STATE OF TENNESSEE
BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE,	)	
TENNESSEE SECURITIES DIVISION	)	
Petitioner,	)	
	)	**O.I.: 2022-0002**
vs.	)	
ARAS BUSINESS GROUP, LLC,	)	
Respondent.	)	

PETITION FOR AN EX PARTE ORDER TO CEASE AND DESIST

The Securities Division of the Tennessee Department of Commerce and Insurance ("Division"), by and through undersigned counsel, pursuant to the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 through 48-1-201 et seq. ("Act") petitions the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") to issue an Ex Parte Order to Cease and Desist ("Order")_all unregistered securities activity to ARAS Business Group, LLC, ("Respondent").

I. JURISDICTION

1. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

II. PARTIES

2. The Commissioner is responsible for the administration of the Act. The Division, pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

3. Respondent is an inactive Tennessee corporation with a former address of 5100 Poplar Ave, Ste 2755, Memphis, TN 38137. Respondent has never been registered with the Division in any capacity.

III. FACTUAL ALLEGATIONS

4. On or about November 23, 2021, the Financial Services Investigation Unit ("FSIU") received a consumer complaint filed by Ana Porras ("Porras"), a Mexican citizen, alleging that Respondent misrepresented and misappropriated $88,750 of her investment income and requesting assistance in the recovery of her capital.

5. As a result, on or about January 31, 2022,Order of Investigation 2022-0002 was issued. Investigator Steven Tyler ("Investigator Tyler") was initially assigned to investigate the activities of Respondent. See Exhibit A.

6. On March 27, 2023, this matter was reassigned to Investigator William Pyrdom ("Investigator Pyrdom").

7. Investigator Tyler's preliminary research found that Respondent is not currently and has never been registered to engage in the business of securities within the United States.

8. Investigator Pyrdom completed the investigation and reviewed the following:

   a. documents provided by Porras, the contract between Porras and Respondent, and Respondent's bankruptcy filings. See Exhibit B.

b. the contract, titled Share Purchase Agreement, that Respondent entered into with Porras whereby Porras purchased "C shares" of platinum and palladium from Respondent with a profit margin of 7.5%. The contract states that:

   i. "The BUYER acknowledges:

      1. No employment relationship exists.
      2. ARAS owns all intellectual property and operations.
      3. All decisions are made by the Board of Directors.

   ii. The BUYER:

      1. Has no voting rights,
      2. Has no participation in management,
      3. Has no ownership rights beyond profits.

   iii. ANNEX 1 – DIVIDEND PAYMENT TABLE

      1. Investment: $40,000 USD Profit percentage: 7.50%
      2. Shares: 1 Palladium, 3 Platinum
      3. Term: 12 months
      4. End date: August 16, 2022

   iv. ANNEX 2 – PAYMENT SCHEDULE

      1. Monthly payments:
      2. Each month: $3,000 USD gross / $2,700 USD net
      3. Final payment includes return of $40,000 USD principal

   v. Dates range from September 16, 2021, through August 16, 2022." See Exhibit B.

c. On June 30, 2021, Porras made a payment to Respondent in the amount of $48,750.00 for two precious metals, palladium and platinum. Additionally, on July 21, 2021, Porras made a second payment to Respondent in the amount of $48,740.000 for palladium and platinum. See Exhibit B.

d. Respondent had a place of business at 5100 Poplar Ave. Suite 2755, Memphis, Tennessee, 38137. Porras had no knowledge of a location in the United States; she only knew their location in her hometown in Chihuahua, Mexico.

e. On April 11, 2022, Respondent filed for bankruptcy in Shelby County and closed all offices located within the borders of the United States.

9. Director of Registration, April Odom, found that at no point was the Respondent registered with the Division in any capacity. Additionally, the Share Purchase Agreement investments in precious metals that the Respondent sold were never registered with the Division. See Odom Affidavit ¶ 9, 10, 13, 14, and 15.

