

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

IN THE MATTER OF:)
)
Michael T. Bates) ORDER TO CEASE AND DESIST
)
Respondent)
) C--2016000011
)

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(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

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 a respondent 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 as to that Respondent. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to each 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 April 3, 2017, (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 the Bureau the remaining balance of \$19,500 due under the prior Consent Order, a confessed judgement, executed by the Respondent and the Bureau on January 23, 2016.
3. Respondent shall pay restitution to the complainant in the amount of \$50,000.
4. Respondent shall pay an administrative fine of \$37,500
5. Respondent shall pay the Bureau's investigation costs of \$10,000.

6. 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: April 4, 2017


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:

Michael T. Bates

C-2016000011

- I. 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 statement of facts:

STATEMENT OF FACTS

1. Michael T. Bates (hereinafter referred to as “Bates”) currently resides in Salem, New Hampshire. Bates has never been licensed as a securities professional in any capacity in the State of New Hampshire or elsewhere.
2. In February of 2015, the Bureau commenced an investigation of Bates after the Bureau received a complaint that generally alleged that Bates was investing money on behalf of others and not providing information about where funds were being invested. During the course of its investigation, the Bureau determined that on August 25, 2009 Bates registered Katopher, LLC (hereinafter “Katopher”) with the State of New Hampshire, Department of State, Corporation Division. According to Katopher’s Certificate of Formation, the primary business purpose of Katopher was “Management, Consulting, Trading and Option Trading, Public Speaking, Coordination.”

3. During the course of its investigation, the Bureau determined that Bates made several material misrepresentations and omissions in connection with the sale of a security to two New Hampshire investors. The Bureau also determined that Bates misappropriated those investors' funds and made false statements as to the performance of the investments.
4. Subsequent to the conclusion of the Bureau's investigation, on January 23, 2016, Bates executed a Consent Order with the Bureau which ordered, in addition to other relief, that Bates was to "permanently cease and desist from further violations of N.H. RSA 421-B, pursuant to N.H. RSA 421-B:23" and that Bates was to pay restitution in the amount of \$35,000, an administrative fine in the amount of \$10,000, and the cost of the Bureau's investigation in the amount of \$5,000. (See Exh. A.) As part of the Consent Order, the restitution, fine, and cost payments were to be paid over time according to an agreed-upon payment schedule.
5. Additionally, as part of the Consent Order entered into between Bates and the Bureau, upon Bates' default of any provision of the Consent Order:

Bates authorize[d] and empower[ed] the Bureau to enter judgement by confession in the administrative forum against Bates, in favor of the Bureau, for the amount due under this Consent Order (less all amounts paid to the Bureau at the time of default) plus all reasonable costs of collection, including without limitation reasonable investigative costs and costs of enforcement. (Exh. A, Pg. 6.)

6. In July of 2016, the payment schedule under the prior Consent Order was amended at Bates' request and the monthly amount owed was reduced. Nevertheless, Bates has failed to make the past eight payments due by the first of the month from September 2016 through April 2017. On September 26, 2016, the Bureau notified Bates, by first class mail return receipt requested, that Bates had violated the prior Consent Order for failure to make periodic payments as required by the Consent Order and that because of this failure "enforcement action was imminent."
7. This letter dated September 26, 2016 also notified Bates that the Bureau had received a

subsequent complaint from a New Hampshire investor (hereinafter referred to as the “complainant”). The complainant alleged that Bates had defrauded him of \$50,000 related to an investment into one of Bates’ companies. The complainant’s \$50,000 investment was paid to Bates in at least six installments from October 26, 2015 to February 26, 2016, meaning these installment payments were paid before and after the execution of the prior Consent Order between Bates and the Bureau. At least two of the installment payments were received by Bates after the execution of the prior Consent Order.

