



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE ACTION NO. 2026-DFI-0004**

KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

DIVERSIFIED CAPITAL MANAGEMENT, LLC,

RESPONDENTS

DIVERSIFIED STRATEGIES GROUP LLC,

DIVERSIFIED STRATEGIES INVESTMENT FUND LP,

DIVERSIFIED STRATEGIES INVESTMENT FUND 2 LLC,

DIVERSIFIED STRATEGIES INVESTMENT FUND 3 LLC,

SYNDICATE LOFTS LLC,

and

DUANE CRONIN

AGREED ORDER

PARTIES

1. The Kentucky Department of Financial Institutions (hereinafter, the “Department”) is responsible for administering the provisions of Kentucky Revised Statutes (KRS) Chapter 292, the Securities Act of Kentucky, as well as any applicable rules, regulations, and orders enacted pursuant to the Code.

2. Diversified Capital Management, LLC is a Kentucky-based limited liability company formed in Colorado with a principal address at 335 East Third Street, Newport, Kentucky 41071 and organized on November 7, 2011.

3. Diversified Strategies Group LLC is a Delaware Limited Liability Company with a principal address at 651 North Broad Street, Suite 201, Middletown, Delaware 19709 and organized on March 15, 2022.

4. Diversified Strategies Investment Fund LP is a Colorado Limited Partnership with a principal address at 649 York Street, Suite 201, Newport, Kentucky 41071 and organized on November 29, 2011.

5. Diversified Strategies Investment Fund 2 LLC is a Delaware Limited Liability Company with a principal address at 131 Continental Drive, Suite 305, Newark, Delaware 19713 and organized on September 8, 2020.

6. Diversified Strategies Investment Fund 3 LLC is a Delaware Limited Liability Company with a principal address at 131 Continental Drive, Suite 305, Newark, Delaware 19713 and organized on June 5, 2021.

7. Syndicate Lofts LLC is a Kentucky Limited Liability Company with a principal address at 335 East Third Street, Newport, Kentucky 41071-1724 and organized on December 12, 2022.

8. Duane Cronin is the owner and CEO of Diversified Capital Management, LLC. He is also owner and operator of Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, and Syndicate Lofts LLC.

STATEMENT OF FACTS

9. Mr. Cronin, through Diversified Capital Management, LLC, offers investors limited partnership and/or limited liability company interests in real estate properties in Northern Kentucky through Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, and Syndicate Lofts LLC.

10. The Department discovered pursuant to an investigation initiated on December 14, 2022, that Mr. Cronin and the Respondent companies offered and sold unregistered securities from and within the Commonwealth of Kentucky without registration or asserted claims of exemption.

STATUTORY AUTHORITY

11. KRS 292.340 states,

It is unlawful for any person to offer or sell any security in this state, unless the security is registered under this chapter, or the security or transaction is exempt under this chapter, or the security is a covered security.

12. KRS 292.470 states, in pertinent part,

Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:

...

Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

- (a) To cease and desist from the activity;
- (b) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; or
- (c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS 292.500(15).

13. KRS 292.500(14) states,

The commissioner may impose civil fines against any person who violates any provision of this chapter or any rule or order or voluntary agreement entered into under this chapter. The fine shall not exceed twenty thousand dollars (\$20,000) per violation...

VIOLATIONS

14. In contravention of KRS 292.340, the Respondents collectively offered securities in Kentucky without registration or asserted claim of exemption. Upon information and belief, Mr.

Cronin operated these offerings with Diversified Capital Management, LLC serving as the managing entity for the five other Respondents offering these securities.

AGREEMENT AND ORDER

15. To resolve this matter without litigation or other adversarial proceedings, the Department, Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin 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, it is hereby **AGREED** and **ORDERED**:

i. Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin shall cease and desist from offering securities in the Commonwealth of Kentucky unless and until appropriate registration is filed or claim of exemption from registration asserted.

ii. Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin agree to pay, jointly and severally, a civil penalty fine of **eight thousand dollars (\$8,000.00)**, which shall be due and payable within thirty (30) days of the entry of this Order;

iii. All payments under this Order shall be in the form of an ACH payment made via secure website, pursuant to instructions provided to Duane Cronin, or by a certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Department of

Financial Institutions, Securities Division, 2026-DFI-0004, 500 Mero Street, Frankfort, Kentucky 40601;

iv. Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin waive the 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 behalf, or to otherwise appeal or set aside this Agreed Order;

v. Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin consent to and acknowledge the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;

vi. In consideration of execution of this Agreed Order, Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin for themselves, and for their successors and assigns, hereby release and forever discharge the Commonwealth of Kentucky, the Department, 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 Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and Duane Cronin 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;

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

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

SO ORDERED on this the 20th day of February, 2026.



MARNI ROCK GIBSON
COMMISSIONER

Consented to:

On behalf of the Department of Financial Institutions,

This 18 19th day of February 2026.

Chad Harlan

Assistant Director, Division of Securities
Department of Financial Institutions

and

On behalf of the Respondents collectively,

This 13th day of February, 2026.

[Signature]

Duane Cronin
Diversified Capital Management, LLC
Diversified Strategies Group LLC
Diversified Strategies Investment Fund LP
Diversified Strategies Investment Fund 2 LLC
Diversified Strategies Investment Fund 3 LLC
Syndicate Lofts LLC

ACKNOWLEDGEMENT

STATE OF Kentucky)
COUNTY OF Campbell)

On this the 13 day of February, 2026, Duane Cronin, in my presence, acknowledged himself to be the authorized representative of **Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and himself** and, being authorized to do so, did enter into and execute the foregoing instrument, on behalf of **Diversified Capital Management, LLC, Diversified Strategies Group LLC, Diversified Strategies Investment Fund LP, Diversified Strategies Investment Fund 2 LLC, Diversified Strategies Investment Fund 3 LLC, Syndicate Lofts LLC, and himself**, for the purposes therein contained, acknowledging the same.

My Commission Expires: June 14, 2026

Heather Marie Coffman
Notary Public



CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Agreed Order was sent on this the 20 day of February, 2026, by the method(s) described below to the following:

Via electronic delivery:

Duane Cronin
DIVERSIFIED CAPITAL MANAGEMENT, LLC
DIVERSIFIED STRATEGIES GROUP LLC
DIVERSIFIED STRATEGIES INVESTMENT FUND LP
DIVERSIFIED STRATEGIES INVESTMENT FUND 2 LLC
DIVERSIFIED STRATEGIES INVESTMENT FUND 3 LLC
SYNDICATE LOFTS LLC
335 East Third Street
Newport, Kentucky 41071
duane@diversified-capital-management.com
Respondents

Via electronic delivery:

Brandon Adcock, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
brandon.adcock@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: Allison Reed by Victoria Ward - Bishop

Title: Executive Staff Advisor