IV. APPLICABLE LAW

10. Tenn. Code Ann. § 48-1-102(3) states in pertinent part:

> (3) "Agent" means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from, in, or into this state. A partner, officer, director, or manager of a broker-dealer, or a person occupying similar status or performing similar functions, is an agent only if such person otherwise comes within this definition or receives compensation specifically related to purchases or sales of securities from, in, or into this state. "Agent" does not include such other persons not within the intent of this subdivision (3) as the commissioner may, by rule, exempt from this definition as not in the public interest and necessary for the protection of investors;

11. Tenn. Code Ann. § 48-1-102(4) states in pertinent part:

> (4) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others, or any person engaged in the business of buying or selling securities issued by one (1) or more other persons for

such person's own account and as part of a regular business rather than in connection with such person's investment activities. "Broker-dealer" does not include:

(A) Issuers, except to the extent provided in § 48-1-110(f);
(B) An agent;
(C) An institutional investor;
(D) A person who has no place of business in this state and who is registered as a broker-dealer with the securities and exchange commission or the Financial Industry Regulatory Authority (FINRA) or any successor regulatory entity if:
(i) The person effects transactions in this state exclusively with or through:
(a) The issuers of the securities involved in the transactions;
(b) Other broker-dealers; or
(c) Institutional investors; or
(ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i)); or(E) Such other persons not within the intent of this subdivision (4) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

12. Tenn. Code Ann. § 48-1-102 (13) states, in pertinent part:

(13) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, buying, or selling securities, or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. "Investment adviser" includes a financial planner or other person who, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or who holds oneself out as providing investment advice to others for compensation. "Investment adviser" does not include:

(A) A bank (unless it is acting as an investment adviser for a registered investment company), savings institution, or trust company;
(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;
(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;
(D) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;
(E) A person who has no place of business in this state if:
(i.) The person's only clients in this state are other investment advisers, broker-dealers, or institutional investors; or

(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

(F) Such other persons not within the intent of this subdivision (13) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors;

13. Tenn. Code Ann. § 48-1-102 (14) states, in pertinent part:

(A) "Investment adviser representative" means any partner, officer, or director of (or person occupying a similar status or performing similar functions) an investment adviser, or other individual, except clerical or ministerial personnel, who is employed by or associated with an investment adviser and does any of the following:

(i.) Makes any recommendation or otherwise renders advice regarding securities;

(ii.) Manages accounts or portfolios of clients;

(iii.) Determines which recommendation or advice regarding securities should be given;

(iv.) Solicits, offers, or negotiates for sale of or sells investment advisory services;

(v.) Supervises employees who perform any such actions; or

(vi.) Provides investment advice or holds oneself out as providing investment advice;

14. Tenn. Code Ann. § 48-1-102 (20) (A) and (B) state in pertinent part:

(A) Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.

(B) "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

15. Tenn. Code Ann. § 48-1-102 (21) (A) states in pertinent part:

(21)(A) "Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

16. Tenn. Code Ann. § 48-1-103(a) states in pertinent part

(a) The following securities are exempted from § 48-1-104 and, except as the commissioner may otherwise require by rule, §§ 48-1-113 and 48-1-124(e)

…

(13)

(A) Any security issued by a person that meets the following requirements:

(i) The sale of the security must meet the requirements of the federal exemption for intrastate offerings in either:

(a) Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C. § 77c(a)(11)), and 17 C.F.R. 230.147 or 17 C.F.R. 230.147A; or

(b) 17 C.F.R. 230.147A;

…

17. Tenn. Code Ann. § 48-1-104 states, in pertinent part:

(a) It is unlawful for any person to sell any security in this state unless:

(1) It is registered under this part;
(2) The security or transaction is exempted under § 48-1-103; or
(3) The security is a covered security.

