

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

**IN THE MATTER OF:**

**Robert C. Lotito,  
Joel P. Hannon, &  
Talon RS, LLC**

**Respondents**

)  
)  
) **ORDER TO CEASE AND DESIST**  
)  
) **INV2022-0005**  
)  
)

**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), the Secretary of State has the authority to issue and cause to be served an order requiring any person appearing to him to be engaged or about to be engaged in any act or practice constituting a violation of RSA 421-B or any rule or order thereunder, to cease and desist from violations of RSA 421-B.

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: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(d), the Secretary of State has the authority to permanently bar any person from registration or licensure in the State of New Hampshire.

Pursuant to RSA 421-B:6-604(e) the Secretary of State may order rescission, restitution or disgorgement for violations of this chapter.

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**

The above-named Respondents have the right to request a hearing on this order to cease and desist, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be signed by the respondents, or by the duly authorized agent of the above-named Respondents, 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 Respondents, the matter will be scheduled for a hearing. If the Respondents subject to the order does 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 Respondents subject to the order, may modify or vacate the order or extend it

until final determination. If the Respondents to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, such Respondents 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 July 14,2023 (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. Respondents are hereby ordered to immediately cease and desist from further violations of N.H. RSA 421-B.
2. Respondent Lotito shall pay a fine of \$2,500 for each unregistered sale of a security.
3. Respondent Hannon shall pay a fine of \$2,500 for each unregistered sale of a security that he materially aided.
4. Respondent Talon shall pay a fine of \$2,500 for each unregistered sale of a security when Talon controlled Lotito's conduct and Lotito controlled Talon's conduct directly or indirectly.

5. Respondents Lotito and Hannon shall rescind the securities sold by them or materially aided by them to purchasers of the Program interests.
6. Respondents are permanently barred from any securities business, licensure, and securities registration in New Hampshire.
7. Respondents shall jointly and severally pay the Bureau's costs of investigation in the amount of \$25,000.
8. 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 Respondents.

SIGNED,  
DAVID M. SCANLAN  
SECRETARY OF STATE  
BY HIS DESIGNEE:

Dated: 7-17-2023

  
BARRY J. GLENNON, DIRECTOR,  
BUREAU OF SECURITIES REGULATION

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
25 CAPITOL STREET  
CONCORD, NH 03301

**STAFF PETITION FOR RELIEF**

**IN THE MATTER OF:**

Robert C. Lotito

Joel P. Hannon

Talon RS, LLC

INV2022-0005

- I. The staff of the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as the "Bureau") hereby petitions the Director, and makes the following statements of fact:

**STATEMENTS OF FACT**

1. Robert Lotito (hereinafter "Lotito") resides in Swanzey, New Hampshire. Up until August 11, 2021, Lotito was a licensed investment adviser for a federally covered adviser called Creativeone Wealth, LLC which later changed its name to ChangePath, LLC ("ChangePath") in 2017. Lotito was terminated from ChangePath on or about August 11, 2021, for violating firm policy regarding their requirement to annually report outside business activity. Lotito was an agent of ChangePath, but he operated his securities business at and through a company he owns called Talon Financial which later changed its name to Talon RS, LLC (hereinafter "Talon") currently based in Marlborough, New Hampshire. Talon is primarily engaged in providing financial services, insurance sales and tax planning. Lotito's CRD number is 2519599 and ChangePath's CRD number is 281213. ChangePath is based in Leawood, Kansas.

2. Joel Hannon (hereinafter “Hannon”) resides in Troy, New Hampshire, and he works out of the Talon office in Marlborough, although he is not an employee or owner of Talon. He is an independent insurance producer. He has known Lotito for many years and is familiar with his family including Lotito’s brother Anthony Lotito (hereinafter “AL”), the owner and operator of Revolution Leasing and Administration (hereinafter “RLA”) located in Tinton Falls, New Jersey.
  
