

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	
Banner Co-Op, Inc.; BannersGo, LLC;)	ORDER TO CEASE AND DESIST
Bannercoop; Bannersgo LLC; The)	Matter No. 20222701
Banner Group, LLC; BannersgoMLM,)	
Inc.; and Michael T. Glaspie a/k/a Mike)	
G.,)	
Respondents.)	
_____)	

I. PRELIMINARY STATEMENT

Pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, and the regulations and rules promulgated thereunder (the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Banner Co-Op, Inc. (“Banner Co-Op”), BannersGo, LLC (“BannersGo”), Bannercoop, Bannersgo LLC, The Banner Group, LLC, and BannersgoMLM, Inc. (collectively, “Banner Co-Op Entities”), and Michael T. Glaspie, a/k/a Mike G. (“Glaspie”) (collectively, the “Respondents”). In connection with its investigation, the Division has determined that evidence exists to support the Finding of Facts and Conclusions of Law set forth below, and the issuance of this Order to Cease and Desist.

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. RESPONDENTS

2. Banner Co-Op is a Delaware corporation owned and operated by Glaspie that was formed in August 1998 and subsequently filed a certificate of authority to do business with its principal place of business in Highland, Michigan. Banner Co-Op is represented to be an internet services company.

3. BannersGo is a Michigan limited liability, internet services company formed by Glaspie in December 2019.

4. Banner Co-Op and BannersGo have also operated under and/or used the names Bannercoop, Bannersgo LLC, The Banner Group, LLC, and BannersgoMLM, Inc.

5. Glaspie, during all times relevant, was the authorized agent and president of Banner Co-Op, with a business address of 1050 S. Milford, Suite 103, Highland, MI 48357,¹ and a secondary address of 1343 SW Seagull Way, Palm City, FL 34990. Glaspie is the principal for BannersGo and the remaining Respondents. Glaspie conducted business on-line, by teleconference, and via email as “Mike G.”

6. The Respondents are not presently registered, and they have never been registered in any capacity, with the Division or with the United States Securities and Exchange Commission (the “SEC”).²

IV. FINDINGS OF FACTS

7. During the Division’s investigation of this matter, it was informed of regulatory actions, involving the same Respondents and the same subject matter, that were filed by the State

¹ This is the same address found on checks drafted for Bannersgo LLC.

² The reference here to the SEC is not intended to confer federal claims jurisdiction to the Division; rather, as more fully explained below, the Division notes that the SEC filed pleadings asserting that the Respondents are not now, nor have they ever been, licensed to sell securities.

of Michigan, Department of Licensing and Regulatory Affairs Corporations, Securities & Commercial Licensing Bureau (hereinafter, the “Michigan Department”) as well as the State of Alabama, Alabama Securities Commission (hereinafter, the “Alabama Commission”). The Michigan Department and the Alabama Commission both issued orders requiring, *inter alia* for the Respondents to cease and desist violating their respective securities acts. After these state regulators filed their administrative actions, the SEC filed a lawsuit against the Respondents and others for violations of federal securities laws. The SEC lawsuit, and the regulatory actions taken by the Michigan Department and Alabama Commission are discussed in detail below.

a. The SEC Proceeding

8. On January 4, 2023, the SEC filed a complaint in the United States District Court, Eastern District of Michigan, titled United States Securities and Exchange Commission v. Neil S. Chandran, Gary J. Davidson, Michael T. Glaspie, Linda C. Knott, Amy S. Mossel, AEO Publishing Inc., Banner Co-Op, Inc., and Bannersgo, LLC, Case No. 2:23-cv-10017 (the “SEC Complaint”). The SEC Complaint outlines a broad-reaching, complicated, and fraudulent scheme where the Respondents and others named by the SEC (the “SEC Defendants”) solicited investments for a company that purportedly owned a unique blockchain technology and for years was promised would imminently be purchased by billionaire buyers, resulting in extremely high returns for the investors in the scheme.³ On January 5, 2023, the SEC announced the filing of the SEC Complaint with Litigation Release No. 25608 titled “SEC Charges Creator of Coindeal Crypto Scheme and Seven Others in Connection with \$45 Million Fraud.”⁴

³ The SEC Complaint is available at <https://www.sec.gov/litigation/complaints/2023/comp-pr2023-2.pdf>.

⁴ The SEC Litigation Release No. 25608 is available at <https://www.sec.gov/litigation/litreleases/2023/lr25608.htm>.