(b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

18. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

(a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes

…

(e)

(2)

(A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

19. Tenn. Code Ann. § 48-1-109(a) provides that:

(a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:

(1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

20. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee,

with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

21. Tenn. Code Ann. § 48-1-109(e) provides that:

> The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

22. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Order of Cease and Desist upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

23. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King

v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

V. CAUSES OF ACTION

A. The Respondent sold unregistered securities in the state of Tennessee.

24. The Respondent's sale of interest shares in precious metals meets the elements of an investment contract under the Hawaii Market Test. An investment contract as defined in Tenn. Code Ann. § 48-1-102(21)(A) is a security. An investment contract has the following characteristics:

a. an offeree furnishes initial value to an offeror,

b. a portion of this initial value is subjected to the risks of the enterprise, and

c. the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and

d. the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise. King v. Pope, 91 S.W.3d 314, 316 (Tenn. 2002)

In this case, Respondent offered investors the opportunity to purchase C shares in precious metals for a cost. The investment was at risk of the enterprise, the amount was induced by promises of a 7.5% return on the initial investment amount, and the investors had no right to control the investment. Because the investment contract meets the elements of a security, Respondent was required to register the security with the Division. The securities sold did not meet Tennessee's requirements for an exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). Respondent's failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a) and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all unregistered securities activity.

B. The Respondent is engaging in unregistered securities activity as a broker-dealer by effecting the sale of securities in Tennessee while not being registered with the Division.

25. The Respondents facilitated the sale of securities in the State of Tennessee, thereby acting as broker-dealers. The Respondent effected the sale of securities by accepting payments for the investment, thereby acting as broker-dealers in Tennessee. The Respondent was not registered in Tennessee while acting as a broker-dealer, in violation of Tenn. Code Ann. § 48-1-109(a).

26. The Respondent's unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(a) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all securities activity.

C. The Respondent is engaging in activity as an investment adviser or investment adviser representative through their transactions of selling unregistered securities in Tennessee.

27. The Respondent is offering investment adviser services in Tennessee without being registered with the Division as an investment adviser or investment adviser representative, as required under the Act.

28. The Respondent, in providing information to the public, for a commission fee, acted as an investment adviser as defined in Tenn. Code Ann. § 48-1-102(14).

29. The Respondent's actions in providing investment adviser services in Tennessee in violation of the Act create an imminent risk of harm to consumers who would rely on the Respondent as a fiduciary for financial advice. The Respondent's unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all unregistered

securities activity.

VI. PRAYER FOR RELIEF

THE DIVISION HEREBY REQUESTS the entry of an Order requiring, pursuant to the Act, that:

1. The Respondents shall **COMPLY** with the provisions of the Act and all rules promulgated pursuant to the Act.

2. The Respondents shall **CEASE AND DESIST** from any further unregistered conduct as an investment adviser, investment adviser representative, or broker-dealer from or in the State of Tennessee.

3. All persons or entities in any way assisting, aiding, or helping the Respondents in any of the aforementioned violations of the Act shall **CEASE AND DESIST** all such activities in violation of the Act.

4. In addition, the Division requests such other, further, general, or different relief to which the Division may be entitled.

Respectfully Submitted,

Courtney.Anne Smith (Jul 13, 2026 09:51:30 CDT)

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TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE,	)	
TENNESSEE SECURITIES DIVISION	)	
Petitioner,	)	**O.I.: 2022-0002**
vs.	)	
ARAS BUSINESS GROUP, LLC,	)	
Respondent.	)	

EX PARTE ORDER TO CEASE AND DESIST

This Order issues as the result of a Petition, and its Exhibits attached thereto, filed by the Securities Division of the Tennessee Department of Commerce and Insurance ("Division") against ARAS Business Group, LLC, ("Respondent"). This Order is based upon the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner") is responsible for the administration of the Act. The Division, pursuant to Tenn. Code Ann. § 48-1-115, is the lawful agent through which the Commissioner discharges this responsibility.

