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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Securities Act of Washington by:

Narongdej Jaroensabphayanont dba NMJ  
Group,

Respondent.

Order No. S-20-2913-21-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER TO  
CEASE AND DESIST, TO DENY FUTURE  
REGISTRATIONS, TO IMPOSE A FINE, AND TO  
CHARGE COSTS

**THE STATE OF WASHINGTON TO:**

Narongdej Jaroensabphayanont dba NMJ Group  
CRD No. 5393272

On August 10, 2021, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, to Deny Future Registrations, to Impose a Fine, and to Charge Costs, Order No. S-20-2913-21-SC01 (Statement of Charges). The Statement of Charges, together with a Notice of Opportunity for Hearing (Notice) and an Application for Adjudicative Hearing (Application), were served on Respondent Narongdej Jaroensabphayanont dba NMJ Group, on August 17, 2021. The Notice advised Respondent Narongdej Jaroensabphayanont dba NMJ Group that the Application must be received within twenty days from the date of receipt of the Notice. Respondent Narongdej Jaroensabphayanont dba NMJ Group failed to request an administrative hearing within twenty days of receipt of the Notice.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent Narongdej Jaroensabphayanont dba NMJ Group to cease and desist from violations of the Securities Act of Washington, to deny future registrations, and to impose the fine and costs sought in the Statement of Charges.

1 **FINDINGS OF FACT**

2 **Respondents**

3 1. Narongdej Jaroensabphayanont dba NMJ Group (Jaroensabphayanont or NMJ Group) resides  
4 in Seattle, WA. Jaroensabphayanont is the sole proprietor of NMJ Group. From May 2008 to November  
5 2019, Jaroensabphayanont was registered as a securities salesperson with Voya Financial Advisors, Inc.  
6 (CRD 5393272). In October 2019, the Securities Division performed an examination of  
7 Jaroensabphayanont’s Voya Financial Advisors, Inc. branch office. During this examination, the Securities  
8 Division discovered that Jaroensabphayanont was using a non-existent or self-conferred doctoral degree  
9 (PhD) on firm branded business cards and email signatures. In November 2019, Voya terminated  
10 Jaroensabphayanont because the firm no longer wished to supervise him. In September 2020, FINRA sent  
11 Jaroensabphayanont two notice of suspension letters. In December 2020, Jaroensabphayanont was barred  
12 by FINRA from association with any FINRA member in all capacities because Jaroensabphayanont failed  
13 to request termination of his suspension within three months of the date of the notice. Jaroensabphayanont  
14 has never been licensed as an investment adviser or investment adviser representative. Jaroensabphayanont  
15 issues securities in the form of promissory notes.

16 **Related Party**

17 2. Voya Financial Advisors, Inc. f/k/a ING Financial Partners (Voya Financial Advisors or ING  
18 Financial) is a licensed broker/dealer in the state of Washington.

19 **Nature of the Conduct**

20 **Overview**

21 3. From 2014 to 2020, Jaroensabphayanont raised at least \$200,000 from six Washington  
22 investors through the sale of unregistered securities in the form of promissory notes. Jaroensabphayanont  
23 made material misrepresentations to the investors about the use of their investment funds and failed to

1 disclose to investors that he would use the funds towards personal expenses. Jaroensabphayanont also  
2 engaged in dishonest and unethical practices in the securities business at the time he was registered as a  
3 securities salesperson in Washington State when he deceived investors, sold away, and borrowed funds  
4 from a customer.

### 5 **Offer and Sale of Promissory Notes**

6 4. From 2014 to 2020, Jaroensabphayanont sold at least \$200,000 worth of securities in the form  
7 of promissory notes to at least six Washington investors. Jaroensabphayanont sometimes called these  
8 promissory notes Structure Index Link agreements. Individual investments ranged from \$7,000 to \$40,000.  
9 The term of each promissory note was between six months and two years. The interest rate varied, but was  
10 anywhere from 1.5-2.0% monthly to 10-12% annually.

11 5. Jaroensabphayanont misrepresented to investors that their investments would go to fund local  
12 businesses and restaurants. In reality, Jaroensabphayanont did not invest in local businesses and restaurants.  
13 Rather, Jaroensabphayanont used the funds for other purposes including paying back personal loans and  
14 paying down a personal credit card. Jaroensabphayanont failed to disclose to investors that their investment  
15 funds would go towards paying back his personal expenses.

16 6. Generally, investors paid Jaroensabphayanont for their investment via check written out to  
17 NMJ Group. At least one investor paid a portion of their investment in cash.

18 7. Investors trusted Jaroensabphayanont with their investment funds in part due to his good  
19 reputation in the Seattle Thai community. Jaroensabphayanont is a member of the Thai Association of  
20 Washington and a board member of the Asia Pacific Cultural Center.