9. The SEC states that it “brings [its] lawsuit to prevent further harm to investors and to seek disgorgement, civil penalties, officer and director bars, permanent injunctions, and conduct-based injunction stemming from the [SEC Defendants’] wrongdoings.”⁵

10. The SEC further notes that as of the filing of the SEC Complaint, the architect of the scheme, Neil S. Chandran (“Chandran”), was and remains currently imprisoned in Nebraska while awaiting trial.⁶ Chandran invented the underlying investment opportunity that he presented as an innovative blockchain technology and repeatedly promised was going to be sold imminently to a group of very wealthy buyers, resulting in a significant return to investors. Chandran sought short-term funding for business operating expenses pending the purported sale and anticipated, substantial returns to the investors once the sale closed. This investment opportunity was known as “CoinDeal.” This investment opportunity was not registered as a security, and according to the SEC, the CoinDeal investment opportunity never actually existed.⁷

11. Chandran recruited Garry J. Davidson (“Davidson”), who resides in Henderson, Nevada, to help sell CoinDeal and other related Chandran-owned entities. Davidson does not hold any securities licenses and has never registered with the SEC.

12. Davidson recruited Glaspie to help raise funds for CoinDeal by soliciting public investment. As noted above, Glaspie does not hold any securities licenses and has never registered with the SEC. Glaspie solicited investments on-line,⁸ by teleconference, and via email. When

⁵ SEC Complaint, ¶ 13.

⁶ Information regarding the indictment and arrest of Chandran around June 14, 2022, is available on the U.S. Department of Justice website at <https://www.justice.gov/criminal-vns/case/united-states-v-neil-chandran>.

⁷ SEC Complaint ¶59.

⁸ Glaspie maintains a web page at www.mikegdeal.com that provided weekly and sometimes more frequent updates regarding the prospective investment opportunities. In fact, Glaspie posted a direct response to the SEC complaint on Wednesday, January 11, 2023.

Glaspie spoke and wrote about this investment opportunity, he often referred to it merely as “the Deal.”

13. The SEC Defendants included Linda C. Knott (a downstream promoter for CoinDeal based in Oklahoma City, Oklahoma, who also raised funds via her d/b/a entity Together We Profit); Amy Mossel (who is married to Glaspie and assisted Glaspie with disseminating information and collected investor funds); and AEO Publishing (a Delaware corporation owned by Amy Mossell that published and disseminated the materials to investors). None of these people or entities held securities licenses or were registered with the SEC.

14. The SEC alleged that “[f]rom 2019 to 2022, Glaspie, through the [Banner Co-Op Entities], raised over \$45 million, as well as additional amounts via crypto assets, from thousands of CoinDeal investors from multiple states and countries.”⁹ Moreover, despite settling claims with and/or receiving notice from the Michigan Department and the Alabama Commission, the Respondents continued their improper CoinDeal offerings.

15. The SEC in its complaint asks the court to (1) enjoin permanently the SEC Defendants from violating the applicable federal securities laws; (2) disgorge all ill-gotten gains and/or unjust enrichment received directly or indirectly, including pre-judgment interest; (3) assess appropriate civil penalties; (4) enter an order permanently prohibiting Chandran, Davidson, Glaspie, Knott, and Mossel from serving as an officer or director of any issuer that has a class of securities that is required to be registered; and (5) enjoin permanently Chandran or any entity he owns or controls from participating in the issuance, purchase, offer, or sale of any security on behalf of others.

⁹ SEC Complaint ¶84.

b. The Michigan Department Proceedings

16. On January 14, 2020, the Michigan Department issued a Notice and Order to Cease and Desist verses Banner Co-Op, Inc., Complaint No. 340998 (the “Michigan Cease and Desist Order”). After investigating, the Michigan Department found that Banner Co-Op, through Glaspie, offered and sold investment contract securities to investors in Michigan and around the United States related to “an anonymous cryptocurrency and artificial intelligence company” with promised returns of ten times the investor’s investment. The Michigan Department found that the investment contract was not registered and was not exempt under the Securities Act in Michigan. The Michigan Department found that Banner Co-Op, through Glaspie, omitted to state material facts that a reasonable investor might consider when making an investment decision, like the omission of the name of the company being sold, the sellers of the company, the buyers of the company, any risks associated with the transaction, when the transaction might occur, or that the transaction might not occur, and that the investors could lose their entire investment. The Michigan Department found that Banner Co-Op, through Glaspie, made offers “from December 2018 through at least April 2019.” In addition to the Michigan Cease and Desist Order, the Michigan Department imposed a fine in the amount of \$30,000 that was payable within 60 days of the date of the order.

17. On June 4, 2020, the Michigan Department issued a Consent Order Resolving the Cease and Desist Complaint, No. 340998 (the “Michigan Consent Order”), wherein Banner Co-Op: (i) agreed to cease and desist from violating the Michigan Securities Act; (ii) agreed that it would not conduct any business in Michigan regulated under the Michigan Securities Act, and would not act as a principal or consultant on behalf of any entity so engaged in that business; and (iii) agreed to pay a civil fine of \$15,000.

