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COMMISSIONERS OFFICE

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2019-AH-00007**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

MAH INVESTMENT MANAGEMENT; and
MICHAEL WIESEMANN

RESPONDENTS

BACKGROUND

1. The Kentucky Department of Financial Institutions ("DFI") is responsible for administering the provisions of Kentucky Revised Statutes ("KRS") Chapter 292, the Securities Act of Kentucky (the "Act"), as well as the rules and regulations enacted thereunder.

2. Respondent MAH Investment Management ("MAH") maintains a principle office location of 503 Main Street Brookville, IN 47012. Respondent Michael Wiesemann ("Wiesemann") is the owner and chief executive officer of MAH.

3. MAH was approved in Kentucky as a state-registered investment adviser on March 26, 2012. On April 11, 2013, Kentucky approved Wiesemann as an investment adviser representative of MAH. On August 2, 2017, DFI received an email sent on behalf of MAH indicating the firm was in the process of withdrawing its Kentucky registration. On September 7, 2017, MAH filed Form ADV-W, and the termination was processed on September 11, 2017. On September 7, 2017, a Form U-5 was filed for Wiesemann, and his registration was terminated the same day.

4. DFI commenced an investigation into MAH and Wiesemann, after learning that Ohio had entered an amended U-6 against MAH. This U-6 disclosed Ohio's action ordering bar, disgorgement/restitution, and cease and desist/injunction for MAH. The U-6 also disclosed Ohio's action ordering a ban, cease and desist, restitution, and voluntary surrender of his investment advisor representative ("IAR") license, for Wiesemann. These actions were related to fraud and lack of disclosure issues with MAH's Prime Conservative Fund ("the Fund").

5. During the investigation, DFI obtained bank records, fund administrator cash management reports, purchase and sale documents related to a Florida house, and documents related to a company named Fundamental Insurance and Planning ("FIRP"). The documents confirmed that Wiesemann, through his investment advisory business, solicited at least ten (10) Kentucky investors into the Fund.

6. The documents further revealed that Wiesemann used money from the Fund to purchase a home located in Florida. All proceeds from the sale of the home were provided to the Fund. However, Wiesemann titled the home to he and his wife personally without disclosing that fact to investors in the private placement memorandum ("PPM").

7. The documents further revealed that FIRP was a company organized and owned by Wiesemann before it was purchased by the Fund. This ownership, and the conflict of interest it created, was not disclosed to investors through the PPM.

STATUTORY AUTHORITY

8. Under KRS 292.320(1), "[i]t is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) 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; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.”

9. Under KRS 292.320(2), “[i]t is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise: (a) To employ any device, scheme, or artifice to defraud the other person; or (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.”

10. 808 Kentucky Administrative Regulation (“KAR”) 10:450 section 2(12) states that “failing to disclose to clients in writing all potentially conflicting divisions of loyalty in connection with a transaction and obtaining the written consent to proceed with a transaction” is a dishonest or unethical business practice or breach of a fiduciary duty.”

11. 808 KAR 10:450 section 2(21) & (22), defines the following as dishonest or unethical business practices: “engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative contrary to the provisions of Section 206(4) of Investment Advisors Act of 1940” and “failing to provide all materials information with respect to any dealings with or recommendations to any advisory client in violation of KRS 292.320.”

12. The Commissioner possesses a range of administrative authority in addressing violations of the Act, including the imposition of civil fines up to twenty thousand dollars (\$20,000.00) for each violation of the Act. *See* KRS 292.337 and KRS 292.500(14).

CONCLUSIONS OF LAW

13. The Respondents violated KRS 292.320(1), KRS 292.320(2), 808 KAR 10:450 Section 2(21), and 808 KAR 10:450 Section 2(22) when the Respondents purchased the Florida home with money from the Fund without disclosure to potential investors.

14. The Respondents violated KRS 292.320(1), 808 KAR 10:450 Section 2(12), and 808 KAR Section 2(22) when the Respondents failed to disclose the conflict of interest to potential investors that FIRP was organized and owned by Wiesemann before FIRP was purchased by the Fund.

AGREEMENT AND ORDER

15. To resolve this matter without litigation or other adversary proceedings, DFI and Respondents agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

16. In the interest of economically and efficiently resolving the violations described herein, DFI and Respondents hereby agree as follows:

- a. Respondents shall no longer engage in any aspect of the business of offering or selling securities at any time, for any reason, within the Commonwealth of Kentucky. Respondents shall not engage in any aspect of such securities business within the Commonwealth of Kentucky.
- b. Respondents shall refrain from any future violations of the Securities Act of Kentucky or Orders of the Commissioner of the Department of Financial Institutions.
- c. Michael Wiesemann shall not be an officer, director, manager, or other such control person of any entity that offers or sells securities from Kentucky to

Kentucky residents or non-Kentucky residents, or that offers or sells securities from outside Kentucky to Kentucky residents.

- d. Michael Wiesemann shall receive no commission, remuneration, or financial benefit from the offer or sale of any securities from Kentucky to Kentucky residents or non-Kentucky residents, or from the offer or sale of such securities and/or interests from outside Kentucky to Kentucky residents.**

17. Respondents waive their right to demand a hearing at which they would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on their own behalf, or to otherwise appeal or set aside this Agreed Order.

18. Respondents consent to and acknowledge the jurisdiction of DFI over this matter and that this Agreed Order is a matter of public record and may be disseminated as such.

19. In consideration of execution of this Agreed Order, Respondents for themselves, and for their successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Respondents ever had, now have, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration.

20. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties.

21. This Agreed Order shall constitute the Final Order in this matter.

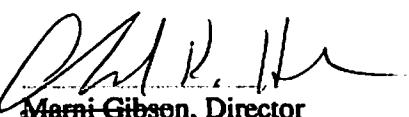
IT IS SO ORDERED on this the 9th day of May, 2019.

Charles A. Vice
CHARLES A. VICE
COMMISSIONER
Charles A. Vice
VIC

Consented to:

On behalf of the Department of Financial Institutions,

This 9 day of May, 2019.



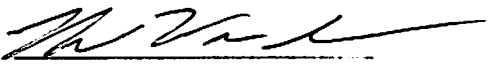
Chad

Marni Gibson, Director
Division of Securities
Department of Financial Institutions

AND

On behalf of himself and MAH Investment Management,

This 29 day of April, 2019.



Michael Wiesemann, CEO
MAH Investment Management

ACKNOWLEDGEMENT

STATE OF Indiana)
)
COUNTY OF Franklin)

On this the 29 day of April, 2019, before me [Signature],

Michael Wiesemann personally appeared and acknowledged himself to be the Respondent named herein and the managing member of MAH Investment Management and acknowledged that he entered into and executed the foregoing instrument for the purposes therein contained.

My Commission Expires: May 26, 2023

[Signature]
Notary Public



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Agreed Order was sent on this the 9th day of May, 2019, by certified mail, return receipt requested, to:

MAH Investment Management
Attn: Michael Wiesemann
530 Main Street
Brookville, IN 47012
Respondent

Hon. Paul D. Vink
Bose, McKinney & Evans, LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
Counsel for Respondent

And by Hand-Delivery to:

Kathryn Adams-Cornett
1025 Capital Center Drive, Suite 200
Frankfort, KY 40601
Counsel for Department of Financial Institutions

Allison Reed By: Stacy Park-Mace
Kentucky Department of Financial Institutions
Allison Reed
Executive Staff Advisor