

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION**

IN THE MATTER OF:

Joseph A. Ondris
CRD # 1782322

Respondent

)
)
) **ORDER TO CEASE AND DESIST**
)
)
) **INV2020-0000016**
)

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of
RSA 421-B:6-613.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:6-604(a)(1), whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of the chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter.

Pursuant to RSA 421-B:5-508, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:6-603 or RSA 421-B:6-604, or who violates RSA 421-B:5-505 knowing that the statement was false or misleading in any material respect, shall be guilty of a class B felony.

Pursuant to RSA 421-B:6-604(d), the Secretary of State has the authority to impose administrative penalties of up to \$2,500 for a single violation.

Pursuant to RSA 421-B:6-604(g), the Secretary of State may charge the actual cost of an investigation or proceeding for a violation of this chapter or an order issued under this chapter.

NOTICE OF RIGHT TO REQUEST A HEARING

Under the provisions of RSA 421-B:6-604, the above named respondent has the right to request a hearing on this order to cease and desist.

Any such request for a hearing shall be in writing, shall be signed by the respondent, or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301.

Under the provisions of RSA 421-B: 6-604(b), within 15 days after receipt of a request in a record from the respondent, the matter will be scheduled for a hearing. If the respondent subject to the order do not request a hearing and none is ordered by the secretary of state within 30 days after the date of service of the order, the order becomes final. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to the respondent subject to the order, may modify or vacate the order or extend it until final determination. If the respondent to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, such respondent shall be deemed in default, and the

proceeding may be determined against him or her upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated December 21, 2022, (a copy of which is attached hereto) are incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested, therefore:

It is hereby **ORDERED**, that:

1. Respondent is hereby ordered to immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B.
2. Respondent shall pay an administrative fine of \$35,000.
3. Respondent shall pay the Bureau's costs of \$20,000.
4. Respondent is barred from any securities business, licensure and securities registration in the State of New Hampshire.

Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered and administrative penalties and other relief described herein being imposed upon the defaulting respondent.

SIGNED,
DAVID SCANLAN
SECRETARY OF STATE
BY HIS DESIGNEE:

Dated: December 29, 2022


BARRY J. GLENNON, DIRECTOR,
BUREAU OF SECURITIES REGULATION

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
CONCORD, NEW HAMPSHIRE**

STAFF PETITION FOR RELIEF

IN THE MATTER OF:

Joseph A. Ondris (CRD: 1782322)

RESPONDENT

INV2020-0000016

The New Hampshire Department of State, Bureau of Securities Regulation (“Bureau”) hereby petitions the Director for relief and an order in the matter of Joseph A. Ondris (“Ondris”)(CRD: 1782322). The Bureau petitions the Director to issue an order directing Ondris to immediately cease and desist from acting as an unlicensed broker-dealer agent, from sending fraudulent emails and any form of communication guaranteeing against risk of loss and misrepresenting investments, from violating suitability requirements, from offering unregistered securities, from cold-calling New Hampshire investors in direct contravention to New Hampshire law and FINRA rules, and from further violating N.H. RSA 421-B. The Bureau further petitions the Director to issue an order permanently barring Ondris from any securities registration in the State of New Hampshire, and to pay fines and costs as indicated further in the Petition, and for further relief described herein.

I. STATEMENT OF FACTS

1. Ondris is a registered broker-dealer agent affiliated with JTA Securities Management, doing business as Titan Securities (“Titan”) (CRD: 131392) in the State of Texas but is not currently registered as a broker-dealer agent or investment advisor representative in

New Hampshire. The last date that Ondris registered as a broker-dealer agent in New Hampshire was July 5, 1999.

2. On March 23, 2020, Ondris, on an unsolicited basis, called a New Hampshire resident, who was on the Federal Trade Commission's Do-Not-Call list at the time and did not otherwise request a call. The purpose of the call was to offer the New Hampshire resident an investment opportunity.
3. After the call, Ondris, despite not being a licensed broker-dealer agent or investment advisor representative in New Hampshire, sent the New Hampshire resident an email detailing the alleged investment (an allegedly federally covered, Regulation D, private-placement investment fund). The email contained fraudulent guarantees against risk of loss and characterized the investment as being "impossible" to lose money on. The New Hampshire resident responded to the email indicating that he had already told Ondris on the phone that he was not interested and to cease contact. Despite this, Ondris again called the New Hampshire resident on June 16, 2020 and offered the same investment. Subsequently, the New Hampshire resident formally complained to the Bureau.
4. After receiving the complaint, the Bureau commenced an investigation into Ondris and his employer, Titan. As part of the Bureau's investigation, the Bureau obtained all cell phone records associated with Ondris and discovered numerous other calls to New Hampshire residents, suggestive of telemarketing. The Bureau also obtained Ondris' email records and discovered that he had sent out the email guaranteeing against losses and promising investment returns to a number of other individuals.
5. The Bureau also discovered that Titan did not permit "cold calling" to prospective investors at the time Ondris made the calls to New Hampshire residents, and had procedures in place should they decide to permit cold-calling.

II. ALLEGATIONS AND STATEMENTS OF LAW

1. Ondris is a "person" within the meaning of N.H. RSA 421-B:1-102(39) and an "agent" under N.H. RSA 421-B:1-102(3).
2. Pursuant to N.H. RSA 421-B:4-402, it is unlawful to transact business in New Hampshire as an agent unless the individual is appropriately registered. Ondris was not registered and offered securities for sale, on multiple documented occasions, in the capacity as a broker-dealer agent while lacking lawful registration, and violated this provision each time he solicited with the New Hampshire resident.