21 8. In an effort to induce people to invest, Jaroensabphayanont would sometimes provide  
22 investors with a check written from the NMJ Group account in the amount of their investment principal.  
23 Jaroensabphayanont post-dated these checks to the date the promissory note became due. At least three

1 investors have attempted to cash these checks at a bank when they became due, but were told by the bank  
2 that the NMJ Group account had insufficient funds.

3 9. Jaroensabphayanont failed to disclose any risks associated with these investments including  
4 the risk of total investment loss.

5 10. Jaroensabphayanont has repaid investors approximately \$58,000 of the \$200,000 he raised.

### 6 **Unregistered Securities Salesperson**

7 11. Since November 8, 2019, Jaroensabphayanont has not been a registered securities salesperson  
8 and/or broker-dealer in Washington State.

9 12. In May 2020, Jaroensabphayanont sold two investors, a married couple, a \$10,000 promissory  
10 note investment. The investors paid Jaroensabphayanont with a check made out to NMJ Group. At the time  
11 of this securities sale, Jaroensabphayanont was not registered as a securities salesperson and/or broker-  
12 dealer in Washington State.

### 13 **Holding Out as an Investment Adviser**

14 13. Jaroensabphayanont has never been a licensed investment adviser. Despite this fact,  
15 Jaroensabphayanont represented to investors that he was a financial adviser and investment adviser. On the  
16 promissory notes of at least one investor, Jaroensabphayanont signed his named under the title “investment  
17 advisor” and “investment advisors.”

### 18 **Dishonest or Unethical Business Practices**

#### 19 *Fake Brokerage Account*

20 14. In July 2014, Jaroensabphayanont deceived two investors, a married couple, into believing  
21 that they were customers of his firm, ING Financial. On July 25, 2014 Jaroensabphayanont and these  
22 investors signed an ING Financial new account agreement for an individual (non qualified) brokerage  
23

1 account. However, Jaroensabphayanont never provided this new account form to ING Financial, and a  
2 brokerage account in the names of the investors was never opened at ING Financial.

3 15. On November 9, 2015, after ING Financial had rebranded itself Voya Financial Advisors,  
4 Jaroensabphayanont again misled these two investors into thinking that they had opened a new account at  
5 Voya Financial Advisors. Jaroensabphayanont told these investors that because he is a representative of  
6 Voya Financial Advisors, he would be unable to put their money in anything that was high risk. On  
7 November 9, 2015, Jaroensabphayanont and these investors signed a Voya Financial Advisors new account  
8 agreement. Jaroensabphayanont never provided this new account form to Voya Financial Advisors, and a  
9 brokerage account in the names of the two investors was never opened at Voya Financial Advisors.

10 *Selling Away*

11 16. A securities salesperson cannot offer or sell securities that are not recorded on the regular  
12 books and records of their firm without prior written approval. If a securities salesperson offers or sells  
13 these securities without approval, it is called “selling away.” Selling away is prohibited because it prevents  
14 firms from evaluating or conducting due diligence on the securities, or determining whether the securities  
15 are suitable for its customers.

16 17. The promissory note investments described above that Jaroensabphayanont sold to investors  
17 were not on the regular books and records of his member firm, Voya Financial Advisors. Voya Financial  
18 Advisors was not aware that Jaroensabphayanont was issuing and selling promissory notes to investors.

19 18. Jaroensabphayanont concealed his sale of promissory note investments from Voya Financial  
20 Advisors. While Jaroensabphayanont was licensed through Voya Financial Advisors, he was required to  
21 fill out an annual business questionnaire. On this questionnaire, from 2016-2019, Jaroensabphayanont  
22 misrepresented to Voya Financial Advisors that he had not participated in any private securities  
23 transactions. Jaroensabphayanont also misrepresented on this questionnaire that he had not solicited,

1 offered, recommended, or sold a securities product that is not on the firm's approved products list. Further,  
2 Jaroensabphayanont attested that it is not permissible to solicit, offer, recommend, or sell securities products  
3 to prospects or customers that are not offered by or through Voya Financial Advisors.

4 *Borrowed Funds from Customer*

5 19. On December 17, 2018, Jaroensabphayanont borrowed \$5,000 from one of his Voya Financial  
6 Advisors customers. The Voya Financial Advisors customer paid Jaroensabphayanont via check.

7 20. On January 7, 2019, Jaroensabphayanont paid back his Voya Financial Advisors customer the  
8 \$5,000 loan. Some of the funds Jaroensabphayanont used to pay back this personal loan came from a  
9 promissory note investor. Jaroensabphayanont misrepresented to this investor that their funds would be  
10 used to invest in local businesses. Jaroensabphayanont failed to disclose to this investor that some of their  
11 investment funds would be used to pay back Jaroensabphayanont's personal loans.

12 **Registration Status**

13 21. Jaroensabphayanont dba NMJ Group is not currently registered to sell its securities in the state  
14 of Washington and has not previously been so registered.

