

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 26, 2024

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

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v.

CASE NO. SEC-2015-00020

DARYL GENE BANK  
and  
RAEANN ANN GIBSON,  
Defendants

ORDER

On March 14, 2016, the State Corporation Commission ("Commission") entered a Rule to Show Cause ("Rule") against defendants, Daryl Gene Bank ("Bank") and Raeann Ann Gibson ("Gibson" and with Bank, "Defendants") based upon the Division of Securities and Retail Franchising's ("Division") allegations that the Defendants had violated the Virginia Securities Act, § 13.1-501 *et seq.* of the Code of Virginia ("Act"), by offering and selling unregistered securities through a fraudulent scheme. After several continuances, a hearing on the Division's allegations was scheduled to commence on September 25, 2017.

On August 30, 2017, the Commission's Hearing Examiner stayed proceedings in this matter, because both Defendants had been indicted on multiple federal criminal charges in the United States District Court for the Eastern District of Virginia ("Federal Proceedings").

On December 14, 2023, the Division filed a Motion to Dismiss ("Motion") this case asserting, among other things, that: (a) Bank and Gibson had been convicted and pled guilty, respectively, in the Federal Proceedings; (b) Gibson had been incarcerated, and Bank continued to be incarcerated as a result of the Federal Proceedings; (c) the judgments entered against Bank and Gibson included restitution to investors; and that (d) post-incarceration, both Gibson and

Bank were or would be subject to supervision which included, among other things, a prohibition from engaging in employment involving investments.

Accordingly, the Division asserted that much, if not all, of the relief it sought through the Commission's Rule has been addressed by the Federal Proceedings. Further, the Division presented that, given Bank and Gibson's actual or anticipated periods of incarceration and their respective supervised release requirements, the Division believed there was a low risk of recidivism or potential investor harm requiring the need for a permanent injunction to be entered against either Bank or Gibson in this case before the Commission. As such, the Division submitted that the expenditure of resources to pursue its claims against the Defendants before the Commission was outweighed by the scope and nature of the judgments and relief obtained against Bank and Gibson in the Federal Proceedings. The Division requested that the Hearing Examiner lift the stay in this matter and recommend that the Commission dismiss the Rule without prejudice and remove this matter from the Commission's docket. The Defendants did not respond to the Division's Motion.

On January 12, 2024, the Commission's Hearing Examiner issued his report on the Motion, entitled "Report of Michael D. Thomas, Senior Hearing Examiner" ("Report"). In the Report, the Hearing Examiner stated, "[g]ood cause having been shown, I find the Division's Motion to Dismiss should be granted," and recommended that "the Commission enter a Final Order dismissing this matter without prejudice from its docket of active cases." The Hearing Examiner further directed that any comments to the Report be filed on or before January 31, 2024. Neither the Division nor the Defendants filed any comments to the Report.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the stay should be lifted and this case dismissed without prejudice.

Accordingly, IT IS ORDERED THAT:

- (1) The Hearing Examiner's stay of this case is lifted; and
- (2) This case is dismissed without prejudice and removed from the Commission's docket of active cases.

A COPY hereof shall be sent by the Clerk of the Commission electronically and by first-class mail, postage prepaid to the following: John S. Norris, Jr., Esquire, Norris & St. Clair, P.C., 2840 South Lynnhaven Road, Virginia Beach, Virginia 23452-6715, [jnorris@norrisstclair.com](mailto:jnorris@norrisstclair.com), and Randy D. Singer, Esquire and Rosalyn K. Singer, Esquire, Singer Hoffman, 1209A Laskin Road, Virginia Beach, Virginia 23451, [randy.singer@singerhoffman.com](mailto:randy.singer@singerhoffman.com), and [Rosalyn.singer@singerhoffman.com](mailto:Rosalyn.singer@singerhoffman.com). A copy shall be delivered to the Commission's Office of General Counsel and the Division of Securities and Retail Franchising.