2. Tenn. Code Ann. § 48-1-116 establishes that the Commissioner may execute Orders as are necessary to carry out the Act when the Commissioner finds that the action is in the public

interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

3. Respondent is an inactive Tennessee corporation with a former address of 5100 Poplar Ave, Ste 2755, Memphis, TN 38137. Respondent has never been registered with the Division in any capacity.

4. On or about November 23, 2021, the Financial Services Investigation Unit ("FSIU") received a consumer complaint filed by Ana Porras ("Porras"), a Mexican citizen, alleging that Respondent misrepresented and misappropriated $88,750 of her investment income and requesting assistance in the recovery of her capital.

5. As a result, on or about January 31, 2022, Order of Investigation 2022-0002 was issued. Investigator Steven Tyler ("Investigator Tyler") was initially assigned to investigate the activities of Respondent. On March 27, 2023, this matter was reassigned to Investigator William Pyrdom ("Investigator Pyrdom").

6. Investigator Tyler's preliminary research found that Respondent is not currently and has never been registered to engage in the business of securities within the United States.

7. Investigator Pyrdom completed the investigation and reviewed the following:

   a. documents provided by Porras, the contract between Porras and Respondent, and Respondent's bankruptcy filings.

   b. The contract titled Share Purchase Agreement that Respondent entered into with Porras whereby Porras purchased "C shares" of platinum and palladium from Respondent with a profit margin of 7.5%. The contract states that:

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iii. ANNEX 1 – DIVIDEND PAYMENT TABLE

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2. Shares: 1 Palladium, 3 Platinum

3. Term: 12 months

4. End date: August 16, 2022

iv. ANNEX 2 – PAYMENT SCHEDULE

1. Monthly payments:

2. Each month: $3,000 USD gross / $2,700 USD net

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v. Dates range from September 16, 2021, through August 16, 2022."

c. On June 30, 2021, Porras made a payment to Respondent in the amount of $48,750.00 for two precious metals, palladium and platinum. Additionally, on July 21, 2021, Porras made a second payment to Respondent in the amount of $48,740.000 for palladium and platinum. See Exhibit B.

d. Respondent had a place of business at 5100 Poplar Ave. Suite 2755, Memphis, Tennessee, 38137. Porras had no knowledge of a location in the United States; she only knew their location in her hometown in Chihuahua, Mexico.

e. On April 11, 2022, Respondent filed for bankruptcy in Shelby County and closed all offices located within the borders of the United States.

8. Director of Registration, April Odom, found that at no point was the Respondent registered with the Division in any capacity. Additionally, the Share Purchase Agreement investments in precious metals that the Respondent sold were never registered with the Division.

APPLICABLE LAW

9. Tenn. Code Ann. § 48-1-102(3) states in pertinent part:

> (3) "Agent" means any individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities from, in, or into this state. A partner, officer, director, or manager of a broker-dealer, or a person occupying similar status or performing similar functions, is an agent only if such person otherwise comes within this definition or receives compensation specifically related to purchases or sales of securities from, in, or into this state. "Agent" does not include such other persons not within the intent of this subdivision (3) as the commissioner may, by rule, exempt from this definition as not in the public interest and necessary for the protection of investors;

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> (A) Issuers, except to the extent provided in § 48-1-110(f);
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> (C) An institutional investor;
> (D) A person who has no place of business in this state and who is registered as a broker-dealer with the securities and exchange commission or the Financial Industry Regulatory Authority (FINRA) or any successor regulatory entity if:
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> (i) The person effects transactions in this state exclusively with or through:

(*a*) The issuers of the securities involved in the transactions;
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(ii) During any period of twelve (12) consecutive months, the person does not effect more than fifteen (15) transactions in securities from, in, or into this state (other than to persons specified in subdivision (4)(D)(i)); or(E) Such other persons not within the intent of this subdivision (4) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors.

