

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-against-**

**PERRY SANTILLO, CHRISTOPHER PARRIS, PAUL  
ANTHONY LAROCCO, JOHN PICCARRETO,  
THOMAS BRENNER, FIRST NATIONLE SOLUTION,  
LLC, PERCIPIENCE GLOBAL CORPORATION, and  
UNITED RL CAPITAL SERVICES,**

**Defendants.**

**18 Civ. 5491 (JGK)  
ECF Case**

**LOCAL RULE 6.1 DECLARATION OF DINA LEVY IN SUPPORT OF  
PLAINTIFF'S *EX PARTE* EMERGENCY APPLICATION FOR A  
TEMPORARY RESTRAINING ORDER, ASSET FREEZE, AND OTHER RELIEF**

I, Dina Levy, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a member of the bar of the State of New York and of the United States District Court for the Southern District of New York. I am employed by Plaintiff Securities and Exchange Commission (the "Commission") in its New York Regional Office as an attorney in the Division of Enforcement.

2. I make this declaration pursuant to Local Civil Rule 6.1(d) to show that good and sufficient reason exists for bringing the Commission's *ex parte* emergency application (the "Application") for a temporary restraining order, an order freezing the assets of defendants Perry Santillo ("Santillo"), Christopher Parris ("Parris"), Paul Anthony LaRocco ("LaRocco"), John Piccarreto ("Piccarreto"), Thomas Brenner ("Brenner"), First Nationle Solution, LLC ("First Nationle"), Percipience Global Corporation ("Percipience"), and United RL Capital Services, ("United RL") (collectively "Defendants") and: (i) requiring Defendants to repatriate assets

transferred outside the United States; (ii) preventing Defendants from destroying or altering documents; (iii) seeking expedited discovery; and (iv) ordering Defendants to provide a sworn accounting.

3. The Commission makes this emergency application by order to show cause to prevent Defendants from transferring to foreign accounts or otherwise dissipating the proceeds of their fraud.

4. No previous application for the relief requested herein or any similar relief has been made by the Commission.

5. The Commission makes its Application *ex parte* by order to show cause to (i) preserve the *status quo* pending adjudication of the Application; (ii) ensure that any future judgment of this Court for disgorgement, prejudgment interest, and civil money penalties is not rendered meaningless; and (iii) prevent the destruction or fabrication of evidence. The Commission believes that proceeding by notice of motion will likely jeopardize the Court's ability to grant full and effective relief both on this Application and on the merits of the Commission's Complaint, because doing so will provide Defendants with the time to move their ill-gotten gains to foreign accounts and otherwise dissipate the funds before an asset freeze order can be entered.

6. This application is made in connection with a Complaint that the Commission has filed against the above-captioned Defendants.

7. Defendant First Nationle represents that it is located in this district and it conducts fraudulent business in this District. Exhibit ("Ex.") 1<sup>1</sup> (First Nationle Brochure) at 4; Ex. 2 (First Nationle Client Account Statement); Ex. 3 (First Nationle Website Page). Additionally, I learned

---

<sup>1</sup> Exhibits referenced as "Ex." are true and correct copies of those documents and are attached to this declaration.

through my investigation that certain of the transactions, acts, practices, and courses of business constituting the violations alleged herein occurred within this District. Among other things, some of Defendants' fraudulent and misleading statements were made to the public at large in this District.

8. I reviewed a report from the Consolidated Lead Evaluation and Reporting database operated by Thomson Reuters ("Clear report") showing that **Santillo** is 38 years old and is, or was, a resident of Rochester, NY. He is a founder, member, manager, and CEO of First Nationle. Ex. 4 (First Nationle Operating Agreement) at 1-2. Based on my investigation, I learned that Santillo offered and sold securities in First Nationle, Percipience, and United RL to investors and potential investors. Santillo also provided investment advice to those same investors and potential investors. I reviewed a FINRA BrokerCheck Report published by the Financial Industry Regulatory Authority Inc. ("FINRA BrokerCheck Report") showing that Santillo was registered with FINRA from 2003 to 2007.

