

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 TO: First Nationle Solution, LLC
5 44 Wall Street, 12th Floor
6 New York, New York 10005
7
8 9245 Laguna Springs Drive, Suite 200
9 Elk Grove, California 95758
10
11 Perry C. Santillo, Jr.
12 36 W. Main Street, Suite 600
13 Rochester, New York 14614

14 Waite & Associates
15 4900 California Avenue, Tower B Room 210
16 Bakersfield, California 93309

17 **DESIST AND REFRAIN ORDER**
18 **(For violations of sections 25110, 25401, 25230 and 25210 of the Corporations Code)**

19 The Commissioner of Business Oversight (Commissioner) finds that:

20 1. At all relevant times, First Nationle Solution, LLC, (First Nationle) was a Michigan
21 limited liability company doing business at 36 W. Main Street, Suite 600, Rochester, New York
22 14614, 44 Wall Street, 12th Floor, New York, New York 10005, and 9245 Laguna Springs Drive,
23 Suite 200, Elk Grove, California 95758. First Nationle engages in making financial investments.
24 First Nationle operates a website on the internet at www.firstnationlesolution.com.

25 2. At all relevant times, First Nationle’s managing member and president is Perry C.
26 Santillo, Jr. (Santillo). Santillo, in addition his position as managing member and president of First
27 Nationle, was licensed by the Department of Insurance as a non-residential insurance producer from
28 October 11, 2011 to October 31, 2019. Santillo does business at 44 Wall Street, 12th Floor, New
York, New York 10005, 36 W. Main Street, Suite 600, Rochester, New York 14614, and 4900
California Avenue, Tower B Room 210, Bakersfield, California 93309.

1 3. First Nationle and Santillo were the subject of multiple enforcement actions by state
2 and federal regulators for securities violations equivalent to Corporations Code sections 25110,
3 25401, 25210, and 25230. On March 23, 2018, the State of Nevada Office of the Secretary of State
4 Securities Division issued a Notice and Summary Order to Cease and Desist against First Nationle
5 and Santillo, in file number INV18-022, for violations of the Nevada Uniform Securities Act. Also,
6 on March 28, 2018, the Securities Division of the Office of the Maryland Attorney General issued a
7 final Cease and Desist Order against First Nationle and Santillo, in case number 2018-0036, for
8 violations of the Maryland Securities Act. Further, on May 24, 2018, the Securities Commissioner of
9 South Carolina issued an Order to Cease and Desist against First Nationle and Santillo, in matter
10 number 20181907, for violations of the South Carolina Uniform Securities Act of 2005. Finally, on
11 June 19, 2018, the Securities and Exchange Commission issued a civil complaint and demand for jury
12 trial against First Nationle and Santillo, in case number 18CV5491, for violations of the Securities
13 and Exchange Act of 1934.

14 4. At all relevant times, Waite & Associates (Waite), formerly known as Waite &
15 Associates Insurance Services, also known as Gregory E. Waite & Associates, Inc., was an insurance
16 and investment business previously owned by Gregory E. Waite, a Department of Insurance licensee
17 located at 1414 Valhalla Drive, Bakersfield, California 93309. In or about 2012, First Nationle
18 and/or Santillo purchased and/or took control over all books, records and client accounts of Waite &
19 Associates Insurance Services, also known as Gregory E. Waite & Associates, Inc.

20 5. Beginning in at least 2012 to at least 2015, First Nationle, Santillo, and Waite offered
21 and sold promissory notes to California investors who were former Waite clients in amounts ranging
22 from \$13,000.00 to over \$150,000.00. First Nationle, Santillo and Waite represented to California
23 investors that First Nationle and Santillo, by way of the purchased promissory notes, would pool
24 investor investment capital to invest in various real estate investment opportunities. Consumers
25 withdrew funds from IRA accounts and/or annuities previously established through Waite &
26 Associates Insurance Services, also known as Gregory E. Waite & Associates, Inc., and placed the
27 funds with First Nationle, Santillo, and Waite. First Nationle, Santillo, and Waite promised to pay
28 the California investor after a period of time ranging from three to five years, a percentage rate

1 ranging from 4% to 5.5% in interest as profit and promised the return of the California investors'
2 principal investment amount. First Nationle, Santillo, and Waite also promised California investors a
3 cash bonus amount ranging between \$1,300.00 to \$5,000.00 dependent upon the investment principal
4 amount. To date, California investors have not received their investment principal, profits and cash
5 bonus from the investment, despite requesting the amount to be returned.