18. In 2021, the Michigan Department pursued a second action against Glaspie and Banner Co-Op in Michigan Circuit Court in the matter of *The Corporations, Securities & Commercial Licensing Bureau of The State of Michigan, Department of Licensing and Regulatory Affairs, by the Bureau's Director v. Michael Glaspie and Banner Co-Op, Inc.*, C/A No. 21-188377-CZ. On October 11, 2021, a Consent Judgment was entered in this civil action (the "Michigan Consent Judgment"). In the Michigan Consent Judgment, the presiding judge found that "an injunction is necessary to protect the citizens of the State of Michigan from continued violations of the Michigan Uniform Securities Act." The presiding judge found that Glaspie was the CEO and 100% owner of Banner Co-Op. The Consent Judgment found that Glaspie and Banner Co-Op (i) were enjoined from violating the Michigan Securities Act; (ii) that they should not conduct business in Michigan under the Michigan Securities Act; (iii) should not solicit funds, individually or through agents, with the promise of payouts after the closing of a deal between an undisclosed seller and buyer; (iv) should not operate websites that offer any investment opportunities to Michigan residents, including the web sites www.mikegdeal.com and www.iodmail.com/cdupdates/cdindex.html; and (v) should not deposit or cause to be deposited any funds at a depository institution in the State of Michigan in which funds are collected from any investor, regardless of state of residence. The Michigan Consent Judgment "is perpetual" and binds Glaspie, Banner Co-Op, and their officers, agents, servants, employees, and attorneys. The Michigan Consent Judgment found Glaspie and Banner Co-Op in civil contempt of court and warned that violations of the Michigan Consent Judgment could subject Glaspie and Banner Co-Op to additional civil and criminal sanctions.

c. The Alabama Commission Proceedings

19. On June 1, 2022, the Alabama Commission filed a Cease and Desist Order against Banner Co-Op, Inc., a/k/a BannersGo, LLC, Bannersgo LLC, Bannercoop, The Banner Group, LLC; Michael T. Glaspie; and Garry J. Davidson, Administrative order No. CD-2022-0012 (the “Alabama Cease and Desist Order”). After reviewing the Michigan Cease and Desist Order, and conducting its own investigation, the Alabama Commission found that Banner Co-Op began receiving investments via wire transfers and through a money transmitter called Stripe, Inc., from Alabama residents in January 2020, in a vehicle described by Banner Co-Op as a “collateralized loan.” The Alabama Commission found that Banner Co-Op, through Glaspie, offered and sold investment contract securities to investors in Alabama and around the United States related to an alleged pending sale of an anonymous cryptocurrency and artificial intelligence company which, upon consummation of the company’s sale, promised returns in excess of ten times the investor’s investment. The Alabama Commission found that the investors’ funds were pooled in order to distribute funds to the anonymous cryptocurrency and artificial intelligence company.

20. The Alabama Commission further found that Banner Co-Op omitted information about the alleged business deal that a reasonable investor might consider material facts when making an investment decision, like (i) the name of the company being sold, the sellers of the company, the buyers of the company, and risks associated with the transaction; (ii) when the transaction might occur, or that the transaction might not occur; and (iii) that investors could lose their entire investment. The Alabama Commission did not find a registration for any of the Banner Co-Op Entities nor that they were listed by the Alabama Secretary of State as a domestic or foreign business. The Alabama Commission found that the Banner Co-Op Entities were in violation of the Alabama Securities Act because they were not registered, sold unregistered securities, and

made untrue statements of material fact or omitted to state a material fact necessary for a reasonable investor to consider when making an investment decision. The Alabama Commission then ordered the Banner Co-Op Entities to cease and desist from violating the Alabama Securities Act.

d. The Division's Investigation

21. The Division conducted its investigation of the Respondents' business conducted in South Carolina, including reviewing documentation and interviewing South Carolina residents that had invested with the Respondents. From the period of January 2019 through the present (the "Relevant Period"), the Division is aware that at least twelve (12) South Carolina investors invested at least \$92,364 with the Respondents in at least seventy-one (71) transactions.

22. The conduct of the Respondents in South Carolina mirrors the conduct articulated by the Michigan Department, the Alabama Commission, and the SEC in their respective pleadings and orders.

23. The Division finds that the Respondents offered and sold investment contract securities to investors in South Carolina and around the United States in an anonymous cryptocurrency and artificial intelligence company. However, the Respondents omitted material facts about the alleged business deal that a reasonable investor might consider when making an investment decision, like (i) the name of the company being sold, the sellers of the company, the buyers of the company, and risks associated with the transaction; (ii) when the transaction might occur; or (iii) that the transaction might not occur, and that investors could lose their entire investment.