8. The complainant further alleged that Bates approached him to invest in Bates’ company TSG Brands. As part of Bates’ solicitation to the complainant, in text message exchanges with the complainant obtained by the Bureau, Bates made several misrepresentations including, but not limited to, that at least one other “silent partner” was involved in the investment when in fact there were no such partner and that Bates had “fronted” the investor his initial investment when in fact he had not. After receiving some of the complainant’s installment payments, Bates continued to make misrepresentations to the complainant by text message in order to induce the complainant to make further installment payments, including that Bates’ bookkeeper was inquiring as to when the complainant would be making his next installment payment when in reality Bates did not have a bookkeeper working for him at the time. Further, Bates told the complainant that his investment needed to be complete by March before a “buy in” was occurring with another investor, which was wholly untrue. The complainant further alleged that Bates provided him with an “Investment Contract” that stated the terms of the investment, which included that the complainant would receive a “specific equity stake in TSG BRANDS PL,” however no such equity stake was ever received by the complainant.
9. As part of the investigation, the Bureau subpoenaed bank records and analyzed Bates’ transactions with the complainant. Based on its investigation, the Bureau determined that Bates misappropriated the complainant’s funds. Most of the complainant’s funds were deposited into Bates’ personal accounts, some of the funds were transferred to other accounts to cover shortages in those accounts, and some of the funds were withdrawn by Bates in cash.

10. Additionally, as part of the Bureau's investigation, Bates voluntarily submitted to a statement under oath on January 5, 2017. During this statement, Bates admitted that he never disclosed to the complainant, at the time of or before the complainant's investment, that he was under investigation by the Bureau for securities fraud. Bates also admitted that he used at least some of the complainant's funds for personal reasons. During Bates' voluntary statement under oath, Bates also agreed to provide the Bureau a number of documents, including a financial affidavit submitted as part of a divorce proceeding and e-mails Bates claimed existed between himself and the complainant. As of the date of this petition, Bates has not produced these documents to the Bureau.
11. As of the date of this Petition, Bates has never responded to the Bureau's notice of delinquency and has made no subsequent payments as required by the prior Consent Order. As Bates has paid \$30,500 of the \$50,000 owed under the prior Consent Order, the outstanding balance is \$19,500.

STATEMENTS OF LAW

- II. The Bureau hereby petitions the Director and makes the following statement of law under the New Hampshire Revised Statutes Annotated, N.H. RSA 421-B:
 1. Bates is a "person" within the meaning of N.H. RSA 421-B:1-102(39) (formerly N.H. RSA 421-B:2, XVI).
 2. The solicitation made by Bates, described above, constitutes a "sale" or "offer to sell" within the meaning of N.H. RSA 421-B:1-102(49) (formerly N.H. RSA 421-B:2, XIX(a) and (b)) and the investment product offered is an "investment contract" as defined by N.H. RSA 421-B:1-102(29)(A) (formerly N.H. RSA 421-B:2, IX-c) and a "security" as defined by N.H. RSA 421-B:1-102(53)(A) (formerly N.H. RSA 421-B:2, XX). The "specific equity stake in TSG BRANDS PL" offered by Bates to the complainant also constitutes a "security" as defined by N.H. RSA 421-B:1-102(53)(A) (formerly N.H. RSA 421-B:2, XX).

3. Pursuant to N.H. RSA 421-B:5-501 (formerly N.H. RSA 421-B:3), it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud or 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 the light of the circumstances under which they are made, not misleading. Bates is in violation of this provision for several material misrepresentations and omissions in connection with the sale of a security to the complainant, as described above.
4. Pursuant to N.H. RSA 421-B:6-604(a) (formerly N.H. RSA 421-B:23, I(a)), 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 order issued 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. Bates is subject to this provision.
5. Pursuant to N.H. RSA 421-B:6-604(d) (formerly N.H. RSA 421-B:26, III), 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 other penalty provided for by law, be subject to such suspension, revocation, or denial of any registration or license, or be barred from registration or licensure, including the forfeiture of any application fee. Bates should be fined in the amount of \$2,500 for each of the eight violations of the prior Consent Order for missing eight monthly payments, another \$2,500 fine for violating the cease and desist provision of the prior Consent Order by defrauding the new complainant after the execution of the prior Consent Order, and \$2,500 for each of the six fraudulently induced installment payments from the new complainant, for a total fine of \$37,500.
6. Pursuant to N.H. RSA 421-B:6-604(c) (formerly N.H. 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 certain provisions of N.H. RSA 421-B. Bates is

subject to this provision.