9. I reviewed a Clear report showing that **Parris** is 38 years old and is, or was, a resident of Rochester, NY. He is a manager of First Nationle, a founder and owner of Percipience, and a member and owner of United RL. Ex. 5 (Lucian Development Form D) at 5; Ex. 6 (First Nationle Promissory Note) at 1; Ex. 7 (Private Placement Memorandum ("PPM") for Percipience) at 2; Ex. 8 (United RL Operating Agreement) at 1. Through my investigation, I learned that Parris offered and sold securities in First Nationle, Percipience, and United RL to investors and potential investors. Parris also provided investment advice to those same investors and potential investors. I reviewed a FINRA BrokerCheck Report showing that Parris was registered with FINRA from 2002 to 2005, and was suspended by FINRA in 2015 from association with any FINRA member.

10. I reviewed a Clear report showing that **LaRocco** is 55 years old and is, or was, a resident of Ocala, Florida. He is a founder, manager, and CEO of United RL. Ex. 9 (United RL PPM) at 1, 9, and 15. I learned through my investigation that LaRocco offered and sold securities in First Nationle and United RL and that LaRocco provided investment advice to those same investors and potential investors to whom he offered securities. I reviewed a FINRA BrokerCheck Report showing that LaRocco was registered with FINRA from 2001 to 2010. That FINRA BrokerCheck Report showed he was barred by FINRA in 2011 from association with any FINRA member.

11. I reviewed a Clear report showing that **Piccarreto** is 34 years old and is, or was, a resident of San Antonio, Texas. I learned through my investigation that Piccarreto offered and sold securities in First Nationle, Percipience, and United RL, and that Piccarreto also provided investment advice to those same investors and potential investors. I reviewed a FINRA BrokerCheck Report showing that Piccarreto was registered with FINRA from 2014 to 2015. That FINRA BrokerCheck Report explains that he was suspended for 24 months by FINRA starting in July 2017 for participating in the unregistered offering of securities and for making misleading statements to FINRA.

12. I reviewed a Clear report showing that **Brenner** is 55 years old and is, or was, a resident of Orville, Ohio. I learned through my investigation that Brenner sold securities in Percipience, and United RL. Brenner also provided investment advice to those same investors and potential investors to whom he offered and sold securities. I reviewed a FINRA BrokerCheck Report showing that Brenner was registered with FINRA from 1986 until 2016. That FINRA report explained that he was suspended in 2016, by FINRA for, among other things, making misrepresentations in connection with selling securities. The FINRA BrokerCheck

Report further explains that Brenner was barred for failing to appear for FINRA-requested testimony.

13. **First Nationle** is a Michigan corporation. Ex. 10 (First Nationle Certificate of Incorporation). First Nationle purports to conduct business in areas including leveraged investments, the financial services industry, insurance, and real estate development, among others. Ex. 4 (First Nationle Operating Agreement) at 1; Ex. 1 (First Nationle Brochure) at 3. Based on my investigation, I am not aware of evidence that indicates that First Nationle conducts more than some minimal business. Rather, Defendants operate First Nationle primarily as a Ponzi scheme by issuing securities in the form of promissory notes, soliciting and then misappropriating substantial amounts of investor funds, and using remaining investor funds to pay off redeeming investors.

14. **Percipience** is a Delaware Corporation. Ex. 11 (Percipience Certificate of Incorporation). Percipience purports to conduct business by providing loans to borrowers to buy and improve single-family houses. Ex. 7 (Percipience PPM) at 3. Based on my investigation, I am not aware of evidence that indicates that Percipience conducts more than some minimal business. Rather, Defendants operate Percipience primarily as a Ponzi scheme by issuing securities in the form of stock, soliciting and then misappropriating substantial amounts of investor funds, and using remaining investor funds to pay off redeeming investors.

15. **United RL** is a Delaware and Michigan Corporation. Ex. 12 (United RL Certificate of Incorporation). United RL purports to conduct business by financing physician-owned toxicology laboratories. Ex. 8 (United RL Operating Agreement) at 2; Ex. 13 (United RL Brochure); Ex. 9 (United RL PPM) at 8. Based on my investigation, I am not aware of evidence that indicates that United RL conducts more than some minimal business. Rather, Defendants

operate United RL primarily as a Ponzi scheme by issuing securities, including in the form of promissory notes, soliciting and then misappropriating substantial amounts of investor funds, and using remaining investor funds to pay off redeeming investors.

