

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
) ADMINISTRATIVE ORDER
Banner Co-Op, Inc.)
 AKA BannersGo, LLC) NO. CD-2022-0012
 Bannersgo LLC)
 Bannercoop)
 The Banner Group, LLC)
 Michael T Glaspie)
 Garry J Davidson)
)
 RESPONDENTS)

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, has determined as follows:

RESPONDENTS

1. **BANNER CO-OP INC. ("BANNER CO-OP")** is a Delaware corporation which has filed a certificate of authority to do business in Michigan with a business address of 251 Little Falls Drive, Wilmington, DE 19808.
2. **MICHAEL T GLASPIE ("GLASPIE")** during all times relevant, was the Authorized Agent of **BANNER CO-OP**, with a business address of 1050 S Milford, STE 103, Highland, MI 48357 and a secondary address of 1343 SW Seagull Way, Palm City, FL 34990.
3. **GARRY J. DAVIDSON ("DAVIDSON")** during all times relevant, was a partner in **BANNER CO-OP**, having an address of 207 Mojave Lane, Henderson, NV 89015.

STATEMENT OF FACTS

4. On January 14, 2020, the state of Michigan Department of Licensing and Regulatory Affairs Corporations, Securities & Commercial Licensing Bureau issued a Notice and Order to Cease and Desist, Complaint No. 340998, naming Banner Co-Op, Inc as a respondent. The action ordered **BANNER CO-OP** to cease and desist from offering and selling unregistered securities; from omitting to state material facts necessary in order to make other statements made, in the light of the circumstances under which they were made, not misleading in connection with the offer and sale of securities; and from making misleading material statements in filings with the state of Michigan, contrary to the Michigan Uniform Securities Act.

5. The Commission received information that in January 2020, **RESPONDENTS** began receiving investments from Alabama residents. The Alabama residents made investments by sending wire transfers and by sending payments through Stripe, Inc., a money transmitter, to **RESPONDENTS** for what **RESPONDENTS** called a “collateralized loan.”

6. **BANNER CO-OP**, through **GLASPIE**, offered and sold investment contract securities to investors in Alabama and around the United States. The investments related to an alleged pending sale of an anonymous cryptocurrency and artificial intelligence company which, upon consummation of the company’s sale, would result in large profits for investors, with promised returns in excess of ten (10) times the investor’s investment.

7. The **RESPONDENTS** represented to investors that the investments would be pooled with the funds from other investors and distributed to the seller of the anonymous cryptocurrency and artificial intelligence company until the seller closed the sale. At that point, **BANNER CO-OP** would use proceeds to pay back investors.

8. **RESPONDENTS** omitted any information about the alleged business deal between the seller and buyer, such as 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 investors could lose their entire investment. A reasonable investor might consider these omitted facts important when making an investment decision.

9. On June 4, 2020, the state of Michigan Department of Licensing and Regulatory Affairs Corporations, Securities & Commercial Licensing Bureau issued a Consent Order resolving Notice and Order to Cease and Desist, Complaint No. 340998, naming **BANNER CO-OP**, Inc. as a respondent. According to the Consent Order, the Parties agreed to and resolved the Cease and Desist Order pursuant to the respondent agreeing to cease and desist from violating the Michigan Uniform Securities Act, agreeing that it will not conduct any business in Michigan regulated under the Michigan Uniform Securities Act; will not act as a principal or consultant on behalf of any entity so engaged in that business; and agreeing to pay a reduced civil fine in the amount of \$15,000.00.

10. On October 11, 2021, a Consent Judgment was issued in the Michigan Circuit Court for the County of Oakland, No. 21-188377-CZ, 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. The Court enjoined **GLAPSIE** and **BANNER CO-OP** from the following acts:

- a. Violating the Act, including Section 301 of the Act, MCL 451.2301, Section 501 of the Act, MCL 451.2501, and Section 505 of the Act, MCL 451.2505.

- b. Conducting any business in Michigan regulated under Michigan Uniform Securities Act acting as a principal or consultant on behalf of any individual or entity so engaged in that business.
- c. Continuing to solicit funds, whether individually or through agents and businesses, with the promise of payouts (including but not limited to cash or cryptocurrency payments, cars, and vacations) after the closing of a deal between an undisclosed seller and buyer.
- d. Operating any website, whether individually or through a business entity that either controls or manages, that offers any investment opportunities to Michigan residents. This includes, but is not limited to www.mikegdeal.com, www.iodmail.com/cdupdates/cdindex.html. Any website that fails to state that investments are not accepted from Michigan residents is considered to be an offer to Michigan residents for purposes of this paragraph.
- e. Operating any website, whether individually or through a business entity that either controls or manages, that offers any investment opportunities from the State of Michigan.
- f. Depositing or causing to be deposited any funds at a depository institution in the State of Michigan which funds are collected from any investor regardless of state of residence.

11. DAVIDSON is referenced by **GLASPIE** as a “partner” in many online updates about **BANNER CO-OP**. DAVIDSON is not listed on any corporate documents as having ownership or control of **BANNER CO-OP**; however he is a direct recipient of a large percentage of investors’

funds after the funds are transferred from the account belonging to Bannersgo LLC DBA Bannercoop.

12. On March 22, 2022, a review of the registration files of the Alabama Securities Commission revealed no registration for the **RESPONDENTS** in any capacity.

13. A review of the Alabama Secretary of State's online database revealed no record for the **RESPONDENTS** as a domestic or foreign business.

CONCLUSIONS OF LAW

14. Section 8-6-2(2), Code of Alabama, 1975, the definition of "agent" includes any individual who represents a dealer or issuer in effecting or attempting to effect sales of securities. By effecting sales of **BANNER CO-OP** to the Investor, **GLASPIE** acted as an "agent" of **BANNER CO-OP** as defined by the Act.

15. Section 8-6-2(10), Code of Alabama, 1975, the definition of a "security" includes collateralized loans. The collateralized loan outlined by **RESPONDENTS** require the investment of money managed by **RESPONDENTS** from which the Alabama investor expected profits to be derived from the efforts of **RESPONDENTS** and are securities as defined by the Act.

16. Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for any person to transact business as an agent unless he is registered under the Act. **GLASPIE** acted as an agent of **BANNER CO-OP** while not registered with the Commission in violation of the Act.

17. Section 8-6-4, Code of Alabama, 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or subject to a perfected exemption from registration under the Act. The securities of **BANNER CO-OP** were neither registered nor subject to a perfected exemption from registration and were offered and sold by **GLASPIE** and **DAVIDSON** to the Alabama investors in violation of the Act.

18. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful for any person, in connection with the offer, sale or purchase of any security, directly or indirectly, 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. **RESPONDENTS** omitted to state material facts necessary to make other statements made misleading in connection with the offer or sale of securities and promised excessive returns to investors in violation of the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the 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 violations 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 CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 1st day of June, 2022.



ALABAMA SECURITIES COMMISSION
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BY:

JOSEPH P. BORG
Director