

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: \*

MICHAEL HINES \* Securities Docket No. 2025-0135

and \*

L.I.G. GROUP, INC. \*

Respondents \*

\* \* \* \* \*

**FINAL ORDER**

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and 2024 Supp.) (the “Act” or “Securities Act”), undertook an investigation into the activities of Michael Hines (“Hines”) and L.I.G. Group, Inc., (“LIG”) (collectively “Respondents”); and

WHEREAS, based on that investigation the Maryland Securities Commissioner (the “Commissioner”) has determined that Respondents have engaged in acts or practices constituting violations of sections 11-301, 11-401, 11-402, and 11-501 of the Act; and

WHEREAS, on June 16, 2025, the Commissioner issued an Order to Show Cause (“Order”), which is incorporated by reference, requiring each Respondent to show cause why that Respondent should not be barred permanently from engaging in the securities and investment advisory business in Maryland, why an order to cease and desist from violations of the Act should not be entered against them, and why a statutory penalty of up to \$5,000 per violation should not be entered against them; and

WHEREAS, the Order provided that the failure to file an answer, including a request for a hearing, within fifteen (15) days of service of the Order would result in the entry of a Final Order barring the Respondents from engaging in the securities or investment advisory business in Maryland, ordering the Respondents to permanently cease and desist from violations of the Act and imposing on the Respondents a monetary penalty of up to \$5,000 per violation of the Act; and

WHEREAS, the Order was sent certified mail to Respondents at their last known address on June 16, 2025;

WHEREAS, on June 23, 2025, service was attempted on LIG at the address of its registered agent and the United States postal service determined that the addressee was unknown at the address of the registered agent; and

WHEREAS, on June 24, 2025, the United States postal service attempted to deliver the Order to Hines at his last known address but there was no authorized recipient available, and a notice was left to schedule delivery and on June 29, 2025, a reminder to schedule redelivery of the Order was left at his last known address; and

WHEREAS, July 9, 2025, the United States postal service determined that the Order sent to Hines at his last known address was unclaimed and it is being returned to the Division; and

WHEREAS, on June 16, 2025, pursuant to section 11-802(b) of the Securities Act, the Order was served on the Commissioner; and

WHEREAS, to date Respondents have failed to file an answer or a request for a hearing in response to the Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Final Order;

## **I. JURISDICTION**

1. The Commissioner has jurisdiction in this proceeding pursuant to section 11-701.1 and 11-801 of the Act.

## **II. RESPONDENTS**

2. Hines resides in Montgomery County, Maryland. He has never been registered as a broker-dealer, agent, investment adviser or investment adviser representative in the State of Maryland. Hines is the managing member of LIG.

3. LIG is a Maryland corporation created by Hines. LIG's primary place of business is in Montgomery County, Maryland.

## **III. FINDINGS OF FACTS**

4. On November 21, 2024, Maryland investor SC through his company entered into a promissory note with LIG. Hines signed the promissory note as the managing member of LIG.

5. Investor SC promised to provide \$50,000 per month for 9 months for a real estate development project described as "Phase 2 located at 7000 & 7004 Garrett Road, Derwood, MD". On November 21, 2024, pursuant to the promissory note, SC wired \$50,000 to Respondents' bank.

6. The note promised a return of \$450,000 plus an interest rate of 15% per month on the principal amount disbursed. According to the promissory note, the proceeds of the loan were supposed to be used "solely for the development and construction of the" Garrett Road property.

7. The note also gave investor SC "an equity position equal to one-third (1/3) of all profits realized at the completion of the construction phase of the Project". The promissory note is also an investment contract.

8. The maturity date for the promissory note is August 21, 2025. To date, the investor

has not received any funds from Respondents.

9. Respondents misappropriated investor SC's funds for personal use including paying for child support, tattoos, prime video, gas, cash withdrawals, and other personal expenses.

10. On March 25, 2025, Respondents' bank account received a \$251,645.58 deposit from Garrett Gateway Partner II, LLC, which is the owner of 7000 & 7004 Garrett Road, Derwood, MD. Respondents withdrew those funds for tattoos, cash withdrawals and other expenses believed to be unrelated to the development of 7000 & 7004 Garrett Road, Derwood, MD.

11. Respondents did not disclose that they were not registered to offer and sell securities.

12. Respondents did not disclose that the promissory note and investment contract they were offering and selling was not registered as a security and that no exemption filing had been made.

13. Respondents did not disclose any risks associated with the investment, including the risk that the funds would be misappropriated by Respondents.

#### **IV. CONCLUSIONS OF LAW**

The Commissioner concludes that:

14. Respondents violated section 11-501 of the Act by offering and selling unregistered investment contract securities.

15. Respondents, in connection with the offer or sale of securities, employ any device, scheme or artifice to defraud, made untrue statements of material fact or omitted to state material facts and engaged in a course of business that operated or would operate as a fraud or deceit on a person in violation of section 11-301(1), (2), and (3) of the Act.

16. Respondents transacted business as an unregistered broker-dealer or agent, in

violation of section 11-401(a) of the Act.

17. Respondent LIG employed Hines as unregistered agent in this State, in violation of section 11-402(a) of the Act.

### **V. SANCTIONS**

NOW, THEREFORE, IT IS HEREBY ORDERED that:

a. Respondents shall permanently cease and desist from violating sections 11-301(1), (2), and (3), 11-401(a), 11-402(a), and 11-501 of the Act.

b. Respondents are permanently barred from engaging in the securities or investment advisory business in Maryland for or on behalf of any others, or from acting as principal or consultant in any entity so engaged.

c. Respondents shall cease and desist violations of the Act.

d. Respondents are assessed a civil monetary penalty pursuant to section 11-702 of the Act in the amount of \$55,000 for the violations set forth in this Final Order. Payment of the civil monetary penalty shall be by certified check payable to the Office of the Attorney General. However, this penalty shall be reduced dollar for dollar by the amount of restitution made by Respondents to the investors that invested in or through the investment program(s) offered or operated by them if, within thirty (30) days of the date of this Final Order, or Respondents enter into an agreement with the Commissioner to make restitution to investors. Any payment of restitution under such a plan shall be by certified check payable to the Office of the Attorney General and then distributed by the Office of the Attorney General in a manner within its discretion. If no agreement for restitution is reached within thirty (30) days of the date of this Final Order, the civil monetary penalty imposed under this Final Order shall be immediately due and payable. If the Division forwards this matter for collection to the Central Collections Department

of Maryland, the 17% collection fee assessed by Central Collections shall be in addition to, and not offset, the balance of the civil monetary penalty owed to the Division.

#### **VI. JURISDICTION RETAINED**

18. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Final Order.

#### **VII. APPEAL RIGHTS**

19. Each Respondent may appeal this Final Order to the appropriate Circuit Court of the State of Maryland within 30 days from the date this Final Order is mailed by the Securities Division.

**SO ORDERED:**

**Commissioner's Signature on File  
w/Original Documents**

August 13, 2025

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Melanie Senter Lubin  
Maryland Securities Commissioner