3. RLA is a business entity which provides administrative services under the business name “Revolease” to customers who invest money into a leaseback program which leases high speed computing equipment to companies partnered with RLA such as SAFETek. SAFETek is a subsidiary of a publically traded company called Investview, Inc. (hereinafter “Investview”) located in Eatontown, New Jersey. Investview states that it is a financial technology company and global distributor organization that operates through subsidiaries to provide educational tools, content, research and management of digital assets technology that mines cryptocurrency. SAFETek is in the high speed data processing business utilized by the blockchain, gaming, communication and cryptocurrency mining industry. One of SAFETek’s stated goals was to create data processing centers worldwide. Cryptocurrency mining is the process through which transactions are verified and added to a blockchain public ledger. Entities that work toward this goal are rewarded with tokens of the cryptocurrency like Bitcoin. Bitcoin is a virtual digital currency which exists only on the internet, but can be used like currency to create wealth and buy and sell goods and services. SAFETek acquires its computing equipment from another Investview subsidiary Apex Tek, LLC (hereinafter “Apex”). Apex provides SAFETek “Apex Technology Packs” through RLA consisting of Liquid Immersion Cooling Systems and software which are more efficient to run than air cooled computing systems. The lease back program is called the APEXTEK & SAFETEK Sales/Leaseback Program (hereinafter the “Program”).
  
4. RLA sold interests in the Program. RLA promoted the Program as safe and lucrative. RLA stated in literature that the Program interests were not a security. RLA entered into an agreement with Lotito to sell interests in the Program and Lotito was responsible for submitting the Program purchase paperwork to RLA. Lotito received a commission for each

sale. RLA marketed the Program through PowerPoint presentations and other literature as a way of making profit through passive income. Each investor in the Program was sold “units” of the Apex Technology Pack which consisted of the Apex high speed computing equipment and software. Revolease would distribute the equipment and lease it to SAFETek for the benefit of the investor and service the lease agreements entered into by each investor. Each Program interest cost was about \$15,000 plus an administration fee of \$250. Investor Program purchase checks were made out to RLA. Lotito’s commission per purchase was about \$750. In exchange for the Apex Technology Packs and leases, SAFETek would make Program payments to the investors through Revolease of \$450 per month per unit for 60 months plus a balloon payment in the end of \$7,500 giving a promised high rate of return on the investment. RLA claimed that the principal investment amount was protected by insurance called “Total Protection Plus” and the premium would be taken out of the amount invested. According to RLA disclosure, the amount of insurance coverage was linked to the term of years of the lease. A five year term would be covered by fifty percent of principal returned and a ten year term would cover one-hundred percent of principal returned. At the end of the term of the lease, the lessee could buy the equipment for one dollar or deliver the equipment back to the investor. The Bureau cannot confirm that Total Protection Plus exists or if it has in fact provided insurance to the investors.

5. Hannon assisted Lotito on some of the sales of the Program interests. (See the spreadsheet of the sales below. There is an X indicating who participated in the sale.) According to Hannon’s own testimony before the Bureau he would sit with Lotito at Talon and talk to Talon clients about the Program and tell them how it works. He would help Lotito fill out paperwork for the Program and would make comments about the Program and ask them to listen to the opportunity and tell him what they thought about it. Hannon testified that, “some bought and some didn’t”.

Investor	Town/State	Date Of Sale	Amount Of Sale	Number Of Units	Sold By Hannon	Sold By Lotito

1.	Peterborough/NH	12/9/2019 and 11/17/2020	\$14,000 and \$45,750	1 plus 3		X
2.	Cavandish/VT	1/25/2021	\$91,500	6		X
3.	Hillsborough/NC	4/1/2021	\$183,000	12		X
4.	Swanzey/NH	6/11/2020	\$75,000	5		X
5.	Fitzwilliam/NH	2/11/2020	\$28,000	2		X
6.	Brattleboro/VT	3/9/2020	\$15,250	1		X
7.	Marlborough/NH	10/13/2020	\$45,750	3		X
8.	Alton/NH	1/13/2020	\$56,000	4		X
9.	Brattleboro/VT	6/17/2020	missing	4		X
10.	Winchester/NH	12/6/2019 and 5/12/2020	\$14,000 and \$15,250	1 plus 1	X	X
11.	Swanzey/NH	3/17/2020	\$14,000	1		X
12.	Keene/NH	3/23/2020	\$15,250	1	X	X
13.	Keene/NH	3/30/2020	\$15,250	1		X
14.	Winchester/NH	1/13/2020	\$42,000	3	X	X
15.	Vernon/VT	11/26/2019 and 1/9/2020	\$42,000 and \$29,000	3 plus 2		X
16.	Greenfield/NH	10/15/2020 and 4/2/2021	\$15,250 and \$91,500	1 plus 6	X	X
17.	Spofford/NH	3/17/2020 and 5/12/2021	\$15,250 and \$15,250	1 plus 1		X
18.	Swanzey/NH	11/2/2020	\$15,250	1		X
19.	Deering/NH	11/23/2020	\$61,000	4	X	X