7. Pursuant to N.H. RSA 421-B:6-604(g) (formerly N.H. RSA 421-B:22, IV), in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the secretary of state's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the secretary of state, the secretary of state shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter. Bates is subject to this provision.

RELIEF REQUESTED

III. The Bureau makes the following requests for relief in the above-referenced matter as permitted under N.H. RSA 421-B:

1. Find as fact the statements contained in Section I, the Statement of Facts.
2. Make conclusions of law relative to the statements contained in Section II, the Statements of Law.
3. Pursuant to the prior Consent Order, enter judgement by confession against Bates and in favor of the Bureau and order Bates immediately pay the Bureau the remaining balance of \$19,500 due under the prior Consent Order.
4. Pursuant to N.H. RSA 421-B:6-604(a) (formerly N.H. RSA 421-B:23, I(a)), order Bates to immediately cease and desist from further violations of N.H. RSA 421-B.
5. Pursuant to N.H. RSA 421-B:6-604(e) (formerly N.H. RSA 421-B:26, V), order Bates pay restitution to the complainant described above in the amount of \$50,000.
6. Pursuant to N.H. RSA 421-B:6-604(g) (formerly N.H. RSA 421-B:26, III), order Bates pay

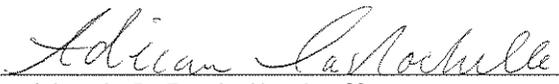
an administrative fine in the amount of \$37,500.

7. Pursuant to N.H. RSA 6-604(g) (formerly N.H. RSA 421-B:22, IV), order Bates pay the Bureau's costs of investigation and enforcement in the amount of \$10,000.

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 thereunder.

Respectfully submitted by:



Adrian S. LaRochelle, Staff Attorney

4/3/17
Date



Eric A. Forcier, Staff Attorney

4/3/17
Date

Exhibit A

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

CONSENT ORDER

Michael T. Bates

C-2015000002

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Michael T. Bates (hereinafter “Bates”) has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter the “Bureau”) has determined to accept. Accordingly, without admitting or denying the allegations contained herein, Bates does hereby consent to the entry of this Consent Order and the following undertakings and sanctions:

STATEMENT OF FACTS

1. Bates currently resides in Salem, New Hampshire. Bates has never been licensed as a securities professional in any capacity in the State of New Hampshire or elsewhere. The Bureau commenced an investigation of Bates in February 2015 after the Bureau received a complaint that generally alleged that Bates was investing money on behalf of others, not adhering to his projections, and not providing information about where funds were being invested. On August 25, 2009 Bates registered Katopher, LLC (hereinafter “Katopher”) with the State of New Hampshire, Department of State, Corporation Division. According to Katopher, LLC’s Certificate of Formation, the primary business purpose of Katopher was “Management, Consulting, Trading and Option Trading, Public Speaking, Coordination.”
2. Investor #1 is from Manchester, New Hampshire. In March 2010 Investor #1 invested twenty-five thousand dollars (\$25,000) with Bates into an investment club run through

Katopher. On May 7, 2010, Investor #1 received a distribution from Bates totaling one thousand, one hundred and seventy-five dollars (\$1,175). By the end of July 2010, Bates represented to Investor #1 that all of his funds were lost. In September 2010 Investor #1 invested an additional fifteen thousand dollars (\$15,000) with Bates. Investor #1's total losses are thirty-eight thousand, eight hundred twenty-five dollars (\$38,825).

3. Investor #2 is from Windham, New Hampshire. In late June 2010, Investor #2 invested ten thousand dollars (\$10,000) with Bates into what Investor #2 believed was the investment club run by Bates through Katopher. Bates lost all of Investor #2's funds within a few weeks of receipt but continued to represent to Investor #2 that his funds were growing. Investor #2 did not receive any distributions or a return of his principal investment.
4. In its investigation, the Bureau determined that Bates made several material misrepresentations and omissions in connection with the sale of a security to Investor #1 and Investor #2, including but not limited to, misrepresenting that the investments would be matched by at least two additional investors, there would be monthly board meetings amongst investment club members, and misrepresentations as to how the investment club would operate. The Bureau also determined that Bates misappropriated investor funds, misled Investor #1 and Investor #2 as to what products were being purchased by the investment club, and made false statements as to the performance of the investment club.