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(13) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, buying, or selling securities, or who for compensation and as a part of a regular business issues or promulgates analyses or reports concerning securities. "Investment adviser" includes a financial planner or other person who, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or who holds oneself out as providing investment advice to others for compensation. "Investment adviser" does not include:

(A) A bank (unless it is acting as an investment adviser for a registered investment company), savings institution, or trust company;

(B) A lawyer, accountant, engineer, or teacher whose performance of investment advisory services is solely incidental to the practice of such lawyer's, accountant's, engineer's, or teacher's profession;

(C) A broker-dealer whose performance of investment advisory services is solely incidental to the conduct of such person's business as a broker-dealer and who receives no special compensation for such services;

(D) A publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation;

(E) A person who has no place of business in this state if:

(i.) The person's only clients in this state are other investment advisers, broker-dealers, or institutional investors; or

(ii.) During any period of twelve (12) consecutive months, the person does not direct business communications into this state in any manner to more than five (5) clients (other than those specified in subdivision (13)(E)(i)), whether or not such person or any of the persons to whom the communications are directed are then present in this state; or

(F) Such other persons not within the intent of this subdivision (13) as the commissioner may by rule exempt from this definition as not in the public interest and necessary for the protection of investors;

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(A) Sale” or “sell” includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value.

(B) “Offer” or “offer to sell” includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value;

14. Tenn. Code Ann. § 48-1-102 (21) (A) states in pertinent part:

(21)(A) “Security” means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing;

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(a) The following securities are exempted from § 48-1-104 and, except as the commissioner may otherwise require by rule, §§ 48-1-113 and 48-1-124(e)

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(A) Any security issued by a person that meets the following requirements:

(i) The sale of the security must meet the requirements of the federal exemption for intrastate offerings in either:

(a) Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C. § 77c(a)(11)), and 17 C.F.R. 230.147 or 17 C.F.R. 230.147A; or

(b) 17 C.F.R. 230.147A;

…

16. Tenn. Code Ann. § 48-1-104 states, in pertinent part:

(a) It is unlawful for any person to sell any security in this state unless:

(1) It is registered under this part;
(2) The security or transaction is exempted under § 48-1-103; or
(3) The security is a covered security.

(b) The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

17. Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) state in pertinent part:

(a) The commissioner may from time to time make, promulgate, amend, and rescind such rules, forms, and orders as are necessary to carry out this part, including rules, forms, and orders governing registration statements, applications, reports, and filing fees, and defining any terms, whether or not used in this part, insofar as the definitions are not inconsistent with this part. For the purpose of rules and forms, the commissioner may classify securities, persons, and matters within the commissioner's jurisdiction, and prescribe different requirements for different classes

…

(e)

(2)

(A) Notice to the affected parties (which shall be prior notice unless the commissioner determines that prior notice would not be in the public interest and would be detrimental to the protection of investors)

18. Tenn. Code Ann. § 48-1-109(a) provides that:

(a) It is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part, except that:

(1) A bank shall be exempt from registration as a broker-dealer to the extent its activities are excepted under either the definition of "broker" in § 3(a)(4)(B) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(4)(B)), or the definition of "dealer" in § 3(a)(5)(C) of the Securities Exchange Act of 1934 (15 U.S.C. § 78c(a)(5)(C));

(2) A person who limits such person's activity as a broker-dealer to acting solely as a broker-dealer with regard to charitable gift annuities, as that term is defined by § 56-52-102, shall be exempt from registration as a broker-dealer;

(3) A person who limits such person's activity as an agent to acting solely as an agent on behalf of a person who is eligible for the exemption from broker-dealer registration in subdivision (a)(2) shall be exempt from registration as an agent.

19. Tenn. Code Ann. § 48-1-109(c) provides that:

(c) It is unlawful for any person to transact business from, in, or into this state as an investment adviser or investment adviser representative unless:

(1) The person is registered as an investment adviser or investment adviser representative under this part;

(2) The person is required to register as an investment adviser pursuant to § 203 of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-3); provided, however, that an initial notice filing, consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filings, ten (10) days prior to the person acting as an investment adviser; and a renewal notice filing containing such information as the commissioner by rule requires and a nonrefundable fee of one hundred dollars ($100) shall be filed with the commissioner or the commissioner's designee, with payment of any reasonable costs charged by the designee for processing such filing for each successive year in which such person acts as such investment adviser; every notice filing of an investment adviser expires annually, unless timely renewed, on December 31 of each year; or

(3) The person's only clients in this state are insurance companies.

