

The STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

**BLACKTIE CAPITAL INVESTMENTS
BRUCE MCMILTON ROWLAND**

RESPONDENTS

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) **ADMINISTRATIVE ORDER**
) **NO. CD-2019-16**
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CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("ACT"), upon due consideration of the subject matter hereof, having confirmed information of the offer for sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. BLACKTIE CAPITAL INVESTMENTS, (BLACKTIE), at all-time relevant, was an unincorporated company, with a street address of 1117 Bridgemill Ave, Woodstock, Ga 30189.

2. BRUCE MCMILTON ROWLAND (ROWLAND), at all-time relevant, was a Georgia Resident, and President of BLACKTIE, with a business address of 1117 Bridgemill Ave., Woodstock, GA 30189.

STATEMENT OF FACTS

3. In November 2017, a Florida Resident traveled to Alabama where she met ROWLAND. During her conversation with ROWLAND, he stated that he was the owner of BLACKTIE and solicited a \$20,000 investment from her. ROWLAND stated the Florida Resident would receive monthly interest payments of \$833.33, for 36 months totaling \$30,000 in three years. After ROWLAND's investment presentation, the Florida Resident decided to invest and withdrew \$20,000 in cash from an Enterprise, Alabama branch of a national credit union. The Florida Resident, still present in Alabama at the time, then gave the \$20,000 to ROWLAND as an investment.

4. ROWLAND gave the Florida Resident a Promissory Note, dated November 19, 2017, signed by ROWLAND as president of BLACKTIE. The Promissory Note detailed repayment terms ROWLAND would make to the Florida Resident. The repayment terms stated:

The interest will be paid \$833.033 for 36 months, which will begin on January 15th, 2018 and will end 36 months later. In the event Holder should default, the principal and above-mentioned interest shall be payable by withholding BlackTie Capitals' monthly residuals from the third-party processor which is processing payment for any and all merchants on file with BlackTie Capital, LLC and or sales commission until the balance is paid off in its entirety.

The promissory note also stated that the Maker of the note would be given a security interest in the residual profits of merchant groups owned by BLACKTIE.

5. After making the \$20,000 investment, the Florida Resident has received only four payments totaling \$3,333.32. The Florida Resident last received a payment of \$833.33 on July 31, 2018. Subsequently, the Florida Resident has not received any other payments and a principal and interest balance of \$26,666.66 remains unpaid by ROWLAND and BLACKTIE.

6. While ROWLAND solicited the Florida Resident to invest \$20,000.00 with BLACKTIE, he failed to disclose important information to assist the Florida Resident in

making an informed investment decision. ROWLAND did not disclose the Bankruptcy information, civil judgements, past federal tax lien or other civil filings filed against him. Said actions are listed in paragraphs seven (7) through twenty (20) of this order.

7. ROWLAND filed a Chapter 13 Bankruptcy on May 07, 2013, in the U.S. Bankruptcy Court in the Northern District of Georgia (Atlanta), Bankruptcy Petition #: 13-60181-bem. The Bankruptcy was terminated on August 27, 2013 for failure to make plan payments.

8. ROWLAND filed a second Chapter 13 Bankruptcy on August 30, 2013, in the Northern District of Georgia (Atlanta), Bankruptcy Petition #:13-69140-bem. Subsequently, this Bankruptcy was terminated on December 26, 2013 and closed.

9. A Federal Tax Lien was filed on October 22, 2012, in the Cherokee County, Georgia Superior Court identifying ROWLAND as the debtor, and the debtor amount listed as \$34,522.00. (Filing Number BK641PG117)

10. A small claims judgement was filed on December 22, 2010, in the Cherokee County, Georgia Magistrate Court identifying ROLAND as the debtor, and the debtor amount listed as \$3,800.00. (Filing Number 2010MGMC0021)

11. A small claims judgement was filed on July 30, 2010, in the Cherokee County, Georgia Magistrate Court identifying ROWLAND as the debtor, and the debtor amount listed at \$6,000.00. (Filing Number 20102989CC)

12. A Civil New Filing was filed on July 29, 2010, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$26,000.00. (Filing Number 20104367CD)

13. A Civil New Filing was filed on March 18, 2010, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$20,800.00. (Filing Number 20101551CD)

14. A small claims judgement was filed on March 02, 2010, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$5,000.00. (Filing Number 20095739CC)

15. A Civil New Filing was filed on February 19, 2010, in the Cherokee County, Georgia, identifying ROWLAND as the debtor and the debtor amount listed as \$20,800.00. (Filing Number 20101027CD)

16. A small claims judgement was filed on August 3, 2009, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$5,000.00. (Filing Number 20092457CC)

17. A Civil New Filing was filed on June 26, 2009, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$15,000.00. (Filing Number 20092784CD)

18. A small claims judgement was filed on February 11, 2009, in the Cherokee County, Georgia Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$995.00. (Filing Number 20082401CC)

19. A Civil New Filing was filed on February 06, 2009, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor amount listed as \$16,500.00. (Filing Number 20090572CD)

20. A Civil New Filing was filed on October 09, 2008, in the Cherokee County, Georgia, Magistrate Court identifying ROWLAND as the debtor and the debtor Amount listed as \$10,800.00. (Filing Number 20082632CD)

21. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on April 15, 2019 and uncovered no record of registration, nor any perfected exemption from registration for the securities offered, or caused to be offered, by ROWLAND or BLACKTIE.

22. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on April 15, 2019 and uncovered no record of registration for

ROWLAND or BLACKTIE as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

CONCLUSIONS OF LAW

23. Section 8-6-2(10), Code of Alabama 1975 defines a security as, among other things, any note, evidence of indebtedness, or participation in any profit-sharing agreement. ROWLAND provided a promissory note that included an interest in the profits of specific merchants owned by BLACKTIE. The note is evidence of indebtedness; therefore, it is a security under the Act.

24. Section 8-6-2(3), Code of Alabama 1975, of the Act defines a dealer as any person engaged in the business of effecting transactions in securities for the account of others or for his own account. BLACKTIE engaged in the business of effecting transactions in securities for the account of others and for his own account; thus, BLACKTIE acted as a dealer under the Act.

25. Section 8-6-2(2), Code of Alabama 1975, of the Act defines an agent as any individual other than a dealer who represents a dealer in effecting or attempting to effect sales of securities. ROWLAND represented BLACKTIE in effecting or attempting to effect sales of securities; thus, ROWLAND is an agent under the Act.

26. Pursuant to Section 8-6-17(a)(2), Code of Alabama 1975, it is unlawful for a person, in connection with the offer, sale or purchase of a security, to make any untrue statement or to omit a material fact necessary to make the statements made not misleading. RESPONDENTS failed to disclose ROWLAND's substantial history of financial problems, including bankruptcies, tax liens, and outstanding debts. This is a material fact omitted by RESPONDENTS in violation of the Act.

27. Section 8-6-16, Code of Alabama 1975, the Securities Commission is authorized to issue a cease and desist order, with or without a prior hearing, against any person engaged in any act or practice constituting a violation of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within, or from the state of Alabama.

Entered at Montgomery, AL this 26th day of April, 2019.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984
BY:


JOSEPH P. BORG
Director