

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

IN THE MATTER OF:

Robert J. Raffa

Respondent

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ORDER TO CEASE AND DESIST

COM2014-0009

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 421-B:26-a.

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 421-B:23, 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:26,III-a, every person who directly or indirectly controls a person liable under 421-B:26,III, may upon hearing, and in addition to any other penalty provided for by law, be subject to a fine, and suspension, revocation, or denial of any registration or license.

Pursuant to RSA 421-B:26, the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of New Hampshire securities law and rules.

Pursuant to RSA 421-B:26, V the Secretary of State my order restitution for violations of this chapter.

Pursuant to RSA 421-B:24, I, any person who willfully violates a cease and desist order issued pursuant to RSA 421-B:23 shall be guilty of a class B felony.

NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondent has 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 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:23, I, if respondent fails to request a hearing on this order within 30 calendar days of receipt of this order, respondent shall be deemed in default, and this order to cease and desist shall, on the thirty-first day, become permanent.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be held not later than ten days after such request is received by the Bureau, after which hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstances require.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated January 15, 2016, (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 restitution to the investor as set forth in the Bureau's Staff Petition for Relief in the amount of \$173,482.70 plus any IRS tax incurred by the investor resulting from the transactions.
3. Respondent shall pay an administrative fine of \$52,500 and investigation costs of \$25,000.
4. Respondent is barred from conducting securities business in the State of New Hampshire.
5. 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,
WILLIAM M. GARDNER
SECRETARY OF STATE
BY HIS DESIGNEE:

Dated: 1-15-16



BARRY J. GLENNON, DIRECTOR,
BUREAU OF SECURITIES REGULATION

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

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STAFF PETITION FOR RELIEF)	
IN THE MATTER OF:)	
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Robert J. Raffa)	
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)	COM.2014-0009
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Respondent)	
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STATEMENT OF FACTS

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

1. Starstream Entertainment, Inc. (hereinafter “SEI”) is a company with a location listed as 140 Rowayton Avenue, Rowayton, Connecticut 06853, and 100 Sky Park Drive, Monterey, California 93940 and is purported to be an entity engaged in the production of featured movies. SEI was formed in the State of Nevada in August 2012. The entity is listed as in default with the State of Nevada. SEI use to be a standalone entity, but it merged with a company called The Gelia Group, Corp. (hereinafter “GGC”) on or about 11/11/2013 and GGC changed its name to SEI on 11/11/13. GGC was founded and incorporated in Nevada on or about 8/30/12. SEI and GGC have a series of securities offerings and filings with the Securities and Exchange Commission (hereinafter “SEC”) in 2013. GGC filed a registered offering with the SEC on 1/16/2013 for the sale of GGC common stock, and filed a Regulation D, Rule 506(c) filing with the SEC on or about 10/23/2013. SEI filed a Regulation D, Rule 506(c) offering with the SEC on 12/3/2013.

2. Robert J. Raffa (hereinafter “RJR”) is a person residing in Penacook, New Hampshire. For a period of time leading up to the alleged fraud described in this Petition, RJR was dating a New Hampshire resident identified as Investor. In the fall of 2013, RJR began telling Investor about SEI, that it was an entity that owned movie rights to famous films such as The Butler, and that this was a good opportunity and time to invest in SEI. In his past, RJR

was professionally licensed in the securities industry, has a CRD number of 1777049, and has extensive knowledge of stock trading and investing. Investor, a single mother residing in Manchester, New Hampshire, had an IRA account with Fidelity Investments valued at about Two Hundred and Fifty Thousand Dollars (\$250,000.00). Investor had very little investing experience and did not have the requisite net worth, risk tolerance or investing sophistication to appropriately invest in a start-up company, private placement and low priced penny stock such as SEI. Nevertheless, RJR, a person who knew that Investor was not an appropriate person to invest in SEI brought Investor to principles of SEI in Rowayton, Connecticut, for the sole purpose of viewing an SEI power-point securities solicitation presented by agents of SEI. In Rowayton, Investor was shown the power-point presentation on SEI which had revenue projections in the hundreds of thousands when in reality; SEI had no revenues at the time and in fact lost money in 2013.

