I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Michael G. Thomas ("Thomas" or "Respondent").
II.

In anticipation of the institution of these proceedings, Thomas has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Thomas consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that

SUMMARY

1. These proceedings arise out of the materially false and misleading representations that Thomas made in general solicitations to the public concerning a pooled investment vehicle, Michael G. Investments, LLC (“MGI”). Thomas made material misrepresentations to prospective investors concerning his own past investment performance, the personnel who would manage and advise MGI, and MGI’s projected performance. In addition, Thomas falsely claimed to have received a prominent industry honor. Thomas made the misrepresentations in marketing materials that he distributed to potential investors through email and to the general public through the internet. Thomas did not succeed in selling any MGI securities. By virtue of his misrepresentations to prospective investors, Thomas willfully violated Sections 17(a)(1) and (3) of the Securities Act, as well as Section 206(4) of the Advisers Act, and Rule 206(4)-8 promulgated thereunder.

RESPONDENT

2. Michael G. Thomas (“Thomas”), age 30, resides in Oil City, Pennsylvania. He is the founder, manager, and sole member of MGI, which Thomas formed to be a pooled investment vehicle. He also served as MGI’s sole adviser and held discretion to invest MGI’s assets. Commencing in May 2014, Thomas provided investment advisory services to MGI and attempted to raise capital on MGI’s behalf.

OTHER RELEVANT ENTITY

3. Michael G. Investments, LLC (“MGI”) is a Wyoming limited liability company formed by Thomas in 2014, with its principal place of business in Oil City, Pennsylvania. Thomas formed MGI to invest in a variety of securities, including equity and fixed income securities.
FACTS

4. In May 2014 and June 2014, Thomas engaged in general solicitations of the public in order to find investors for MGI, a pooled investment vehicle. Thomas projected that MGI would earn a 49.81% five-year return for investors through MGI’s investments in start-up companies, expansion-stage companies, growth companies, and real estate.

5. Thomas succeeded in reaching a large number of prospective investors through e-mails and the internet. For instance, during May and June 2014, Thomas sent email blasts to approximately 37,000 email addresses offering to sell MGI securities to prospective investors. Thomas obtained the email addresses from a service that purported to sell accredited investor email lists. The emails Thomas sent contained links to MGI’s Summary Prospectus, Private Placement Memorandum, Subscription Agreement, and Investor Questionnaire (collectively, the “MGI Marketing Materials”). In addition, Thomas created a website on which he posted the MGI Marketing Materials in order to solicit additional prospective investors. Thomas also sent copies of the MGI Marketing Materials to approximately ten prospective investors who had responded to his previous solicitations.

6. Thomas authored and distributed the MGI Marketing Materials, which contained a number of materially false and misleading representations. For example, in the Summary Prospectus, Thomas falsely represented that his personal investment portfolio had gained an average of 40% per year since 2008. In reality, Thomas knew that he had lost money on his investments since 2008, and had negative returns during that same time period.

7. Thomas made additional representations in the Private Placement Memorandum, stating that he had turned $600 into $6 million through one of his investments when, in fact, Thomas had invested substantially more than $600 into this enterprise and received a negative return on the investment. Indeed, Thomas knew that the referenced enterprise was insolvent prior to the time that he drafted and distributed the Private Placement Memorandum.

8. In the Private Placement Memorandum, Thomas also falsely represented that a financial services professional and a business lawyer served on MGI’s management team. While Thomas was acquainted with these individuals, these persons had no connection to MGI and were not even aware that Thomas had included them in the MGI Marketing Materials.

9. Thomas made additional misrepresentations in the MGI Marketing Materials concerning the safety of MGI’s prospective investments. Thomas discussed the ten companies in which MGI was to invest and described the projected returns for MGI as “conservative” and “reasonable.” However, Thomas did virtually no diligence with respect to the companies and knew that many, if not all, of the MGI investments contained significant risk, including a high likelihood of default. Despite recognizing the risk inherent in such investments, Thomas never made an allowance for losses and defaults in the projections included in the MGI Marketing Materials.
Materials. Moreover, he failed to warn investors that he had no contracts, letters of intent, or other agreements relating to the ten companies.

10. Thomas also falsely told prospective investors that he had received a number of honors. For example, Thomas represented that he was named a Top 25 Rising Business Star by Fortune Magazine. Thomas never received such an honor, and it does not exist.

11. The MGI offering did not result in the sale of any MGI securities.

**VIOLATIONS**

12. As a result of the conduct described above, Thomas willfully violated Sections 17(a)(1) and (3) of the Securities Act, which prohibit fraudulent conduct in the offer or sale of securities.

13. As a result of the conduct described above, Thomas willfully violated Section 206(4) of the Advisers Act, and Rule 206(4)-8 promulgated thereunder, which prohibit making an untrue statement of a material fact or omitting any material fact to any investor or prospective investor in a pooled investment vehicle and engaging in any act, practice, or course of business that is fraudulent or deceptive with respect to any investor or prospective investor in a pooled investment vehicle.

**UNDERTAKING**

Thomas has undertaken to:

For a period of five (5) years from the date of this Order, Thomas shall not participate, directly or indirectly, including, but not limited to, through any entity owned or controlled by Thomas, in the issuance, offer, or sale of any security; provided, however, that such undertaking shall not prevent Thomas from selling securities listed on a national securities exchange for his own personal account.

In determining whether to accept the Offer, the Commission has considered this undertaking.

**IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Thomas’s Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:
A. Thomas cease and desist from committing or causing any violations and any future violations of Sections 17(a)(1) and (3) of the Securities Act, and Section 206(4) of the Advisers Act, and Rule 206(4)-8 promulgated thereunder.

B. Thomas be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter;

with the right to apply for reentry after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by Thomas will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Thomas, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Thomas shall pay civil money penalties of $25,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Thomas shall pay the penalty due of $25,000 in two (2) installments to the Commission according to the following schedule: (1) $12,500 within 180 days of entry of this Order; and (2) the balance due of $12,500 plus accrued interest within 365 days of entry of this Order. Payments shall be deemed made on the date they are received by the Commission and shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. 3717 on any unpaid amounts due 21 days after service of the Order. Prior to making the final payment set forth herein, Thomas shall contact the staff of the Commission for the amount due for the final payment. If Thomas fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission. Payment must be made in one of the following ways:
(1) Thomas may make direct payment from a bank account via Pay.gov through the SEC website at [http://www.sec.gov/about/offices/ofm.htm](http://www.sec.gov/about/offices/ofm.htm); or

(2) Thomas may pay by certified check, bank cashier’s check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Michael G. Thomas as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Julie M. Riewe, co-Chief, Asset Management Unit, Securities and Exchange Commission, 100 F Street, NE, Washington, DC, 20549, and John J. Graubard, Securities and Exchange Commission, Brookfield Place, 200 Vesey Street, Suite 400, New York, New York 10281.

E. Thomas shall comply with the undertaking enumerated in the Undertaking section, above.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Thomas, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Thomas under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Thomas of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields  
Secretary