20.	Swanzey/NH	3/12/2020	\$15,250	1		X
21.	Keene/NH	4/1/2020	\$15,250			X
22.	Westmoreland/NH	4/6/2020	\$15,250	1		X
23.	Keene/NH	12/20/2019	\$14,000	1		X
24.	Northfield/MA	5/20/2021	\$15,250	1		X
25.	Jaffrey/NH	1/25/2021	\$15,250	1	X	X
26.	Peterborough/NH	5/19/2020	\$15,250	1		X
27. Rob Lotito	Swanzey/NH	Missing paperwork				X

6. In addition to the above listed sales there was an additional sale by Hannon and Lotito to Investor 28 from Stoddard, New Hampshire which was refunded upon Investor 28's request. The sale took place on or about 4/27/2021 for three units at \$45,750.00. Investor 28 requested and received his money back because he believed that he was not getting the promised return on investment and did not receive the promised proof of insurance card.
  
7. Prior to Lotito's termination from ChangePath, Lotito read and acknowledged the compliance policies and procedures regarding reporting and receiving approval for outside business activities ("OBAs"). The policy and procedure for OBAs was stated in the ChangePath Code of Ethics. It is stated that the purpose of revealing OBAs is to avoid conflicts of interest. It is stated in the Code that an agent must disclose annually OBAs because clients of investment advisers must be aware that the agent will not be devoting all of his time to the role of adviser and it must be known if the agent has an interest that conflicts with or is not in the best interest of the client. Lotito falsely reported to ChangePath that RLA involved the sale of computer equipment and software and that it was not "investment related". ChangePath discovered on RLA's website that RLA's activities were ostensibly investment related. In actuality, the Program involved the sale of a security which Lotito clearly had an interest in in that he owned it himself and he received a commission from RLA for the sales he made to his ChangePath investment adviser clients. As a result ChangePath terminated Lotito effective 8/11/2021.

8. From November 2019 to May 2021, Lotito sold at least 28 Program agreements (see above spreadsheet) to himself and Talon clients and said Program interests were not registered for sale as securities in the State of New Hampshire and were not exempt from registration. Since Lotito received a commission for the sale of these securities, Lotito and Talon should have been registered in New Hampshire as a broker-dealer and broker-dealer agent and they were not so registered.

#### STATEMENTS OF LAW

- II. The staff of the Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, N.H. RSA 421-B, and regulations thereunder:
  1. Talon acted as a broker-dealer within the meaning of N.H. RSA 421-B:102(6).
  2. Lotito acted as a broker-dealer agent within the meaning of RSA 421-B: 102(3).
  3. Hannon materially aided in the sale of the unregistered Program interest in violation of RSA 421-B:6-604(a).
  4. The Program interests are securities within the meaning of RSA 421-B:1-102(29)(A) and 421-B:1-102(53)(A). The Program interests are securities because they are investment contracts as defined by New Hampshire RSA 421-B:1-102(29) and RSA 421-B:1-102(59) in that there is an investment of money into RLA for the purchase of the Program interests with the expectation of a profit solely through the efforts of RLA and AL.
  5. Pursuant to RSA 421-B: 3-301(a), it is unlawful for any person to offer or sell any security in this state unless it is registered under 421-B, the security or transaction is exempt or it is a federal covered security. Lotito and Talon have violated this provision.
  6. Talon acted as an unlicensed broker-dealer in violation of RSA 421-B:4-401.
  7. Lotito acted as an unlicensed broker-dealer agent in violation of RSA 421-B:4-402.