15 22. From May 2008 to November 2019, Jaroensabphayanont was registered as a securities  
16 salesperson with Voya Financial Advisors. Jaroensabphayanont is not currently registered as a securities  
17 salesperson or broker-dealer in the state of Washington.

18 Based upon the above Findings of Fact, the following Conclusions of Law are made:

19 **CONCLUSIONS OF LAW**

20 1. The offer and/or sale of the promissory notes described above constitutes the offer and/or sale  
21 of a security as defined in RCW 21.20.005(14) and (17).  
22  
23

1           2.    Narongdej Jaroensabphayanont dba NMJ Group violated RCW 21.20.140, the securities  
2 registration section of the Securities Act of Washington, by offering and/or selling securities for which no  
3 registration is on file with the Securities Administrator.

4           3.    As described in paragraph 12 above, Narongdej Jaroensabphayanont violated RCW  
5 21.20.040, the licensee registration section of the Securities Act of Washington, by offering and/or selling  
6 said securities while not being registered as a securities salesperson or broker-dealer in the state of  
7 Washington.

8           4.    Narongdej Jaroensabphayanont dba NMJ Group violated RCW 21.20.010, the anti-fraud  
9 section of the Securities Act of Washington, by making untrue statements of material fact or omitting to  
10 state material facts necessary to make the statements made, in light of the circumstances in which they were  
11 made, not misleading.

12           5.    Narongdej Jaroensabphayanont has acted as an investment adviser, as defined in RCW  
13 21.20.005(8), by holding himself out as an investment adviser. By doing so while not registered as an  
14 investment adviser, or exempt from such registration, in the State of Washington, Narongdej  
15 Jaroensabphayanont has violated 21.20.040(4).

16           6.    Narongdej Jaroensabphayanont engaged in dishonest or unethical practices as a securities  
17 salesperson, as defined by WAC 460-22B-090, by deceiving to people into believing they had a brokerage  
18 account at Voya Financial Advisors, Inc.

19           7.    Narongdej Jaroensabphayanont engaged in dishonest or unethical practices as a securities  
20 salesperson, as defined by WAC 460-22B-090(2), by effecting securities transactions away from Voya  
21 Financial Advisors, Inc. Such conduct is grounds for the denial of any future securities salesperson  
22 registration applications, the imposition of a fine, and the charging of costs pursuant to RCW  
23 21.20.110(1)(g) and RCW 21.20.110(7).

1 8. Jaroensabphayanont engaged in dishonest or unethical practices in the securities business, as  
2 defined by WAC 460-22B-090(1), by engaging in the practice of borrowing money from a customer.

3 9. Jaroensabphayanont was barred by FINRA from association with any FINRA member in all  
4 capacities. This bar of Jaroensabphayanont's registration by a self-regulatory organization is grounds for  
5 the denial of any future securities salesperson or investment adviser representative registration applications,  
6 the imposition of a fine, and the charging of costs pursuant to RCW 21.20.110(1)(e)(iii) and RCW  
7 21.20.110(7).

8 Based upon the foregoing and finding it in the public interest:

9 **FINAL ORDER**

10 IT IS HEREBY ORDERED that Respondent Narongdej Jaroensabphayanont dba NMJ Group, and  
11 their agents and employees, shall each cease and desist from violations of RCW 21.20.010, RCW 21.20.040,  
12 and RCW 21.20.140.

13 IT IS FURTHER ORDERED that the Securities Administrator will deny any registration applications  
14 for investment adviser, broker-dealer, investment adviser representative, or securities salesperson that  
15 Respondent Narongdej Jaroensabphayanont dba NMJ Group may file in the future.

16 IT IS FURTHER ORDERED that Respondent Narongdej Jaroensabphayanont dba NMJ Group shall  
17 be liable for and pay a fine in the amount of \$60,000.

18 IT IS FURTHER ORDERED that Respondent Narongdej Jaroensabphayanont dba NMJ Group shall  
19 be liable for and pay costs in the amount of \$5,000.

20 **AUTHORITY AND PROCEDURE**

21 This FINAL ORDER is entered pursuant to RCW 21.20.110 and RCW 21.20.390 and is subject to  
22 Chapter 34.05 RCW. Respondents have the right to petition the superior court for judicial review of this  
23 agency action under Part V of Chapter 34.05 RCW. Pursuant to RCW 21.20.395(4), a certified copy of this



1 Final Order may be filed in superior court. If so filed, the clerk shall treat the Final Order in the same manner  
2 as a superior court judgment as to the fine, and the fine may be recorded, enforced, or satisfied in like  
3 manner.

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5 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

6 SIGNED and ENTERED this 28th day of September, 2021.

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11 \_\_\_\_\_  
William M. Beatty  
Securities Administrator

12 Approved by:

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15 \_\_\_\_\_  
Suzanne Sarason  
Chief of Enforcement

16 Presented by:

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18  
19 \_\_\_\_\_  
Brian J. Guerard  
Financial Legal Examiner Supervisor