

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF SECURITIES
1511 PONTIAC AVENUE, BUILDING 69-1
CRANSTON, RI 02920**

IN THE MATTER OF

ANTONIO P. DOS SANTOS

Respondent.

**EMERGENCY ORDER TO CEASE
AND DESIST; NOTICE OF
OPPORTUNITY FOR A HEARING;
AND NOTICE OF INTENT TO
IMPOSE CIVIL PENALTY UNDER
SECTIONS 602 AND 712**

15-SC-003

Pursuant to Sections 602 and 712 of the Rhode Island Uniform Securities Act of 1990 (“RIUSA”), § 7-11-101 et seq. of the Rhode Island General Laws, 1989, as amended, the Director of the Rhode Island Department of Business Regulation (“Director”) issues this Emergency Order to Cease and Desist; Notice of Opportunity for a Hearing (“Notice”) and Notice of Intent to Impose Civil Penalty under Sections 602 and 712 of the RIUSA with regard to the above referenced Respondent. This Order is effective upon issuance.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Director makes the following findings of fact and conclusions of law with respect to this order:

The Respondent

1. Antonio P. Dos Santos (“Dos Santos”) is a licensed insurance producer with the State of Rhode Island. Dos Santos lists his business address as “Primerica Financial Services, 2220 Plainfield Pike, Cranston, RI 02921-2031.” Dos Santos held a broker dealer sales representative license with the State of Rhode Island from May 6, 2003 through May 3, 2005, but has not held a

license to sell securities anywhere since May 5, 2005. During his registration process with the NASD¹, Dos Santos indicated that he had been employed by Primerica Financial Services, an investment related business, since 1993. Dos Santos also listed his “State/Country of Birth” as “Cape Verde Africa.” Upon information and belief, Dos Santos speaks Portuguese and was able to communicate with GetEasy Group directly because of this ability.

Other Relevant Parties

2. Timothy M. Kelly (“Kelly”) is an actively licensed insurance producer in Rhode Island and does business as Unique Financial Services. Kelly was subject to an Emergency Cease and Desist Order issued by the Director on September 16, 2015 relating to his sales of GetEasy Group Memberships.

3. Theodore E. Maranda (“Maranda”) is an actively licensed insurance producer in Rhode Island. Maranda was subject to an Emergency Cease and Desist Order issued by the Director on September 16, 2015 relating to his facilitation of sales of GetEasy Group Memberships.

4. GetEasy Group (“GetEasy”), a/k/a iGetEasy, a/k/a iGetMania are upon information and belief operating a Ponzi scheme through sales of GetEasy Memberships, but markets itself as a multi-level marketing group based in Europe. They operate a number of websites, including www.officegeteasy.com and <http://igetmania-way.eu/>. GetEasy was subject to an Emergency Cease and Desist Order issued by the Director on September 16, 2015 relating to its role in the sale of GetEasy memberships. GetEasy’s former CEO Tiago Fontoura was reported to have been arrested in Tunisia on criminal charges related to the GetEasy scheme.

The Original Complaint

5. On August 12, 2015, the Rhode Island Department of Business Regulation Securities Division (the “Division”) received a complaint from SB (the “Complainant”), a resident of North

¹ National Association of Securities Dealers (a predecessor of FINRA, the self-regulatory organization charged with overseeing broker dealers by the Securities and Exchange Commission)

Providence, Rhode Island. Complainant claims he met with Kelly at Kelly's Lincoln offices for financial planning services, and that "several weeks later we were contacted [by Kelly] with an investment offer. We met with Mr. Kelly who assured us that this was a safe investment and not a scam. [Kelly] Even went so far as to tell us that he and his partner were investing in this plan."

Complainant further states that "After accounts were set up all went well for about a month. After that things began to go wrong. Could not log into accounts. Then system went down... Each time we got an excuse as to what was going on and to be patient... Each month we got another excuse."

6. In a piece of "sales literature" that Kelly provided to Complainant when he made the investment, the document states:

"Make the fee for the "Membership Participation Fee" out to Unique Financial Services.
We will make the Wire Transfer to Geteasy Group for you and purchase your Membership."