3. Pursuant to N.H. RSA 421-B:5-501(a)(1), "it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to: (1) employ a device, scheme, or artifice to defraud." Pursuant to N.H. RSA 421-B:5-501(b)(2)(A), it shall constitute a device, scheme or artifice to defraud within the meaning of N.H. RSA 421-B:5-501 to "represent in the offer or sale of securities, either directly or by implication, in writing or orally, that there is a guarantee against risk or loss." Ondris' emails directly guaranteed against both risk and loss and are accordingly in violation of this provision and constitute securities fraud.
4. Pursuant to N.H. RSA 421-B:5-501(b)(1), Ondris had no reasonable grounds or basis to recommend the security he was offering to the New Hampshire resident. He did not know the New Hampshire resident in any capacity, and accordingly, had no facts or information as to the New Hampshire resident's investment holdings, financial situation, or investment tolerances or objectives. Accordingly, Ondris violated the suitability provisions each time he attempted to offer the security to the New Hampshire resident discussed above.
5. Pursuant to N.H. RSA 421-B:4-406(k), persons licensed under N.H. RSA 421-B to conduct securities business shall abide by the rules of the Securities and Exchange Commission and other self-regulating organizations (e.g., FINRA) which have jurisdiction over the licensee, which set forth standards of conduct in the securities industry. Ondris violated this provision multiple times for failing to abide by FINRA Rule 3230 Telemarketing by calling at least one New Hampshire resident (multiple times) on the national Federal Trade Commission's Do-Not-Call list and without falling under an exemption.
6. The investment Ondris offered is considered a federally-covered security, filed with the SEC and claiming exemption from state registration requirements pursuant to Regulation D, Rule 506(b). The requirements for this rule can be complex, but generalized solicitation of a 506(b) security is prohibited, and has the effect of removing the exemption. Because Ondris generally solicited the investment to New Hampshire residents, Ondris was offering an unregistered security pursuant to 421-B:3-301 because it was no longer protected by the federal exemption when Ondris failed to comply with the requirements of the exemption.
7. Pursuant to N.H. RSA 421-B:6-604(a), if the secretary of state determines that a person has, is, or is about to materially aid in an act, practice, or course of business constituting a violation of this chapter, the secretary of state may issue an order directing the person to cease and desist from engaging in an act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter. Ondris is subject to

this provision and should be ordered to cease and desist from offering or selling securities to New Hampshire residents without proper registration. Ondris should also be ordered to cease and desist from soliciting by telephone New Hampshire residents who have placed their number on the Federal Trade Commission's Do-Not-Call list, ordered to cease and desist from fraudulently guaranteeing against risk or loss while soliciting investments from New Hampshire residents, ordered to cease and desist from violating suitability requirements, and ordered to cease and desist from offering unregistered securities.

8. Pursuant to N.H. RSA 421-B:6-604(d), any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. *Each* occurrence of the acts specified shall constitute a separate violation. Ondris is subject to this provision and is subject to a fine of \$35,000 (thirty-five thousand dollars) for 14 separate violations of the Act detailed in Section III.
9. Pursuant to N.H. RSA 421-B:6-604(g), in any investigation to determine whether any person has violated any rule or order under this title, the secretary of state shall be entitled to recover the costs of the investigation. Ondris is subject to this provision and should be assessed \$20,000 (twenty-thousand dollars) in costs.

III. RELIEF REQUESTED

The Bureau makes the following request for relief in the above-referenced matter as authorized by N.H. RSA 421-B:

1. Find as fact the statements contained Section I, the Statement of Facts.
2. Make conclusions of law relative to the statements contained Section II, the Allegations and Statements of Law.
3. Pursuant to N.H. RSA 421-B:6-604(a), order Ondris to immediately cease and desist from fraudulently offering investments, including guaranteeing against risk and loss and violating suitability requirements, from acting as an unregistered broker-dealer agent, from offering unregistered securities, from violating FINRA Rule 3230 as incorporated in N.H. RSA 421-B, and from further violations of N.H. RSA 421-B.
4. Pursuant to N.H. RSA 421-B:6-604(d), bar Ondris permanently from any securities licensure in New Hampshire.

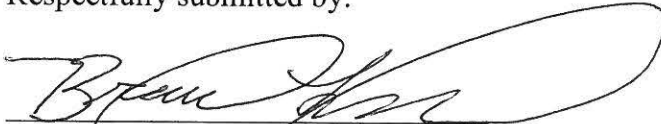
5. Pursuant to N.H. RSA 421-B:6-604(d), fine Ondris \$35,000 (thirty-five thousand dollars), for three counts of guaranteeing against risk and loss to the New Hampshire resident, three counts of violating suitability requirements, three counts of unregistered broker-dealer agent activity, three counts of offering an unregistered security, and two counts of making unsolicited cold calls to the New Hampshire resident.
6. Pursuant to N.H. RSA 6-604(g), order Ondris to pay the Bureau's costs of investigation and enforcement, in the amount of \$20,000 (twenty thousand dollars). The Bureau reserves the right to request this amount be increased depending on how this action proceeds.
7. Grant such further relief as is determined just, equitable and authorized by N.H. RSA 421-B.

IV.

RIGHT TO AMEND

The Bureau staff reserves the right to amend this Staff Petition for Relief and request the Director of the Bureau take additional administrative action. Nothing herein shall preclude the Staff from bringing additional enforcement action under this N.H. RSA 421-B or the regulations contained therein.

Respectfully submitted by:



Brian W. Linares, Staff Attorney

12/21/22
Date



Eric A. Forcier, Deputy Secretary

12/21/22
Date