### **The Fraudulent Scheme**

16. Through my investigation, I learned the following facts. Santillo and Parris buy books of business from investment professionals such as registered representatives and investment advisors around the country. Santillo and Parris, with the help of others, including LaRocco, Piccarreto, and Brenner, then solicit potential investors from those newly acquired books of business to withdraw their money from traditional investments such as annuities, and reinvest their funds in issuers controlled by Santillo, Parris, LaRocco, Piccarreto, and Brenner (the “Individual Defendants”), including First Nationle, Percipience, and United RL (the “Entity Defendants”) (at least sometimes without disclosing that the Individual Defendants control those issuers).

17. Through my investigation, I learned the following facts. With investor victims located throughout the country, Santillo and Parris have relied on individuals with long-established ties to certain communities to defraud investors in those communities. LaRocco has been a central figure in defrauding investors in Florida where Santillo, LaRocco and potentially others raised at least \$26 million from at least 147 investors since August 2012 in Florida. *See also* Declaration of Jordan Baker (“Baker Decl.”) ¶ 16. Piccarreto has been a central figure in defrauding investors in Texas, where Piccarreto, Parris and potentially others have raised at least \$6.6 million from at least 38 investors since April 2014. *Id.* Brenner has been a central figure in Ohio, where Brenner, Parris and potentially others raised at least \$8 million from at least 74 investors since April 2013. *Id.*

18. Santillo, Parris, and Piccarreto also raised money from investors in other states.

For example, Santillo, Parris, Piccarreto and potentially others raised at least \$21 million from at least 80 investors in California since May 2012. *Id.* More recently, Santillo spearheaded the solicitation of at least \$2.2 million from at least 24 investors in Maryland since late 2017. *Id.* I have learned further through my investigation that additional investor victims are located in other states. In total, Defendants have raised at least \$102 million from at least 637 investors since at least July 2011 through their fraudulent offerings. *Id.* ¶ 14. Of that \$102 million, the majority of it was either misappropriated by Defendants or paid to redeeming investors. *See also id.* ¶ 17.

### **The Fraudulent Offerings**

19. **First Nationle:** Santillo, Parris, LaRocco, Piccarreto, and potentially others, have induced at least 318 investors to invest at least \$46 million in the First Nationle offering since February 2012. Baker Decl. ¶ 15. A First Nationle brochure provided to investors and potential investors claims that First Nationle is a holding company for “several sales affiliates that represent a group of companies who offer a rich portfolio of premier insurance and Impaired Risk . . . These subsidiaries manage over \$145 million in assets.” Ex. 1 (First Nationle Brochure) at 3. Based on my investigation, I am not aware of any evidence that indicates that First Nationle is a holding company for any subsidiaries, much less subsidiaries with assets of \$145 million. I am also not aware of any evidence that indicates that First Nationle conducts anything more than minimal business functions.

20. The First Nationle subscription agreement provided to investors claims that First Nationle “is a firm engaged in the business of senior market insurance program commerce and the development and management of diverse real property holdings.” Ex. 14 (First Nationle Subscription Agreement) at 1. The subscription agreement describes the investment as follows: “The debtor plans to apply the proceeds of the offering to help fund the debtor’s outlined

business model.” *Id.* The subscription agreement further claims that “[n]one of the proceeds from the offering will inure to the personal benefit of the Manager.” *Id.* The First Nationle operating agreement provided to investors identifies Santillo as the manager of First Nationle, while the subscription agreement identifies Lucian Global, LLC as manager. Ex. 14 (First Nationle Subscription Agreement) at 1; Ex. 4 (First Nationle Operating Agreement) at 1. Parris is the manager of Lucian Global LLC, and thus a *de facto* co-manager of First Nationle along with Santillo. Ex. 5 (Lucian Development Form D) at 5.

21. I learned through my investigation that First Nationle offered promissory notes to investors. The First Nationle promissory notes offered and sold by Santillo, Parris, LaRocco, and Piccarreto typically contain maturity dates of three years, and provide for interest payments at an annual rate ranging from 3.3% to 6%, as well as bonuses ranging from approximately 10% to 19% to be credited to the investor upon initially investing. Ex. 6 (First Nationle Promissory Note) at 1. First Nationle’s offering documents provide that investors will incur a penalty for early withdrawal of any amount above 10% of the investment. *Id.* Based on my investigation, I learned that Santillo, Parris, LaRocco, Piccarreto, and First Nationle do not disclose to investors and potential investors that their “investment” is actually part of a Ponzi scheme.

