

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of

13-0002

Riccardo Morano
and CFG Solutions, LLC,

FINAL ORDER TO CEASE AND DESIST,
DENIAL OF EXEMPTIONS AND
ORDER ASSESSING CIVIL PENALTIES,
ENTERED BY DEFAULT

Respondents.

On February 19, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter, “the Director”), acting by the authority of the Oregon Securities Law, Oregon Revised Statutes Chapter 59, and Oregon Administrative Rules Chapter 441, issued Administrative Order No. 13-0002, Order To Cease And Desist, Proposed Denial Of Exemptions, Proposed Order Assessing Civil Penalties, and Notice of Right To a Hearing (“the Notice Order”) against Riccardo Morano and CFG Solutions, LLC.

On February 19, 2013, Respondent Riccardo Morano was duly served with a true copy of the Notice Order by certified United States mail, postage prepaid, addressed to Riccardo Morano a/k/a Mayuran Sokkan, Kauai’s Hindu Monastery, 107 Koholalele Road, Kappa, Hawaii, 96746-9304 (Article Number 7011 2000 0000 7333 1826). The United States Postal Service delivered it on February 23, 2013.

On February 19, 2013, Respondent CFG Solutions, LLC was duly served with a true copy of the Notice Order by certified United States mail, postage prepaid, addressed to CFG Solutions LLC, Attn Riccardo Morano, a/k/a Mayuran Sokkan, Kauai’s Hindu Monastery, 107 Koholalele Road, Kappa, Hawaii, 96746-9304 (Article Number 7011 2000 0000 7333 1833). The United States Postal Service delivered it on February 23, 2013.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 No respondent has made a written demand for a contested case hearing in this
2 matter and time to do so has now expired.

3 NOW THEREFORE, after consideration of the file in this matter maintained by the
4 Oregon Division of Finance and Corporate Securities (“DFCS”), including any materials that
5 any respondent may have submitted in this case, the Director hereby issues the following
6 Findings of Fact, Conclusions of Law, and Final Orders.

7
8 FINDINGS OF FACT

9 The Director FINDS that:

10 1. Riccardo Morano (“Morano”), also known as Mayuran Sokkan, resides in
11 Kapaa, Hawaii.

12 2. At times material to this Order, CFG Solutions, LLC (“CFG”) was a limited
13 liability company formed in New York on or about October 11, 2006. Morano was the
14 owner, manager, and control person of CFG.

15 3. Beginning around 2007, Morano solicited investors to provide him with their
16 money so that Morano and his company, CFG could invest the money, on the investors’
17 behalf, in the foreign exchange (“forex”) currency market. Morano held himself out to
18 investors as an experienced, successful forex currency trader. The investors entrusted
19 Morano and CFG with their funds.

20 4. In reality, Morano was a novice at forex currency trading. Morano and CFG
21 (collectively, “Respondents”) lacked the requisite training, experience, and licenses to
22 engage in the business of forex currency trading on behalf of others. The Respondents
23 did not disclose to the investors the actual use of their funds or the actual risks of the
24 investments.

25 5. The Respondents pooled the investors’ funds, and invested approximately half
26 of the investors’ funds in forex currency trading. The investors had no involvement with





1 the trades, which were managed by the Respondents. Without the investors' knowledge
2 or consent, the Respondents diverted approximately half of the investors' funds for other
3 uses, including paying for some of Morano's personal expenses, such as Morano's rent
4 and car payments. The Respondents lost the remaining investor funds in a series of high
5 risk and unsuccessful trades in the forex currency market that took place over several
6 months.

7 6. During 2007 and 2008, an Oregon resident "DF" invested a total of \$30,000
8 with the Respondents. As directed by Morano, DF paid for her investments by checks,
9 including: a check for \$10,000 payable to CFG and Morano in January 2007; a check for
10 \$10,000 payable to Morano in August 2007; a check for \$5,000 payable to Morano in
11 January 2008, and a check payable to Morano in February 2008.

12 7. DF invested the \$30,000 with the Respondents expecting to earn a profit.
13 Prior to DF's investments, Morano represented to DF that the Respondents would invest
14 DF's funds in forex currency trading, and DF would receive returns (profits) on her
15 investments, which Morano described as "big returns on the dollar". In return, the
16 Respondents were to take a percentage of the gains before posting DF's profits. DF had
17 no involvement with the trades.

18 8. Instead of profiting from the investments, DF only received one payment of
19 \$2,500 and lost all of her investment principal. DF requested the Respondents return
20 DF's investment principal of \$30,000, but it was not returned to her, and she has not
21 recovered her principal.

22 9. In connection with the sale of the investments to DF, Morano represented to
23 DF that: (1) Morano was an experienced and successful forex currency trader; (2)
24 Morano would invest DF's money in forex currency trading; and (3) DF could never lose
25 more than 15% of her money that she invested with the Respondents. In reality, none of
26 those representations was true.



