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March 2, 2017

To Whom it May Concern:

On February 23, 2017, SAMI Investments, LLC, a Michigan limited liability company ("SAMI"), voluntarily agreed to enter into a "Consent Order Resolving Notices and Orders to Cease and Desist" with the State of Michigan. This letter provides background and additional information regarding this Consent Order.

In April of 2016, the State of Michigan issued a "Notice and Order to Cease and Desist" against SAMI, myself and a Registered Investment Advisor named Jason Young and his firm Tribune Financial. The State was alleging that SAMI had violated Michigan law by (1) improperly selling securities using a website and (2) paying a sales commission for the sale of securities to an unregistered broker. The State of Michigan issued this Notice and Order without first inquiring of or consulting with us in any way. This Notice was a direct response to Jason Young's submission of his updated ADV form to the State while attempting to be compliant with Michigan Securities Law.

We disagreed with the State's allegations – and continue to disagree with them. We engaged a securities attorney to assist us in responding to the State of Michigan. While we made progress working with the State, it became clear that the matter would not be resolved quickly. SAMI has a relatively unique business model. It was taking time for the state agency to understand our business model and then apply the various securities laws to the business model. This process was causing us to incur significant legal fees responding to multiple questions from the state agency. We provided the State with every check written to Tribune Financial and Jason Young and provided the State with copies of Jason's Client Service Agreements he had established with his clients. The Client Service Agreements evidenced money provided to Jason was not a commission for sales but was payment from Jason's clients to Jason.

We Also provided an Opinion Letter from a previously engaged Securities attorney indicating the website was simply branding the company and was not a solicitation to sell our investments. This previous Securities Attorney assisted us in the past with compliance and he felt very confident that we were compliant.

After nearly 1 year of debating, the State proposed a consent order and we made the decision that, rather than continue to incur legal fees, we would simply agree with the State of Michigan that we would abide by Michigan law and would pay them a single fine of \$2,500 (reduced from an initial amount of \$50,000). This agreement with the State of Michigan is documented via the Consent Order.

Importantly, the Consent Order does not represent any conclusion by the State of Michigan that SAMI violated any law. By signing the Consent Order, SAMI did not admit to any wrongdoing. Rather, we decided to voluntarily sign the Consent Order to avoid further legal fees and focus our resources on our business. It is worth noting that the State of Michigan visited our office in the fall of 2012 for a routine 1-week examination. After 3 days the State of Michigan brought a team of 6 examiners and spent 6 months with both mortgage examiners and securities examiners. The same securities examiners also examined Jason Young's books and records at that time. The State closed our case with no violations and no fines outstanding. Although the lengthy exam was very bothersome, obviously the State was working for everyone's best interest.

SAMI INVESTMENTS, LLC

Houston Peterson

President