22. **Percipience:** Santillo, Parris, Piccarreto, Brenner and potentially others, solicited at least 229 investors to invest at least \$22 million in the Percipience offering since April 2013. Baker Decl. ¶ 15. The Percipience PPM claims that Percipience’s business is to provide loans to borrowers to buy and improve single-family houses. Ex. 7 (Percipience PPM) at 3. Through my investigation, I am not aware of any evidence that indicates that Percipience conducts anything more than minimal business functions. The Percipience PPM further claims that in the event of raising a maximum \$5 million in the offering, \$4.25 million (or 85% of the proceeds) will be



used for Percipience's business, with the remainder of the proceeds to be spent on expenses such as brokers fees. *Id.* at 23.

23. The Percipience PPM explains that the Percipience offering is in the form of preferred stock, specifically Class A and Class B shares. Ex. 7 (Percipience PPM) at 2. Class A shares have a one year "lock period," with a claimed annual return of 7%. *Id.* Class B shares have a three year "lock period," with a claimed annual return of 8% and an 8% bonus to be credited to the investor upon initially investing. *Id.* Percipience's PPM provides that investors will incur a penalty for early withdrawal of any investment. *Id.* Based on my investigation, I learned that Santillo, Parris, Piccarreto, Brenner, and Percipience do not disclose to investors and potential investors that their "investment" is actually a Ponzi scheme.

24. **United RL:** I learned through my investigation that Santillo, Parris, LaRocco, Piccarreto, and potentially others, induced at least 183 investors to invest at least \$25 million in the United RL offering since March 2015. *See also* Baker Decl. ¶ 15. United RL's Operating Agreement describes Parris and LaRocco as members of United RL. Ex. 8 (United RL Operating Agreement) at 1. A United RL PPM and a United RL brochure, claim that United RL's business is to make loans to physicians or medical practices for the purpose of owning their own toxicology laboratories for medical tests. Ex. 13 (United RL Brochure) at 2; Ex. 9 (United RL PPM) at 8. Through my investigation, I am not aware of any evidence that indicates that United RL conducts anything more than minimal business functions.

25. The structure and terms of investments offered in United RL are explained in the United RL PPM and United RL Brochure. Ex. 13 (United RL Brochure) at 4-5; Ex. 9 (United RL PPM) at 1, 6-8. The United RL offering is in the form of promissory notes with maturity dates of either one year ("short term") or three years (either "medium term" or "long term"). *Id.*

The terms of a number of United RL notes include claimed 7% interest payments to be paid semi-annually and claimed bonus payments of 7% on the three-year promissory notes, to be credited to the investor upon initially investing. *Id.* For at least several investments, United RL promised returns of 10%. The facts I gathered through my investigation show that Santillo, Parris, LaRocco, Piccarreto, Brenner, and United RL do not disclose to investors and potential investors that their “investment” is actually a Ponzi scheme.

26. Based on my investigation, I learned that Santillo, Parris, and/or their associates also sold securities in several other fraudulent offerings in which they engaged in the same conduct of raising investor funds and then misappropriating those funds. These smaller offerings include but are not limited to: (1) \$3.2 million raised for Boyles America, LLC from at least 41 investors; (2) \$3.8 million raised for Middlebury Development Corporation from at least 23 investors; (3) \$1.1 million raised for Lucian Development Corporation from at least 14 investors; and (4) \$758,000 raised for Torr, LLC from at least 13 investors. Baker Decl. ¶ 15.

**The Misrepresentations, Omissions, Misappropriations, and Breaches of Fiduciary Duty**

27. I learned through my investigation that Santillo, Parris, LaRocco, Piccarreto, and Brenner misrepresent to investors and potential investors that the money they invest in First Nationle, Percipience, United RL, or other issuers, is used to conduct the purported business of each respective issuer. Investors are not told that – in fact – a significant portion of investor proceeds is used to repay redeeming investors or are misappropriated for personal use by Santillo, Parris, LaRocco, Piccarreto, and Brenner.