1 10. Prior to DF's investments, the Respondents did not disclose to DF: (1) that
2 Morano was a novice at forex currency trading; (2) that the Respondents lacked the
3 requisite training, experience, and licenses to engage in the business of forex currency
4 trading on behalf of others; (3) the actual use of the funds DF invested; (4) that
5 approximately half of the investors' funds would be diverted from forex currency trading
6 and instead used for other purposes, including paying some of Morano's personal
7 expenses; (5) the actual risks of the investments; (6) that the Respondents were not
8 licensed to sell securities; and (7) that the investments were unregistered securities.

9 11. Upon information and belief, neither Respondent has ever been registered
10 with the United States Commodity Futures Trading Commission.

11 12. Upon information and belief, neither Respondent has ever been a member of
12 the National Futures Association.

13 13. Neither Respondent has ever been licensed by DFCS as a securities
14 salesperson, investment adviser representative, or broker-dealer.

15 14. Neither Respondent has ever registered securities with DFCS or notice filed a
16 federal covered security with DFCS.

17
18 **CONCLUSIONS OF LAW**

19 The Director CONCLUDES that:

20 15. Each investment the Respondents sold to DF was an investment contract, and
21 therefore a "security" under ORS 59.015(19)(a).

22 16. The securities that Respondents sold to DF were not registered under ORS
23 Chapter 59 and OAR Chapter 441.

24 17. The Respondents sold unregistered securities to at least one Oregon investor,
25 in violation of ORS 59.055.

26 18. The Respondents sold securities without a license as a securities salesperson,



1 broker-dealer or investment adviser representative, in violation of ORS 59.165.

2 19. In connection with the purchase or sale of securities to DF, the Respondents
3 made at least one untrue statement of a material fact, in violation of ORS 59.135(2),
4 including: (1) Morano was an experienced and successful forex currency trader; (2)
5 Morano would invest DF's money in forex currency trading; and (3) DF could never lose
6 more than 15% of her money that she invested with the Respondents.

7 20. In connection with the purchase or sale of securities to DF, the Respondents
8 omitted to state at least one material fact necessary in order to make the statements made,
9 in light of the circumstances under which they were made, not misleading, in violation of
10 ORS 59.135(2), by failing to adequately disclose to DF: (1) that Morano was a novice at
11 forex currency trading; (2) that the Respondents lacked the requisite training, experience,
12 and licenses to engage in the business of forex currency trading on behalf of others; (3)
13 the actual use of the funds DF invested; (4) that approximately half of the investors'
14 funds would be diverted from forex currency trading and instead used for other purposes,
15 including paying some of Morano's personal expenses; (5) the actual risk of the
16 investments; (6) that the Respondents were not licensed to sell securities; and (7) that the
17 investments were unregistered securities.

18
19 **ORDER**

20 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

21 Order to Cease and Desist

22 21. The Director, pursuant to ORS 59.245 hereby ORDERS Respondents
23 Riccardo Morano and CFG Solutions, LLC, shall CEASE and DESIST from:

24 A. Selling unregistered securities in the State of Oregon, in violation of ORS
25 59.055;

26 B. Selling securities without a license in violation of ORS 59.165; and



1 C. Violating any provision of the Oregon Securities Law.

2 Denial of Exemptions

3 22. Pursuant to ORS 59.045(2), the Director permanently DENIES Respondents
4 Riccardo Morano and CFG Solutions, LLC, and any affiliated and/or successor business
5 or corporation, the use of securities and transaction exemptions that would otherwise be
6 available to them under ORS 59.025 and ORS 59.035.

7 Order Assessing Civil Penalties

8 23. Pursuant to the authority of ORS 59.995, the DIRECTOR hereby ASSESSES
9 CIVIL PENALTIES in the amount of \$30,000 (thirty thousand dollars) against
10 Respondents Riccardo Morano and CFG Solutions, LLC, jointly and severally, for
11 violations of ORS 59.055, ORS 59.165, and ORS 59.135(2).

12 24. The entry of this Order in no way limits further remedies which may be
13 available to the Director under Oregon law.

14 IT IS SO ORDERED this 14th day of March, 2013 at Salem,
15 Oregon NUNC PRO TUNC February 19, 2013.

16 PATRICK M. ALLEN, Director
17 Department of Consumer and Business Services

18 /s/ David Tatman
19 David Tatman, Administrator
20 Division of Finance and Corporate Securities

21 NOTICE OF RIGHT TO APPEAL

22 Any party adversely affected or aggrieved by this order, including any respondent
23 named in this order, is entitled to seek judicial review of this order. Judicial review may
24 be obtained by filing a petition for review with the Oregon Court of Appeals within sixty
25 (60) days from the service of this order. Judicial review is pursuant to the provisions of
26 ORS 183.482 and ORS 59.305.