3. After the power-point presentation, when RJR and Investor were back in New Hampshire, on or about 11/8/2013, RJR again solicited Investor to invest her IRA money into SEI. RJR had possession of the SEI power-point presentation in New Hampshire and again used it in his solicitation of Investor and convinced her to invest large sums of money in her IRA into SEI. Investor purchased One-Hundred and Sixty-Six Thousand Dollars (\$166,000.00), worth of SEI stock and obtained 120,000 shares, and a SEI stock certificate numbered 1134.
4. RJR obtained a subscription agreement for SEI for the investment made by Investor. The subscription documentation lists GGC, but the shares purchased by Investor were in SEI. In furtherance of the fraud, RJR gained access over Investor's IRA account at Fidelity, assisted in filling out the subscription documentation for the SEI investment and had the SEI shares deposited into a separate Investor Fidelity account. Upon instructions, Fidelity transmitted the investment funds to SEI's escrow agent Ofsink, LLC electronically on or about 11/8/2013. The funds were withdrawn out of Investor's IRA account as a taxable distribution.
5. The subscription documentation purports that Investor is an accredited investor with a net worth in excess of one million dollars and appropriate for the SEI investment, but in actuality, Investor was not accredited at the time and RJR knew that. Upon information and belief, RJR was motivated to help the principals of SEI go public, and he pushed Investor to invest.
6. After the 11/8/2013 investment into SEI, Investor came to understand that the SEI shares she bought could not be sold or transferred due to the restrictions of a Regulation D, Rule 506 offering, and RJR offered Investor more shares of SEI that were unrestricted. On or about 11/14/2013 through 11/19/2013, Investor made six additional investments into 5200 SEI shares

paying Seven-Thousand Four-Hundred Eighty-Two Dollars and Seventy Cents (\$7,482.70) for more low priced penny stock shares bringing her total investment to One-Hundred Seventy-Three Thousand Four-Hundred Eighty-Two Dollars and Seventy Cents \$173,482.70.

7. The sale of SEI shares to Investor were to an unaccredited investor at a time when the sale of SEI shares was to be made only to accredited investors as indicated on SEI's SEC Regulation D filings. Through RJR's misrepresentations, omissions, manipulation and deception, RJR was able to convince Investor to buy said shares, he fraudulently filled out the subscription documentation, and fraudulently acquire the SEI shares for Investor's account which quickly lost value down to .10 cents a share by May 2014.
8. On 10/1/2015, RJR was asked to come to the Bureau and answer questions about these investments, and he was asked whether the SEI Investor documents were accurate and truthful, and he invoked his right to remain silent under both the United States and New Hampshire Constitutions.

STATEMENTS OF LAW

II. The Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B, and regulations thereunder (hereinafter referred to as the Act):

1. RJR is a "Person" within the meaning of RSA 421-B: 2.
2. The shares in SEI sold to Investor are "securities" within the meaning of RSA 421-B:2.
3. The distribution of the securities listed above constitutes "offers" and "sales" within the meaning of RSA 421-B:2.
4. Pursuant to RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: I. To employ any device, scheme, or artifice to defraud; II. To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; or III. To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. RJR violated these sections by gaining access over Investors IRA Fidelity account, soliciting investor, a single mother, to invest her IRA holdings into the low priced high risk SEI penny stock in SEI, and by representing and touting Investor as an appropriate and

accredited investor for SEI and by aiding in the execution of the fraudulent investor documentation, when in fact Investor was not accredited, was unsophisticated and not appropriate for the investment.

5. Pursuant to RSA 421-B:22, Respondent can be assessed the costs associated with bringing this action if he is found to have violated RSA 421-B.
6. Pursuant to RSA 421-B:23, 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 this 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. RJR is subject to this section for violating RSA 421-B:3.
7. Pursuant to RSA 421-B:26,III, 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 of the acts specified shall constitute a separate violation. RJR is subject to a suspension, revocation, or denial, and a fine for violations of RSA 421-B:3.
8. Pursuant to RSA 421-B:26,V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated RSA 421-B. RJR is subject to this section for violations of RSA 421-B:3.

RELIEF REQUESTED

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

1. Find as fact the statements contained in section I of the Statements of Fact.
2. Make conclusions of law relative to the statements contained in section II of the Statements of Law.
3. Pursuant to RSA 421-B:23, issue an order to cease and desist against RJR, for violations under the Act pursuant to RSA 421-B:23.

4. Assess administrative fines and penalties of \$2,500 per violation against RJR totaling \$52,500.00, for the above-referenced violations under the Act.
5. Pursuant to RSA 421-B:22 assess costs in the amount of \$25,000.00.
6. Issue an order barring any registration or licensing privileges of the Respondent pursuant to RSA 421-B:26,III.
7. Take any other just and equitable relief as permitted under the Act including but not limited to rescission, restitution, or disgorgement pursuant to RSA 421-B:26,V totaling \$173,482.70 plus any IRS tax assessment for early withdrawal.

RIGHT TO AMEND

The Bureau's staff reserves the right to amend this Petition for Relief and requests that the Director of Securities Regulation take further enforcement action.

Respectfully submitted by:



Jeffrey D. Spill
Deputy Director

11/15/16

Date