The "sales literature" provided by Kelly to Complainant also stated:

"\$5,000 American Dollars,
This will give you a guaranteed 12 month return of **\$10,800 US Dollars.**
Your Return will be paid to you @ \$225 a week for 48 Weeks."

And in Kelly's "sales literature," it further noted that "You will be given a special website to check on your ***WEEKLY EARNINGS.***" (Emphasis in original.)²³

7. Complainant and Victim GM alleges that as part of Kelly's solicitation of Complainant, in T&T's office, Kelly showed Complainant videos posted on the GetEasy website. Those videos explained how GetEasy and the transaction would work, and that with their "Membership Participation Fee," GetEasy would purchase additional GPS tracker units, and Complainant's weekly payments would come from those additional units.

² Victim GM was able to view online statements initially, but within a month Victim GM was no longer able to view her statement online. Victim GM and Complainant told Kelly about the website problems and Kelly gave multiple reasons for the problems. Complainant was never able to view his statements online.

³ Maranda also used nearly identical "sales literature" with other Rhode Island residents.

8. Kelly explained to investors that GetEasy or GetEasy Group invested in GPS locator devices and leased them out to 3rd parties and that this business model purportedly allowed GetEasy to take an investment and more than double the money over the span of a year and if they recruited other investors, their own income would increase.

9. In sales literature, on its own website and on the website of others, GetEasy referred to itself and others referred to its program as a Multi-Level Marketing (“MLM”) program.

10. On or about October 28, 2014, Complainant invested \$10,000 with Kelly by delivery of a check in said amount to Kelly. It was Complainant’s understanding and belief that he was investing such funds in GetEasy through Kelly, with the expectation that in exchange for the \$10,000 investment, they were guaranteed to receive more than \$20,000 over the next forty-eight (48) weeks.

11. Complainant and Victim GM have not received *any* money from the investment made with Kelly.

12. Kelly and Maranda also offered and sold the GetEasy “Membership” to other Rhode Island residents, and some of those other investors were dissatisfied with their investments. Kelly and Maranda both prepared and provided to other Rhode Island residents “sales literature” guaranteeing to double investments within 48-months through the GetEasy scheme.

Dos Santos’s Role

13. Kelly and Maranda learned of the GetEasy scheme through Respondent Dos Santos when Dos Santos sold Kelly and Maranda GetEasy Memberships. Dos Santos showed Kelly and Maranda an online video explaining how the GetEasy Membership worked and that it would double their investment in 48-weeks.

14. Dos Santos encouraged Kelly and Maranda to sell GetEasy Memberships and to recruit others to sell GetEasy Memberships. Dos Santos explained to Kelly and Maranda how to recruit

and build their pyramid sales teams and that the more sales they and their team made, the more points they would earn, which would lead to additional money for Kelly and Maranda.

15. Dos Santos also provided Kelly and Maranda assistance as Kelly and Maranda sold GetEasy Memberships to other consumers. Dos Santos gave Kelly and Maranda technical assistance with their GetEasy Memberhip sales, Dos Santos facilitated the transfer of Euros to Kelly and Maranda, and he encouraged Kelly and Maranda to sell additional GetEasy Memberships by offering additional “points” (aka compensation) for doing so.

16. When two consumers contacted Maranda with a problem logging into their GetEasy accounts in Devenber 2014, Maranda contacted Dos Santos for assistance. When Maranda had a problem transferring Euros in a GetEasy account, Dos Santos came out and helped him with the computer work. And when Kelly had concerns about GetEasy, he asked Dos Santos to contact them thorough a contact or directly himself because Dos Santos could “talk to them in there [sic] language.”

17. Upon information and belief, Dos Santos provided numerous types of vital assistance to Kelly and Maranda because Dos Santos received money for every sale completed by Kelly and Maranda.

18. Dos Santos was also the main conduit of funds flowing from Kelly and Maranda to GetEasy. In one instance, Complainant gave \$10,000 to Kelly to purchase two \$5,000 GetEasy Memberships. Kelly deposited the dollars into his business account on October 29, 2014. On November 5 and 6, 2014, two checks were written from that account to “Antonio Dos Santos” for a combined \$5,000 which referenced both the Complainant and Victim GM and a number of Euros the payment was to be for in the memo line of the check. The checks payable to Dos Santos were both cashed.