24. As of the date of this Order to Cease and Desist, the Respondents, through Glaspie, continue to solicit funds and to provide updates about the investment contract securities through

various means, including on the websites www.mikegdeal.com and www.iodmail.com/cdupdates/cdindex.html. In fact, on these websites, on January 11, 2023, Glaspie posted a direct response to the SEC Complaint that was filed on January 4, 2023. The Division further notes that these websites have also started promoting other dubious prospective investments and/or business opportunities that may or may not be additional offers of securities in South Carolina.

25. As noted above, the Respondents are not licensed, registered, qualified, or notice filed with the Division or the SEC.

26. The investment contract securities sold to South Carolina investors are not registered with the Division or any other securities regulatory authority, nor are they exempt from registration.

27. The Respondents failed to disclose to South Carolina investors that the investment contract securities are not currently registered with federal or state securities regulatory authorities.

V. CONCLUSIONS OF LAW

28. Paragraphs 1 through 27 are incorporated by reference as though fully set forth herein.

29. Each of the twelve (12) investment contracts sold by the Respondents to South Carolina investors are each a security as defined in S.C. Code Ann. § 35-1-102(29).

30. The investment contracts were and are required to be registered with the Division pursuant to S.C. Code Ann. § 35-1-301 and are not registered with the Division, are not exempt from registration, and are not otherwise exempt under S.C. Code Ann. §§ 35-1-201 through -203.

31. In selling the investment contracts through Banner Co-Op, Glaspie acted as an agent on behalf of Banner Co-Op. Under S.C. Code Ann § 35-1-102(2), an “Agent” includes an

individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities, or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities.

32. The Respondents offered and sold unregistered securities in violation of S.C. Code Ann. § 35-1-301 and continue to do so.

33. The Respondents, by and through Glaspie, in connection with the offer, sale, or purchase of a security, directly or indirectly (1) employed a device, scheme, or artifice to defraud; (2) made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) engaged in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. § 35-1-501.

34. Each violation of S.C. Code Ann. § 35-1-301 and S.C. Code Ann. § 35-1-501 is a separate violation of the Act.

35. The Respondents' violations of the Act set forth above provide the basis for this Order, pursuant to S.C. Code Ann. § 35-1-604.

36. This Order is appropriate and in the public interest, pursuant to the Act.

VI. ORDER

NOW THEREFORE, pursuant to S.C. Code Ann. § 35-1-604, it is hereby **ORDERED** that:

A. Each Respondent and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly

or directly controlled by or on behalf of each of the Respondents shall **CEASE AND DESIST** from transacting business in this State in violation of the Act;

- B. The Respondents shall jointly and severally pay a civil penalty in the amount of one hundred and twenty thousand dollars (\$120,000.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed ten thousand dollars (\$10,000.00) for each violation of the Act by the Respondent(s) and the actual cost of the investigation or proceeding Act; and
- C. The Respondents shall jointly and severally pay the costs associated with this investigation in the amount of two thousand and five hundred dollars (\$2,500.00) if this Order becomes effective by operation of law, or, if a Respondent seeks a hearing and any legal authority resolves this matter, pay the actual costs associated with the investigation and legal proceeding in accordance with S.C. Code Ann. § 35-1-604(e).

VII. NOTICE OF OPPORTUNITY FOR HEARING

Each of the Respondents is hereby notified that she/he/it has the right to a formal hearing on the matters contained herein. To schedule a hearing, a Respondent must file with the Division within thirty (30) days after the date of service of this Order, a written Answer specifically requesting a hearing. If any Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a written request, will schedule a hearing for that Respondent. The written request shall be delivered to the Office of the Attorney General, 1000 Assembly Street, Columbia, South Carolina 29201, or mailed to the Office of the Attorney General, Attention: Securities Division, P.O. Box 11549, Columbia, South Carolina 29211-1549.


In the written Answer, a Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If the Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, the Respondent shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by the Respondent of the right to such a hearing. Failure by a Respondent to file an Answer, including a request for a hearing, shall result in this Order's becoming final by operation of law. The regulations governing the hearing process can be found at S.C. Code of Regulations § 13-604.

This Order does not prevent the Division or any other agency from seeking additional remedies as are available under the Act, including remedies related to the offers and sales of securities by the Respondents set forth above.

ENTERED, this the 17 day of March, 2023.

ALAN WILSON
SECURITIES COMMISSIONER

By: 
JONATHAN B. WILLIAMS
Assistant Deputy Attorney General