28. The Entity Defendants’ offering documents, as provided by the Individual Defendants to investors, as well the issuers’ respective websites, describe their respective purported businesses, including:

- i. First Nationle’s website claims that it “is engaged in leveraging investments, holdings, and other assets, while building value for investors.” First Nationle’s operating agreement claims it engages in businesses including “the acquisition, ownership, development, preservation or operation of . . . stock, mortgages, notes, receivables, securities and realty. . . .” First Nationle’s subscription agreement, which it provided to investors, claims that it is “engaged in the business of senior market insurance program commerce and the development and management of diverse real property holdings.” Ex. 3 (First Nationle Website Page); Ex. 4 (First Nationle Operating Agreement) at 1; and Ex. 14 (First Nationle Subscription Agreement) at 1.
- ii. Percipience’s program summary claims that its business includes “(a) short-term property acquisition and resale, (b) purchase of distressed non-performing bank notes for profitable repositioning, and (c) property rental income.” Percipience’s operating agreement claims that it “shall purchase . . . stand-alone homes or . . . flats within a multi-family building” and “lease residences to families supported by governmentally funded rent subsidies. . . .” Percipience’s private placement memorandum claims that it “will own, fund and operate [a] real-estate-financing business. . . .” Ex. 15 (Percipience Program Summary) at 4; Ex. 16 (Percipience Operating Agreement) at 1-2; Ex. 7 (Percipience PPM) at 12.
- iii. United RL’s website claims that it “is a singular-disciplined company that specializes in providing Physician’s financing, supporting the initial development phases of Physician owned clinical laboratories.” United RL’s operating agreement claims that its operations “encompass the direct or indirect (i) financing of medical-laboratory acquisitions and/or operations owned by third parties, and (ii) conduct of all commercial operations related thereto or supportive thereof.” The United RL Brochure, provided to investors, states that United RL “provide[s] program financing . . . for the following specialties: hospitals, OBGYN’s pain management, internist and primary care physicians.” Ex. 17 (United RL Webpage); Ex. 8 (United RL Operating Agreement) at 2; Ex. 13 (United RL Brochure) at 2.

29. I learned through my investigation that as a general pattern of conduct, rather than deposit investors’ funds with the issuers to be used for purported business purposes, Defendants commingled investors’ funds. After receiving investor funds, Defendants regularly transferred those funds through multiple accounts held in the names of different entities Defendants control (including but not limited to First Nationle, Percipience, and United RL) then transfer the funds

elsewhere. Substantial amounts of these funds are transferred to redeeming investors or to Santillo or the other Individual Defendants.

30. Of the at least \$102 million that Defendants have raised from investors, Santillo has misappropriated at least \$13.4 million from February 2012 through February 2018. Baker Decl. ¶ 18. In addition to the \$13.4 million misappropriated by Santillo, Santillo further commingled funds by receiving additional money transfers totaling at least \$12 million, but transferring that money back into the accounts held in the names of different entities Defendants control (including but not limited to First Nationle, Percipience, and United RL). *Id.* ¶ 19. Additionally, from August 2011 through February 2018, Parris has misappropriated at least \$1.1 million; from August 2013 through February 2018, LaRocco has misappropriated at least \$1.1 million; from April 2012 through February 2018, Piccarreto has misappropriated at least \$1.3 million, and from July 2011 through September 2017, Brenner has misappropriated at least \$2.9 million. *Id.* ¶ 18. From June 2013 through February 2017: Santillo received \$9.1 million, Parris received \$1.1 million, Piccarreto received \$1.3 million, LaRocco received \$1.1 million and Brenner received \$2.3 million for a total of approximately, \$15 million. *Id.*

31. I learned through my investigation that at least some of the Defendants also misrepresented the ongoing performance – or lack thereof – of investors’ investments. Those Defendants provided account statements to investors falsely stating that their funds were invested, falsely stating investment returns, and in some cases falsely stating that a bonus had been credited to their account. In certain cases, those Defendants provided investors with purported bonus funds or interest payments, and in other cases those Defendants provided redeeming investors with all or part of their funds, with returns. These were Ponzi payments derived from new investor funds rather than actual investment returns. Those Defendants have

failed to fulfill other investors' requests to redeem their investments.

32. I learned through my investigation that in many instances, once an investor's funds were deposited into the bank account of an issuer, the funds were promptly transferred through multiple accounts held in the names of other issuers or entities controlled by the Individual Defendants, and then transferred out to various destinations. Of the at least \$102 million raised by Defendants, at least \$38.5 million was paid out to earlier investors in Ponzi payments, at least \$20 million was transferred to personal bank accounts of the Individual Defendants, and the remaining funds were transferred elsewhere in transactions that do not appear related to the issuers' purported businesses. Baker Decl. ¶ 17.

