

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 3, 2015

SECURITIES OFFICE
REGULATORY CONTROL CENTER

COMMONWEALTH OF VIRGINIA, *ex rel.*

2015 AUG -3 P 3:03

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2012-00001

MICHAEL W. RICCIARDELLI, II,
Defendant

SETTLEMENT ORDER

The State Corporation Commission's ("Commission") Division of Securities and Retail Franchising ("Division") conducted an investigation of Michael W. Ricciardelli, II ("Ricciardelli" or "Defendant"), operating as Blue Lightning Enterprises, Inc. ("Blue Lightning"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 *et seq.* of the Code of Virginia ("Code").

Blue Lightning was organized in the Commonwealth of Virginia ("Virginia") in April 2006 and terminated in August 2010. Ricciardelli was the Director of Blue Lightning. McCarty & White, PLLC became the trustee for Blue Lightning when the company entered bankruptcy in 2009.

The Defendant offered and sold securities in the form of promissory notes to at least 51 investors from early 2006 through October 2008. The Division alleges that the securities sold by the Defendant are subject to regulation under the Act. The Division further alleges that the promissory notes were neither registered with the Division nor exempt from registration. The Defendant forwarded the monies raised to an entity and its principal not identified to the investors but known through this investigation as Starfire Technologies, Inc., and its principal, Steven Bartko ("Bartko"). Bartko was subsequently charged and convicted of mail fraud in the

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U.S. District Court for the Southern District of California for his activities related to this matter, receiving a 24-month sentence and ordered to pay over \$5 million in restitution.

Based on the investigation, the Division alleges that the Defendant violated § 13.1-504 A (i) of the Act by transacting business in Virginia as an agent of an issuer without being duly registered and § 13.1-507 of the Act by offering or selling securities that were not registered under the Act or exempt from registration.

If the provisions of the Act are violated, the Commission is authorized by § 13.1-506 of the Act to revoke a defendant's registration, by § 13.1-519 of the Act to issue temporary or permanent injunctions, by § 13.1-518 A of the Act to impose costs of investigation, by § 13.1-521 A of the Act to impose certain monetary penalties, by § 13.1-521 C of the Act to order a defendant to make rescission and restitution, and by § 12.1-15 of the Code to settle matters within its jurisdiction.

The Defendant neither admits nor denies these allegations but admits to the Commission's jurisdiction and authority to enter this Settlement Order ("Order").

As a proposal to settle all matters arising from these allegations, the Defendant has made an offer of settlement to the Commission wherein the Defendant will abide by and comply with the following terms and undertakings:

(1) The Defendant will pay to the Treasurer of Virginia, contemporaneously with the entry of this Order, the amount of Five Thousand Dollars (\$5,000) in monetary penalties.

(2) The Defendant is enjoined from registering or transacting business as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative, and from offering or selling securities in Virginia for a period of five (5) years from the date of entry of this Order.

(3) The Defendant will not violate the Act in the future.

The Division has recommended that the Commission accept the offer of settlement of the Defendant.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Division, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of this settlement.

(3) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

Dismissal of this case does not relieve the Defendant from his reporting obligations to any regulatory authority.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Michael W. Ricciardelli II, 507 Brumsey Court SW, Leesburg, Virginia 20175; and a copy shall be delivered to the Commission's Office of General Counsel and Division of Securities and Retail Franchising.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

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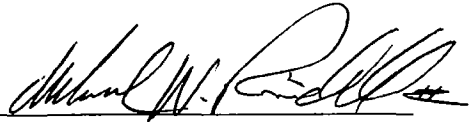
MICHAEL W. RICCIARDELLI, II,
Defendant

ADMISSION AND CONSENT

Michael W. Ricciardelli, II ("Defendant") admits to the jurisdiction of the State Corporation Commission ("Commission") as to the party and subject matter hereof and, neither admitting nor denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order ("Order").

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, subordinate, employee, agent or representative thereof in consideration of the foregoing Order.

Date: 7/23/2015

By: 
Michael W. Ricciardelli, II