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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
COMPLIANCE AND EXAMINATIONS

Docket No. : 210636 (SEC-OSC)

v.

PLATINUM TICKETS, LLC
PATRICK BROWN

NOTICE TO ANSWER AND REQUEST A HEARING

You have the right to challenge the attached Order to Show Cause ("Order") by filing an Answer, in writing, with the Docket Clerk **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Banking and Securities Commission ("Commission") may enter a final order against you.**

Your Answer must be in writing. Your Answer must specifically admit or deny the allegations in the Order, set forth the facts you rely upon, and state concisely the law upon which you rely. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing

The Answer and any other documents must be filed via first-class mail and electronic mail with the Docket Clerk:

Eileen Smith, Docket Clerk
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
Email: RA-BNDOCKETCLERK@pa.gov

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a hard and electronic copy to his or her counsel indicated below:

Office of Chief Counsel
Pennsylvania Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, Pennsylvania 17101
Email: RA-BNChiefCounsel@pa.gov

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time, and location of the hearing. You have the right to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251.

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PLATINUM TICKETS, LLC
PATRICK BROWN

ORDER TO SHOW CAUSE

You, Platinum Tickets, LLC (“Respondent Platinum Tickets”) and Patrick Brown (“Respondent Brown”) are notified that the Department of Banking and Securities (“Department”), through the Bureau of Securities Compliance and Examinations (“Bureau”), hereby **ORDERS YOU TO SHOW CAUSE** why the Banking and Securities Commission (“Commission”) should not impose the sanctions and remedies described below. Specifically, this proceeding is instituted pursuant to 1 Pa. Code § 35.14 to determine:

- (1) whether the allegations set forth below are true; and
- (2) if these allegations are true, whether there has been a violation of the Pennsylvania Securities Act of 1972 (“1972 Act”) or of the regulations promulgated thereunder; and
- (3) if so, whether the sanctions and remedies proposed by the Bureau should be imposed by the Commission.

The Bureau alleges the following facts and violations of law for the purpose of tentatively framing the issues for consideration by the Commission. The Commission may consider this

matter directly, or may designate a hearing officer to issue a recommended decision prior to the Commission issuing a final order.

**STATEMENT OF THE PARTICULARS AND MATTERS
CONCERNING WHICH THE BUREAU IS INQUIRING**

PARTIES

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

4. Respondent Platinum Tickets was, at all times material herein, a Florida limited liability company with an address at Redacted and is engaged in the business of online ticket brokering.

5. Respondent Brown was, at all times material herein, an individual with address at Redacted and is the chief executive officer of Respondent Platinum Tickets.

FACTUAL ALLEGATIONS

6. From in or about June 2018 through July 2018, Respondent Platinum Tickets offered and sold at least 3 promissory notes ("Notes") to at least 2 Pennsylvania Residents ("PA Residents") for an aggregate amount of at least \$32,000. Purportedly, the proceeds from the sale of the Notes were to be used to fund the operations of Respondent Platinum Tickets.

7. At least one PA Resident was aged 60 or more at the time the PA Residents purchased the Notes.

8. The term of the Notes was 1 year.

9. The Notes offered a 17.5% interest rate.

10. The Notes described above are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. § 1-102(t).

11. Respondent Platinum Tickets is the "issuer" of the Notes described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. § 1-102(l).

12. The records of the Department disclose that the Notes are: (a) not registered under Section 201 of the 1972 Act, 70 P.S. § 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. § 1-202; (c) not federally covered securities under Section 211 of the 1972 Act, 70 P.S. § 1-211; and (d) that the offer relating to the Notes was not exempt under Section 203 of the 1972 Act, 70 P.S. § 1-203.

13. From in or about June 2018 through July 2018, at least one individual ("Representative") offered and sold Notes to PA Residents.

14. For the Representative's sales of the Notes, the Representative received compensation from Respondent Platinum Tickets.

15. The Representative represented Respondent Platinum Tickets in effecting or attempting to effect purchases or sales of the Notes in Pennsylvania.

16. The Representative was neither registered pursuant to Section 301 of the 1972 Act, 70 P.S. § 1-301, nor exempt from registration as an agent for Respondent Platinum Tickets.

17. Respondent Platinum Tickets failed to provide some or all of the PA Residents with financial statements regarding Respondent Platinum Tickets, which disclosure would have been

material for a reasonable investor to make an informed investment decision. To the extent that Respondent Platinum Tickets did not have disclosure documents, Respondent Platinum Tickets failed to disclose their nonexistence, which would have been material for a reasonable investor to make an informed investment decision.

18. Respondent Platinum Tickets failed to disclose the following information concerning Respondent Platinum Tickets to some or all of the PA Residents:

- a. The financial condition of Respondent Platinum Tickets;
- b. The financial risk of Respondent Platinum Tickets' Notes;
- c. The identity and relevant background of the corporate officers of Respondent Platinum Tickets; and
- d. Respondent Platinum Tickets' operating history.

19. To date, Respondent Platinum Tickets has been unable to fulfill its financial obligations to some or all of the PA Residents, and Respondent Platinum Tickets has consequently defaulted on payments to some or all of the PA Residents.

