. Section 403(1) of the Securities Act, MCL 451.2403(1), states:

(1) A person shall not transact business in this state as an investment adviser unless the person is registered under this act as an investment adviser or is exempt from registration as an investment adviser under subsection (2).

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 Cannas Capital, LLC acted as an investment adviser in the State of Michigan without the benefit of registration or a properly-claimed exemption from registration, contrary to section 403(1) of the Securities Act, MCL 451.2403(1).

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from acting as an unregistered investment adviser, 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 a 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. This Notice and Order to Cease and Desist may become final pursuant to Section VI, below.
- 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 – Cannas Capital, 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:

**Notice & Order to Cease & Desist
Cannas Capital, LLC (CN 341359)**

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



Stephen Brey, Administrative Law Specialist
On behalf of the Corporations, Securities
& Commercial Licensing Bureau

3/31/2020
Date