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SEP 30 2019
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COMMISSIONERS OFFICE

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2019-AH-00060

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

v.

MUTUAL ENTERTAINMENT, LLC, and
TEVIN BUFFIN

RESPONDENT

FINAL ORDER

* * * * *

The Department of Financial Institutions (hereinafter "DFI"), pursuant to Kentucky Revised Statute ("KRS") 292.470, KRS 292.500 and 808 Kentucky Administrative Regulation ("KAR") 10:225, by counsel, hereby brings this **FINAL ORDER** against Mutual Entertainment, LLC and Tevin Buffin (hereinafter "Respondent"). In support thereof, DFI states as follows:

SERVICE OF THE ADMINISTRATIVE COMPLAINT

1. On August 5, 2019, DFI sent, via certified mail, a copy of an Administrative Complaint to Respondent's last known address of 4285 Delridge Drive, Cincinnati, OH (Tracking # 7012 3460 0003 0889 7398). This Administrative Complaint was returned to DFI on August 23, 2019, marked "not deliverable as addressed – unable to forward."

2. The DFI has attempted service on the Respondent at all known addresses of record. The Respondent has not responded to the Administrative Complaint, nor provided a response of any form to the statutory allegations. DFI now enters this final order.

STATEMENTS OF FACT

3. The DFI is the agency within Kentucky state government charged with enforcement of the provisions of KRS Chapter 292 (the "Securities Act of Kentucky," hereinafter the "Act") and the rules and regulations enacted thereunder.

4. Mutual Entertainment, LLC (hereinafter "Mutual Entertainment") is a Kentucky limited liability company; the last known address of its principal office is 4285 Delridge Drive, Cincinnati, OH.

5. Tevin Buffin (hereinafter "Buffin") is the owner and managing member of Mutual Entertainment; his last known address is 4285 Delridge Drive, Cincinnati, OH.

6. On November 11, 2016, DFI opened an investigation into activities of the Respondents after receiving a complaint.

7. The complaint included a copy of a police report filed on August 1, 2016, by S.L. alleging that the Respondents solicited and accepted a total of three thousand seven hundred ten dollars and thirty-six cents (\$3710.36) in investment money from S.L. to fund a musical event at Manchester Music Hall in Lexington, KY, pursuant to an oral investment agreement. Furthermore, Buffin assured S.L. that in return for his investments, he would receive a return of his principle investment amount along with 25% of the proceeds from the ticket sales.

8. According to the report, S.L. invested the first one thousand dollars (\$1,000) on October 13, 2015. Thereafter, S.L. made subsequent investments of one thousand dollars (\$1,000) and one thousand seven hundred and ten dollars and thirty-six cents. (\$1,710.36). S.L. stated that he did not receive a return of his investment, pursuant to the oral agreement, nor did he receive the agreed upon amount of proceeds from ticket sales. Furthermore, S.L. stated that Buffin failed to provide formal investment contracts, disclosure documents, financial statements or notices of any kind regarding the unregistered investments.

9. S.L. indicated to DFI investigators that his contact with Buffin after the concert was limited but stated that Buffin admitted to S.L. that he was not able to return the investment money pursuant to the agreement. During the investigation, DFI determined that the securities were not registered, nor was Respondent Buffin registered as an agent to sell securities.

STATUTORY AUTHORITY

10. KRS 292.310(19), in pertinent part, states that “[s]ecurity” means “any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract...”

11. KRS 292.330(3) states, in relevant part, “[i]t is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration...”

12. Under KRS 292.340, “[i]t 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.”

13. 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.”

14. 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).

15. KRS 292.470 states: [w]henver 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:

(3) 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).

CONCLUSIONS OF LAW

16. Respondent Buffin violated KRS 292.330(3), when he acted as an unregistered agent when he offered to sell and did sell securities, on behalf of the issuer Mutual Entertainment, to investor S.L.

17. Respondents violated KRS 292.340 when the Respondents offered to investor S.L. securities, pursuant to the definition under KRS 292.310(19), without first registering the securities with DFI.

16. Respondents violated KRS 292.320(1) when the Respondents failed to provide formal investment contracts, disclosure documents, financial statements, material facts and information regarding business operations, investment risks and use of proceeds, or notices of any kind regarding the unregistered investments to investor S.L.

ORDER

THEREFORE, based upon the foregoing Findings of Fact, Statutory Authority and Conclusions of Law, the Commissioner hereby ORDERS:

1. Respondent Buffin failed to register as an agent prior to selling securities in violation of KRS 292.330(3).

2. Respondents failed to register the offered securities and Respondents did not qualify for an exemption from registration in violation of KRS 292.340.

3. Respondents failed to provide investment contracts, material facts and adequate disclosure material regarding the securities in violation of KRS 292.320(1).

And in so finding, ORDER:

4. Respondents to pay a fine in the amount of four thousand dollars (\$4,000.00) for violations of the Act, pursuant to KRS 292.500(14);

5. Respondents to CEASE and DESIST from all unregistered activity in the state of Kentucky, pursuant to KRS 292.470(3)(a);

6. Respondents shall pay restitution to the investor S.L.; and

7. Any other relief which may be appropriate and to which DFI is entitled.

IT IS SO ORDERED on this the 30th day of September, 2019.

Charles A. VICE, Deputy Commissioner
CHARLES A. VICE for Charles A. VICE
COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **FINAL ORDER** was sent by certified mail return receipt requested on this the 30th day of Sept., 2019, to:

Tevin Buffin, individually and as agent for service for Mutual Entertainment LLC,
Mutual Entertainment, LLC
4285 Delridge Drive
Cincinnati, OH 45205

Via hand-delivery to:

Kathryn Adams Cornett, Attorney
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

Stacy Parker Nance for Allison Reed
Name: Allison Reed
Title: Executive Staff Advisor