19. In another instance, on 6/16/2014 Consumer JP gave Kelly \$1,800 to purchase a GetEasy Membership. On 6/16/2014 Kelly wrote a check to “Tony DosSantos” for \$1,712 which

cleared on 6/17/2014. The check had a memo line referencing Consumer JP's name. In exchange for the \$1,800, Kelly guaranteed Consumer JP \$75 per week for 48 weeks, effectively doubling his money.

20. Upon information and belief, Respondent Dos Santos was aware of the guarantees that Kelly and Maranda promised their clients.

21. Dos Santos knew or should have known that the GetEasy investment scheme was a fraud. Dos Santos has been working in the Financial Services field since 1993 the had enough experience in the securities field in general that he knew, or should have known, that GetEasy's claims to double your money within 48-weeks was a scam.

22. The guaranteed investment promised by the GetEasy Memberships was not real, and Respondent Dos Santos knew or should have known that it was not real.

The GetEasy Membership was a Security

23. Pursuant to R.I. General Laws § 7-11-101(22) an investment contract is a security.

24. The seminal securities case defining whether an investment is an investment contract, and therefore a security, is *S.E.C. v. W.J. Howey Co. et al.*, 328 U.S. 293 (1946). There the Supreme Court stated that "an investment contract for purposes of the Securities Act means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party, it being immaterial whether the shares in the enterprise are evidenced by formal certificates or by nominal interests in the physical assets employed in the enterprise." *Howey* at 298-99. The Court specified that the key "test is whether the scheme involves an investment of money in a common enterprise with profits to come solely from the efforts of others." *Howey* at 301.

25. The Howey test is satisfied when pursuant to a contract, transaction or scheme, a consumer (1) invests his money (2) in a common enterprise (3) with an expectation of profit (4) to come solely from the efforts of others.

26. Kelly and Maranda both invested money with Dos Santos in the GetEasy transaction and/or scheme, with not only an expectation but with Dos Santos's *guarantee* of a profit to come solely from the efforts of others.

27. Therefore, the "Membership" investment that Respondent solicited, offered and sold to Kelly and Maranda in 2014, and as to which Respondent guaranteed a rate of return, was an investment contract, and as such, a "security" as defined by R.I.G.L. Section 7-11-101(22).

28. The "Membership" was not registered as a security with the State of Rhode Island or with the federal government, and it was not exempt from registration as a security.

29. Dos Santos did offer and sell the "Membership" to others within the state of Rhode Island. Dos Santos was aware of Kelly and Maranda's offers and sales of GetEasy Membership within Rhode Island, and Dos Santos aided and abetted those offers and sales.

30. Dos Santos is not licensed to sell securities, and has not had a license to sell securities in Rhode Island since May 3, 2005.

COUNT I

VIOLATION OF § 7-11-201 BY ACTING AS AN UNLICENSED BROKER-DEALER OR SALES REPRESENTATIVE

31. The Division herein restates the allegations and facts set forth in paragraphs 1 through 30.

32. R.I. Gen. Laws § 7-11-201 provides that no person may transact business in this state as a broker-dealer or sales representative unless licensed or exempt from licensing.

33. Respondent Dos Santos transacted business in the State of Rhode Island as a broker-dealer and sales representative without proper licensure or exemption from licensure, in violation of RIUSA.

34. Respondent Dos Santos also aided and abetted Kelly and Maranda's unlicensed activities.

COUNT II

VIOLATION OF § 7-11-301 BY OFFERING AND SELLING UNREGISTERED SECURITIES

35. The Division herein restates the allegations and facts set forth in paragraphs 1 through 30.

36. R.I. Gen. Laws § 7-11-301 provides that no person may offer to sell or sell a security in this state unless the security is registered under this chapter, the security or transaction is exempt under this chapter, or it is a federally covered security.

37. Respondent Dos Santos offered and sold unregistered securities for sale in Rhode Island and such securities and sales were not exempt under RIUSA.