20. As chief executive officer of Respondent Platinum Tickets, Respondent Brown acted as an "affiliate" of Respondent Platinum Tickets within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused Respondent Platinum Tickets to commit the herein stated acts which violated the 1972 Act.

COUNTS

Violation of Section 201 of the 1972 Act, 70 P.S. § 1-201

3 Counts

21. Paragraphs 1 through 1-20 are incorporated herein by reference as if set forth in their entirety.

22. By engaging in the acts and conduct set forth in paragraphs 6 through 12 and 20 above, Respondent Platinum Tickets and Respondent Brown offered and sold the Notes to Pennsylvania residents in willful violation of Section 201 of the 1972 Act, 70 P.S. § 1-201.

Violation of Section 301(b) of the 1972 Act, 70 P.S. § 1-301(b)

1 Count

23. Paragraphs 1 through 22 are incorporated herein by reference as if set forth in their entirety.

24. By engaging in the acts and conduct set forth in paragraphs 6 through 16 and 20 above, Respondent Platinum Tickets and Respondent Brown employed at least one unregistered agent in willful violation of Section 301(b) of the 1972 Act, 70 P.S. § 1-301(b).

Violation of Section 401(b) of the 1972 Act, 70 P.S. § 1-401

3 Counts

25. Paragraphs 1 through 24 are incorporated herein by reference as if set forth in their entirety.

26. By engaging in the acts and conduct set forth in paragraphs 6 through 18 and 20 above, Respondent Platinum Tickets and Respondent Brown in connection with the offer and sale of the Notes, omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in willful violation of Section 401(b) of the 1972 Act, 70 P.S. § 1-401(b).

Violation of Section 401(c) of the 1972 Act, 70 P.S. § 1-401(c)

3 Counts

27. Paragraphs 1 through 26 are incorporated herein by reference as if set forth in their entirety.

28. By engaging in the acts and conduct set forth in paragraphs 6 through 20 above, Respondent Platinum Tickets and Respondent Brown in connection with the offer and sale of the Notes, engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person, in willful violation of Section 401(c) of the 1972 Act, 70 P.S. § 1-401(c).

SANCTIONS AND REMEDIES

WHEREAS, the Bureau respectfully requests the penalties and relief pursuant to its authority under the 1972 Act:

1. That an order be issued pursuant to Section 305 of the 1972 Act, 70 P.S. § 1-305, that the registration of Respondent Platinum Tickets and Respondent Brown be suspended, revoked, or conditioned, or that Respondent Platinum Tickets and Respondent Brown be censured.

2. That an order be issued pursuant to Section 512 of the 1972 Act, 70 P.S. § 1-512, which bars, conditionally or unconditionally, and either permanently or for such period of time as may be determined, Respondent Platinum Tickets and Respondent Brown from:

- a. Representing an issuer offering or selling securities in this State;
- b. Acting as a promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities in this State or of a person who controls or is controlled by such issuer;
- c. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act;
- d. Being an affiliate of any person registered under Section 301 of the 1972 Act; or

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e. Relying upon an exemption from registration contained in Section 202 or 302 of the 1972 Act.

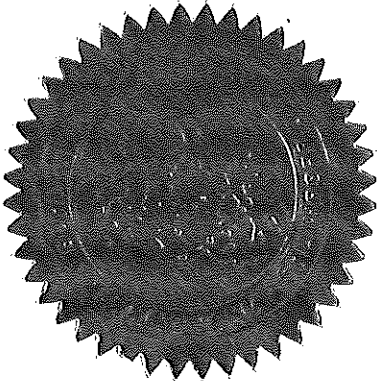
PA DEPARTMENT OF
BANKING AND SECURITIES

3. That Respondent Platinum Tickets and Respondent Brown be ordered to affect a rescission offer pursuant to Section 513 of the 1972 Act, 70 P.S. § 1-513.

4. That Respondent Platinum Tickets and Respondent Brown be ordered to pay the costs of the investigation pursuant to Section 602.1(b) of the 1972 Act, 70 P.S. § 1-602.1(b).

5. That Respondent Platinum Tickets and Respondent Brown be ordered to pay an administrative assessment of up to \$100,000.00 for each act or omission constituting a willful violation of the 1972 Act, pursuant to Section 602.1(c) of the 1972 Act, 70 P.S. §1-602.1(c).

IT IS SO ORDERED.



FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND
EXAMINATIONS

Redacted

Eric R. Pistilli
Acting Deputy Secretary of Securities

Dated: 05-28-2021

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PATRICK BROWN

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Order to Show Cause upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST-CLASS MAIL

Evan T.L. Hughes, Esquire
Hughes Firm, LLC
1617 JFK Blvd.
Suite 2006
Philadelphia, PA 19103
(Counsel for Platinum Tickets, LLC
and Patrick Brown)

Platinum Tickets, LLC

Redacted

Patrick Brown

Redacted

Dated this 1st day of June, 2021

Redacted

~~_____
Eileen Smith, Legal Office Administrator
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
Market Square Plaza
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471~~