STATEMENTS OF LAW

1. Bates is a "person" within the meaning of N.H. RSA 421-B:2, XVI.
2. The investors' participation in the investment club constitutes a "sale" or "offer to sell" within the meaning of N.H. RSA 421-B:2, ~~XIX~~ and the investment product offered is an "investment contract" as defined by N.H. RSA 421-B:2, IX-c.
3. Pursuant to N.H. RSA 421-B:3, it is unlawful for any person, in connection with the offer,

sale, or purchase of any security, directly or indirectly, to employ any device, scheme, or artifice to defraud or 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 the light of the circumstances under which they are made, not misleading. Bates is in violation of this provision for several material misrepresentations and omissions in connection with the sale of a security to Investor #1 and Investor #2, as described above.

4. Pursuant to N.H. RSA 421-B:10, I(a) and (b)(2), the secretary of state may by order bar any license if he or she finds that the order is in the public interest and that the licensee has willfully violated or failed to comply with any provision of this title. Bates is subject to this provision.
5. Pursuant to N.H. RSA 421-B:22, IV, in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the secretary of state's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the secretary of state, the secretary of state shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter. Bates is subject to this provision.
6. Pursuant to N.H. RSA 421-B:23, I(a), 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. Bates is subject to this provision.
7. Pursuant to N.H. 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. Bates is subject to this provision.

8. Pursuant to N.H. 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 certain provisions of N.H. RSA 421-B. Bates is subject to this provision.

II. In view of the foregoing, Bates agrees to the following undertakings and sanctions:

UNDERTAKINGS AND SANCTIONS

1. Bates agrees that he voluntarily consented to the entry of this Consent Order and represents and avers that no employee or representative of the Bureau has made any promise, representation, or threat to induce his execution.
2. Bates agrees to waive his right to an administrative hearing and any appeal thereof under N.H. RSA 421-B.
3. Bates agrees that this Consent Order is entered into for the purpose of resolving only the matter as described herein. This Consent Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Bates which the Bureau has no knowledge of at the time of the date of the final entry of this Consent Order.
4. Bates may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation contained in this Consent Order or create the impression that the Consent Order is without factual basis. However, nothing in this provision affects Bates' testimonial obligations or right to take contrary legal or factual positions in litigation or other legal proceedings in which the State of New Hampshire is not a party, but not including the non-dischargeability penalties discussed in undertaking number 8 below.

5. Bates agrees to permanently cease and desist from further violations of N.H. RSA 421-B, pursuant to N.H. RSA 421-B:23.
6. Bates agrees to a permanent bar from any securities licensure in any capacity in the State of New Hampshire.
7. Bates agrees to pay a fine of ten thousand dollars (\$10,000) and costs of investigation of five thousand dollars (\$5,000). Bates also agrees to pay restitution to Investor #1 totaling twenty-six thousand, two hundred and fifty dollars (\$26,250) and restitution to Investor #2 totaling eight thousand, seven hundred and fifty dollars (\$8,750). Bates agrees to make periodic payments every month until the entire balance of restitution, fine, and costs is paid. Payment shall be made by United States postal money order, certified check, bank cashier's check, or bank money order. The funds shall be made payable to the State of New Hampshire and be hand delivered or mailed to the Bureau of Securities Regulation, Department of State, State House Room 204, Concord, NH 03301. Until all outstanding restitution, fine, and cost recovery are paid in full, Bates shall inform the Bureau of any change of address within thirty (30) days of moving. Bates agrees to pay five thousand dollars (\$5,000) by February 1, 2016, ten thousand dollars (\$10,000) on March 1, 2016, and five thousand dollars (\$5,000) per month thereafter until all the fines, costs, and restitution contained herein are paid in full. Payment shall be received by the Bureau by the first of each month.
8. Bates acknowledges that the fine, costs, and restitution payments as outlined herein are non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(19)(A)(i) and (B)(i). Bates agrees not to seek discharge of the restitution, fine, or cost payments outlined herein in any future bankruptcy proceeding. The Bureau reserves the right to reopen this matter if payment in full is not received by the Bureau according to the terms of this Consent Order. The Bureau agrees, however, to make a reasonable and good-faith attempt to resolve any untimely payment prior to reopening this matter. Specifically, the Bureau agrees to send