20. Tenn. Code Ann. § 48-1-109(e) provides that:

The commissioner may, after notice and an opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule

> or order adopted or issued under this section, in an amount not to exceed ten thousand dollars ($10,000) per violation, or in an amount not to exceed twenty thousand dollars ($20,000) per violation if an individual who is a designated adult is a victim.

21. The Division is authorized to bring this action based on a finding by the Commissioner that the action is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner may forgo prior notice of this Order upon a finding that prior notice is not in the public interest and would be detrimental to the protection of investors. Tenn. Code Ann. § 48-1-116(e)(2)(A).

22. King v. Pope, 91 S.W.3d 314, 322 (Tenn. 2002) states, "The appropriate test for defining an 'investment contract' under Tennessee law is the Hawaii Market test . . . ." There are four (4) elements of proof required: "(1) An offeree furnishes initial value to an offeror, and (2) a portion of this initial value is subjected to the risks of the enterprise, and (3) the furnishing of the initial value is induced by the offeror's promises or representations which give rise to a reasonable understanding that a valuable benefit of some kind, over and above the initial value, will accrue to the offeree as a result of the operation of the enterprise, and (4) the offeree does not receive the right to exercise practical and actual control over the managerial decisions of the enterprise." King v. Pope at 321 (quoting State by Comm'r of Sec. v. Hawaii Mkt. Ctr., Inc., 485 P.2d 105, 109 (Haw. 1971)).

CONCLUSIONS OF LAW

The Commissioner finds that this Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act pursuant to Tenn. Code Ann. § 48-1-116(b). In addition, the Commissioner finds that prior notice to the Respondent of this Order would not have been in the public interest and would have been detrimental to the protection of Tennessee securities consumers pursuant to Tenn. Code Ann. § 48-1-116(e)(2)(A).

A. The Respondent is selling unregistered securities in the state of Tennessee.

23. The Findings of Fact demonstrate that the Respondent was required to register the security with the Division. The securities sold did not meet Tennessee's requirements for an exemption under Tenn. Code Ann. §48-1-103(a)(13)(A)(i)(a). The Respondent's failure to register the securities was unlawful conduct in violation of Tenn. Code Ann. § 48-1-104(a), and provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Order to Cease and Desist all securities activity.

24. The Respondent's actions of selling unregistered securities in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on the Respondent as a fiduciary in providing financial advice.

B. The Respondent is engaging in activity as a broker-dealer by effecting the sale of unregistered securities in Tennessee.

25. The Findings of Fact demonstrate that the Respondent facilitated the sale of securities in the State of Tennessee, thereby acting as a broker-dealer. They effected the sale of securities through receiving funds for the sale of securities in Tennessee, and the Respondent was not registered with the Division as an agent or broker-dealer. The Respondent's acts of accepting sales and attempting to obtain the sale of such securities constitute acting as an unregistered broker-dealer in violation of Tenn. Code Ann. § 48-1-109(a).

26. The Respondent's unlawful conduct in violation of Tenn. Code Ann. §48-1-109(a) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all unregistered securities activity.

C. The Respondent is engaging in activity as an investment adviser or investment adviser representative services while not registered with the Division.

27. The Findings of Fact demonstrate that the Respondent is offering investment adviser services in Tennessee, and the Respondent is not registered with the Division as an investment adviser or investment adviser representative as required under the Act.

28. The Respondent, in providing information to the public for a commission, constitute acting as investment advisers as defined in Tenn. Code Ann. § 48-1-102(13).