8. Pursuant to 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. Lotito, Talon and Hannon are subject to this section and should be required to cease and desist from selling unregistered securities.
9. Pursuant to RSA 421-B:6-604(d), in a final order, the secretary of state may impose a civil penalty up to a maximum of \$2,500 for a single violation. In addition, every such person who is subject to such civil penalty, upon hearing, and in addition to any penalty provided by law, be subject to such suspension, revocation, or denial of any registration or license, or be barred from registration or licensure. Lotito, Talon and Hannon are subject to this provision and should be fined up to \$2,500 for each and every sale of an unregistered security and should be barred from any further securities business in New Hampshire.
10. Pursuant to RSA 421-B:6-604(e), the secretary of state can order Lotito, Talon and Hannon to make an offer of rescission to the Program investors jointly and severally.
11. Pursuant to 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. Lotito, Talon and Hannon are subject to this provision and should be ordered to pay the Bureau's investigative costs jointly and severally.
12. Pursuant to RSA 421-B:4-412(a) and RSA 421-B:4-412(d)(13) if the secretary of state finds that the order is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may deny an application, or may condition or limit a registration of an applicant to be a broker-dealer or agent. Lotito is subject to this provision for engaging in dishonest and unethical practices in the securities business within the previous 10 years. Lotito is subject to this section by not fully disclosing his OBA with RLA in that he failed to inform ChangePath that his relationship with RLA involved the sale of investments to his ChangePath clients. Lotito is also subject to this provision for not disclosing to his ChangePath advisory clients that he was operating under a conflict of interest by selling them Program interests which is also dishonest and unethical. Under RSA 421-B:4-412(c), Lotito can be fined \$2,500 for each instance of dishonest and unethical conduct in the securities business while registered as an agent with ChangePath.
13. Pursuant to RSA 421-B:412(a) and 421-B:4-412(h), a person that controls, directly or indirectly, a person not in compliance with this section may be disciplined by order of the secretary of state under subsections (a) through (c) to the same extent as the noncomplying person, unless the controlling person did not know, and in the exercise of reasonable care could not have known of the existence of conduct that is a grounds for discipline under this section. Talon is subject to this provision for the conduct of Lotito, a co-owner of Talon, since

Talon controls Lotito and Talon is controlled by Lotito. Pursuant to RSA 412-B:4-412(a) the secretary of state may deny an application, and may condition or limit a registration of Talon.

RELIEF REQUESTED

III. The staff of the Bureau makes the following requests for relief in the above-referenced matter as permitted under the Act:

1. Find as fact the allegations contained in section I of the Statements of Fact of this petition.
2. Make conclusions of law as stated in section II relative to the allegations contained in section I of this petition.
3. Pursuant to RSA 421-B:4-412(h), order that Talon's broker-dealer registration ability be denied or conditioned.
4. Pursuant to RSA 421-B:4-412(a) and (d)(13), order that Lotito's broker-dealer agent registration ability be denied or conditioned and that he be ordered to pay a fine of \$2,500 for each instance of a sale of a Program interest.
5. Pursuant to RSA 421-B:6-604(a) order Respondents to permanently cease and desist from further violations of N.H. RSA 421-B:3-301. ✓
6. Pursuant to RSA 421-B:6-604(d) order Talon, Lotito and Hannon permanently barred from any securities business, licensure and securities registration in the State of New Hampshire. ✓
7. Pursuant to RSA 421-B:6-604(d), order Lotito to pay a fine of \$2,500 for each unregistered sale of a security. ✓
8. Pursuant to RSA 421-B:6-604(d), order Hannon to pay a fine of \$2,500 for each unregistered sale of a security that he materially aided. ✓
9. Pursuant to RSA 421-B:6-604(d), order Talon to pay a fine of \$2,500 for each unregistered

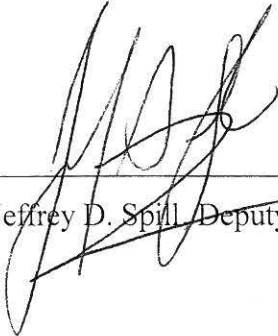
sale of a security when Talon controlled Lotito's conduct and Lotito controlled Talon's conduct directly or indirectly.

10. Pursuant to RSA 421-B:6-604(e) impose an order of rescission against Lotito and Hannon to be paid to purchasers of the Program interests sold by them or materially aided by them.
11. Pursuant to N.H. RSA 421-B:6-604(g), order Respondents jointly and severally to pay the Bureau's costs of investigation in an amount of twenty-five thousand dollars (\$25,000).
12. Take such other actions as necessary for the protection of New Hampshire investors and enforcement of N.H. RSA-421-B.


RIGHT TO AMEND

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

Respectfully submitted by:

  
\_\_\_\_\_  
Jeffrey D. Spill, Deputy Director

7/14/23  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Michael Kirwin, Staff Attorney

7/14/23  
\_\_\_\_\_  
Date