#### **Examples of Defendants' Fraud**

33. As part of the investigation, I spoke to over 40 investors or investor family members. Two of those investors, and one family member of another investor, provided declarations: Investors 1 and 2, a husband and wife from Cedar Crest, New Mexico, the daughter of Investor 3 from Austin, Texas, and Investors 4 and 5, a husband and wife from Salinas, California. Those respective declarations are attached as Exs. 18, 19 and 20.

34. Another one of those investors whom I interviewed, Investor 6, from Ocklawaha, Florida, told me the facts regarding her investment through LaRocco. During 2016, LaRocco met with Investor 6 to discuss investment opportunities. Through LaRocco, Investor 6's father had previously invested approximately \$510,000 in First Nationle. After Investor 6's father passed away, LaRocco provided advice and guidance to Investor 6 about her father's assets. LaRocco convinced Investor 6 to maintain her father's investment in First Nationle and also to invest \$450,000 of her own money in United RL. LaRocco told Investor 6 that her investment funds would be used for United RL's business of funding medical laboratories. LaRocco also

provided written documents related to Investor 6's investment.

35. After several meetings with LaRocco, Investor 6 invested \$450,000 in United RL in several installments between July and September 2016. Since that time, Investor 6 has asked to redeem her investments, but she has only received payments totaling about \$89,000.

36. An analysis of bank records (*see* Baker Decl. Ex. 1) shows that Investor 6's investment in United RL was not used to conduct its purported business. Rather, some of the funds were used to make payments to other investors, while other funds were misappropriated by Santillo. For example, \$100,000 of Investor 6's investment in United RL was placed into a United RL bank account (with a previous balance of about \$41,000), combined with approximately \$420,000 of other investor funds, and over the course of two days, about \$210,000 were paid to what appear to be other investors, and \$30,000 to Santillo.

37. Investor 7, from Kirtland, Ohio, is another investor whom I interviewed also told me the facts regarding his investment. He told me that several times since 2013, Brenner met with Investor 7 to discuss investment opportunities. Brenner had advised Investor 7 about investments since about 2003. Brenner convinced Investor 7 that Percipience was a better investment than his existing investments and that his investment would be essentially a guaranteed return. Brenner told Investor 7 that United RL was a business involved in drug testing laboratories, that his investment would support that business, and that United RL was a better investment than Investor 7's other investments.

38. After meeting with Brenner, Investor 7 invested \$20,000 in Percipience in August 2013 and \$140,000 in United RL in May 2015. Since that time, Investor 7 has received small payments on his investment of less than \$1,000 about every six months.

39. An analysis of bank records (*see* Baker Decl. Ex. 1) shows that Investor 7's

investments in Percipience and United RL were not used to conduct their purported businesses. Rather, some of the funds were used to make Ponzi payments to other investors, while other funds were misappropriated by Santillo and Brenner.

#### **Santillo's Use of Stolen Investor Funds**

40. As detailed above, Santillo misappropriated at least \$13.4 million. He used that money to fund a jet-setting lifestyle. For example, Santillo used investor funds to pay for housing in multiple states, car leases, expenditures at a country club and a Las Vegas resort and casino, credit card payments, and other personal expenses. Baker Decl. ¶ 19. In the investigation, an anonymous tipster provided information that Santillo threw himself a party at a nightclub in Las Vegas for which he commissioned a song about himself to be played. Ex. 21 (Transcript of "King Perry King of the Hyde"). The lyrics to that song refer to (Perry) Santillo as "King Perry" and describe his typical attire: "ten-thousand-dollar suit everywhere he rides." *Id.* The song also depicts his lifestyle as follows: "pop the champagne in L.A., New York to Florida; buy another bottle just to spray it all over ya." *Id.* The song further refers to Santillo as a "hedge fund giant." *Id.*


#### **The Individual Defendants Acted as Investment Advisers**

41. From my investigation, I learned the following facts. Each of the Individual Defendants acted as investment advisers. Santillo purchased at least several investment advisory businesses, and then continued to provide those services, acting as an investment adviser himself. In addition to purchasing investment advisory businesses, Santillo advised clients regarding securities. He received compensation through the misappropriation of investor funds. Additionally, Parris, Piccarreto, LaRocco, and Brenner presented themselves to investors as investment advisers who were acting in the interests of individual investors; they reviewed

investors' portfolios of investments; provided investment advice regarding investments in securities; and they each received compensation through misappropriated investor funds.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 19, 2018  
New York, New York



Dina Levy