29. The Respondent's actions of providing investment adviser services in Tennessee in violation of the Act create an imperative risk of harm to consumers who would rely on the Respondent as a fiduciary in providing financial advice. The Respondent's unlawful conduct in violation of Tenn. Code Ann. § 48-1-109(c) provides grounds under Tenn. Code Ann. § 48-1-116(a) and (e)(2)(A) for the immediate entry of an Ex Parte Order to Cease and Desist all unregistered securities activity.

ORDER

NOW, THEREFORE, in consideration of the foregoing, it is **ORDERED** that:

1. The Respondent **SHALL COMPLY** with the provisions of the Act.

2. The Respondent **SHALL CEASE AND DESIST** from engaging in any further unregistered conduct as an investment adviser, investment adviser representative, broker-dealer, or agent from or in the State of Tennessee until such time they are effectively registered with the Division to engage in such activity.

3. The Respondent **SHALL CEASE AND DESIST** from further conduct as an investment adviser, investment adviser representative, broker-dealer or agent in Tennessee while not being registered, including, but no limited to, providing investment advice to the public for

any compensation via their social media accounts, websites, YouTube channels, or any other medium, and further from effecting or attempting to effectuate the sale of securities through its social media accounts, websites, YouTube channels, or any other medium.

4. Any persons aiding or otherwise acting in concert with the Respondent or facilitating the unlawful activities of the Respondent through operation of its social media accounts, websites, and YouTube channels to and from Tennessee, and any successor entities or individuals, **SHALL IMMEDIATELY CEASE AND DESIST** from aiding such unlawful conduct of the Respondent.

5. This Order to Cease and Desist is not intended to prohibit any lawful conduct in which the Respondents might be engaged.

6. Entry of this Order to Cease and Desist shall not in any way restrict the Division or the Commissioner from taking further action, including the imposition of maximum civil penalties allowed under the Act, with respect to these or other possible violations of the Act, or any of the rules promulgated thereunder, by the Respondent.

7. The Respondent is advised that the right to a hearing as to all matters raised in this Order to Cease and Desist is available. If the Respondent wishes to exercise the right to a hearing, please notify:

ELIZABETH H. BOWLING
ASSISTANT COMMISSIONER FOR SECURITIES
STATE OF TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
DAVY CROCKETT TOWER, 10th FLOOR
NASHVILLE, TENNESSEE 37243

8. Such request must be received within thirty (30) days from the date of execution of this Order to Cease and Desist. This Order to Cease and Desist shall become a Final Order thirty (30) days from the date of its entry, unless written notification requesting a hearing is made within that thirty (30) day period.

ENTERED this 16 day of July, 2026.

Carter Lawrence (Jul 16, 2026 09:41:44 CDT)

Carter Lawrence, Commissioner

APPROVED FOR ENTRY:

Elizabeth Bowling (Jul 16, 2026 08:13:14 CDT)

Elizabeth H. Bowling
Assistant Commissioner for Securities
Department of Commerce and Insurance

Courtney.Anne Smith (Jul 13, 2026 09:51:30 CDT)

Courtney Smith, BPR #032367
Associate Counsel
500 James Robertson Parkway
Davy Crockett Tower
Nashville, TN 37243
(615) 253-9910
courtney.anne.smith@tn.gov

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this Petition for Ex Parte Order to Cease and Desist and Ex Parte Order to Cease and Desist will be served upon the Respondent via overnight mail and email to the below enclosed address on this 16 day of July, 2026.

United States Postal Service No. 9589 0710 5270 4047 4884 08

ARAS Business Group, LLC
5100 Poplar Ave, Ste 2755,
Memphis, TN 38137

United States Postal Service No. 9589 0710 5270 4047 4884 15

ARAS Business Group, LLC
Attn: Carter Lawrence – Commissioner
Attorney-In-Fact pursuant to Tenn. Code Ann. § 48-1-124(f)
500 James Robertson Parkway
Nashville, TN 37243

Courtney.Anne Smith (Jul 13, 2026 09:51:30 CDT)
Courtney A. Smith