Bates a notice of any delinquent payment, via first class mail with return receipt requested, at least five business days prior to reopening the matter. The Bureau shall not reopen the matter if it receives the delinquent payment within that five-day period. Bates agrees that the entry of this Order is a judgment, order, consent order, settlement agreement, within the meaning of 11 U.S.C. § 523(a)(19)(B), and that the Bureau has all necessary power and jurisdiction to enter this Order, including a determination of non-dischargeability of all obligations pursuant hereto.

9. Bates agrees that if any periodic payment under this Consent Order is not paid when due, the entire unpaid balance shall become due and payable immediately, at the election of the Bureau. The Bureau agrees, however, to make a reasonable and good-faith attempt to resolve any untimely payment (i.e. through the notice procedure noted above in Undertaking #8) prior to accelerating the due date for the balance then owed. Failure to resolve any untimely payment, after a reasonable and good faith attempt to resolve the untimely payment by the Bureau, shall be considered a default of this Consent Order. The Bureau shall provide Bates with timely notice of the default and the commencement of any default proceeding(s) initiated by the Bureau via first class mail, return receipt requested, to the last known address provided by Bates to the Bureau. Upon such default, and the provision of notice required above, Bates authorizes and empowers the Bureau to enter judgment by confession in the administrative forum against Bates, in favor of the Bureau, for the amount due under this Consent Order (less all amounts paid to the Bureau at the time of the default) plus all reasonable costs of collection, including without limitation reasonable investigative costs and costs of enforcement. Notwithstanding any consent to judgment, Bates reserves the right to contest the Bureau's allegations, as to both damages and liability, to the extent the Bureau reopens this matter and seeks damages above and beyond the settlement amount.

10. If Bates does not meet any obligation or condition set forth under this Consent Order, this Order shall be voidable by the Bureau and the Bureau may proceed with its enforcement action. Bates also acknowledges that, should he default on any obligations set forth in this Consent Order, he may be subject to a separate enforcement action and additional fines and penalties for violations of the Consent Order. If the Bureau is victorious in any enforcement

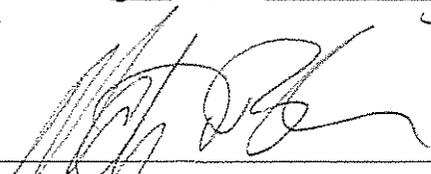
action brought under this paragraph, the amount of the resulting award shall be reduced by the amount that Bates has already paid to the Bureau at the time of the award.

III. In view of the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Consent Order. **THEREFORE IT IS HEREBY ORDERED THAT:**

1. Bates permanently cease and desist from further violations of N.H RSA 421-B, pursuant to N.H. RSA 421-B:23;
2. Bates be permanently barred from any securities licensure in any capacity in the State of New Hampshire as presently codified in N.H. RSA 421-B;
3. Bates pay restitution to Investor #1 totaling twenty-six thousand, two hundred and fifty dollars (\$26,250) and restitution to Investor #2 totaling eight thousand, seven hundred and fifty dollars (\$8,750), as outlined in Undertaking #7 above;
4. Bates pay a fine of ten thousand dollars (\$10,000) and costs of investigation of five thousand dollars (\$5,000), as outlined in Undertaking #7 above;
5. The restitution and fines ordered are non-dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(19)(A)(i) and (B)(i); and
6. Bates comply with all other Undertakings outlined above.

SO ORDERED.

Executed this 28 day of JANUARY, 2016



Michael T. Bates

Executed this 11th day of February, 2016



Barry Glennon, Director