38. Respondent Dos Santos also aided and abetted Kelly and Maranda's unlicensed activities.

COUNT III

VIOLATION OF § 7-11-501 BY PERPETRATING A FRAUDULENT SECURITIES SCHEME

39. The Division herein restates the allegations and facts set forth in paragraphs 1 through 30.

40. R.I. Gen. Laws § 7-11-501 provides that in connection with the offer to sell, sale, offer to purchase, or purchase of a security, a person may not, directly or indirectly, employ a device, scheme or artifice to defraud; make untrue statements of material fact; or engage in an act, practice or course of business that operates or would operate as a fraud or deceit on any person.

41. Respondent Dos Santos perpetrated a fraudulent investment scheme by soliciting and accepting monies from the Kelly and Maranda, and other Rhode Island residents and by guaranteeing to such parties a return of more than double their investments, by making untrue statements of material fact to such parties and by engaging in acts, practices and a course of business that would operate and did operate as a fraud or deceit on other Rhode Island residents.

Respondent Dos Santos was either aware of the fact that GetEasy was a fraudulent scheme, or was willfully blind of the same.

42. Respondent Dos Santos aided and abetted Kelly and Maranda's fraudulent activities.

Based upon the foregoing, the Director determines that the following action is necessary to prevent or avoid an immediate danger to the public welfare, that it is in the public interest, appropriate for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of RIUSA.

Accordingly, IT IS HEREBY ORDERED THAT:

- (1) Respondent and any person associated therewith shall immediately cease and desist from any further violation of Sections 201, 301 and 501 of RIUSA.
- (2) Respondent and any person associated therewith shall retain and maintain all written and computer and other electronic records regarding their business activities and the subject solicitations, offers and sales until further order of the Director.

Therefore, unless the Director receives a written request for a hearing and answer to this Notice within thirty (30) days of the date of this Notice, the Director will regard Respondent as having been provided notice and an opportunity for hearing, and as having waived the right to a hearing, and the Order will become final. If the Director receives a request for a hearing within thirty (30) days of the date of this Notice, the Director shall set the matter for hearing no more than sixty (60) nor less than twenty (20) days from the receipt of the request for hearing and shall promptly notify the parties of the time and place for hearing. If no hearing is requested and none is ordered by the Director, the Order becomes permanent on the thirtieth (30th) day after its entry and remains in effect unless or until modified or vacated by the Director.

Pursuant to § 7-11-602, if the Director reasonably believes that a violation of RIUSA has occurred, he may (after such further notice and hearing in an administrative proceeding unless the

right to notice and hearing is waived by a person against whom the sanction is imposed), impose a civil penalty up to a maximum of ten thousand (\$10,000) for a single violation or of one hundred thousand dollars (\$100,000) for multiple violations in a single proceeding, in addition to any specific powers granted under R.I. Gen. Laws § 7-11-101 et seq.

Dated this 7th day of October, 2015


Macky McCleary, Director
Rhode Island Department of Business Regulation

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

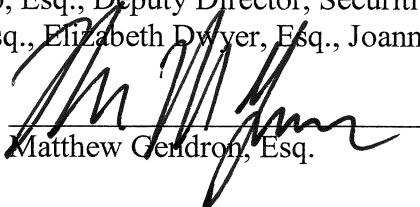
All are welcome at the Rhode Island Department of Business Regulation ("DBR"). If any reasonable accommodation is needed to ensure equal access, service or participation, please contact DBR at 401-462-9551, RI Relay at 7-1-1, or email directorofficeinquiry@dbr.ri.gov at least three (3) business days prior to the hearing.

7th -MG **CERTIFICATION**

I hereby certify that on this 7th day of October 2015 a copy of this Order was sent by first class mail postage prepaid and as notated below, to:

Primerica Financial Services Attn: Antonio Dos Santos 2220 Plainfield Pike Cranston, RI 02921 - Also by hand delivery <i>-MG</i>	Antonio Dos Santos 63 Urban Ave Pawtucket, RI 02860-3312 - Also by certified mail
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and by electronic mail to tonvds26@hotmail.com, as well as the following parties at the Department of Business Regulation: Maria D'Alessandro, Esq., Deputy Director, Securities, Joseph Torti, Deputy Director Insurance, Pamela Toro, Esq., Elizabeth Dwyer, Esq., Joanne Sullivan, and Donald DeFedele.


Matthew Gendron, Esq.

Order No. 15-44