6 6. Beginning in at least 2012 to at least 2015, First Nationle, Santillo, and Waite offered
7 and sold the above-described securities in California in issuer transactions. The Commissioner has
8 not issued a permit or other form of qualification authorizing any person to offer and/or sell these
9 securities in the form of promissory notes in California. First Nationle, Santillo, and Waite are not
10 exempt from the qualification requirements set forth in the Corporate Securities Law of 1968 (Corp.
11 Code, § 25000 et seq.) (CSL).

12 7. Beginning in at least 2012 to at least 2015, in connection with the offer and sale of
13 these securities, First Nationle, Santillo, and Waite made, or caused to be made, misrepresentations of
14 material fact or omitted to state material facts necessary in order to make the statements made, in the
15 light of the circumstances under which they were made, not misleading. Specifically, First Nationle,
16 Santillo, and Waite misrepresented to California investors that they would receive a profitable return
17 on their investment, a cash bonus as described above, and the principal amount invested at the
18 termination of the investment time. To date, California investors have not received their principal
19 investment amounts ranging from \$13,000.00 to over \$150,000.00, the cash bonus, or profits from
20 the investment, despite requesting that these amounts be returned.

21 8. Beginning in at least 2012 to at least 2015, First Nationle, Santillo, and Waite engaged
22 in the business of providing investment advice to California investors. First Nationle, Santillo, and
23 Waite advised California investors regarding the promissory note investments made with First
24 Nationle, Santillo, and Waite. First Nationle, Santillo, and Waite received at least \$13,000.00 to over
25 \$150,000.00 in investment capital from California investors for placement in an account with First
26 Nationle for investment purposes based upon investment advice given to California investors. First
27 Nationle, Santillo, and Waite received adviser fees in connection with providing investment advice.
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1 9. First Nationle, Santillo, and Waite do not have a valid investment adviser certificate
2 issued by the Commissioner nor have they been registered as an investment adviser with the U.S.
3 Securities & Exchange Commission. First Nationle, Santillo, and Waite are not exempt from the
4 certification requirement set forth in the CSL.

5 10. CSL section 25230, subdivision (a) prohibits a person from conducting business as an
6 investment adviser in this state without first applying for and securing a certificate from the
7 Commissioner authorizing them to do so, unless exempt.

8 11. Beginning in at least 2012 to at least 2015, First Nationle, Santillo, and Waite offered,
9 induced the purchase of, sold, and effected transactions in the above described securities to more than
10 four California investors, for a total of over \$200,000.00.

11 12. CSL section 25004 defines “broker-dealer” as any person engaged in the business of
12 effecting transactions in securities in this state for the account of others or for his own account. CSL
13 section 25210, subdivision (a), prohibits any broker-dealer from effecting any transaction in, or
14 inducing or attempting to induce the purchase or sale of any security without first applying for and
15 securing a certificate from the Commissioner authorizing them to do so, unless exempt.

16 13. During all relevant time periods, First Nationle, Santillo, and Waite have never
17 obtained a certificate to act as a broker-dealer under CSL section 25210 and is not exempt from the
18 licensure requirement.

19 Based on the foregoing, the Commissioner of Business Oversight finds that the promissory
20 notes offered and sold by First Nationle Solution, LLC, Perry C. Santillo, Jr. and Waite & Associates
21 are securities subject to qualification under the CSL. These promissory notes were offered and sold
22 without being qualified or exempt, in violation of Corporations Code section 25110.

23 Pursuant to Corporations Code section 25532 First Nationle Solution, LLC, Perry C. Santillo,
24 Jr. and Waite & Associates are hereby ordered to desist and refrain from the further offer or sale in
25 California of securities, including, but not limited to promissory notes, unless and until qualification
26 has been made under said law or unless exempt.

27 Also, the Commissioner of Business Oversight is of the opinion that the securities in the form
28 of promissory notes were offered and sold in California by means of a written or oral communication

1 which included an untrue statement of material fact or omitted to state a material fact necessary to
2 make the statement made, in light of the circumstances under which they were made, not misleading,
3 in violation of section 25401 of the CSL.

4 Pursuant to section 25532 of the CSL, First Nationle Solution, LLC, Perry C. Santillo, Jr. and
5 Waite & Associates are hereby ordered to desist and refrain from offering or selling or buying or
6 offering to buy any security in California, including but not limited to promissory notes, by means of
7 any written or oral communication which includes an untrue statement of material fact or omits to
8 state a material fact necessary in order to make the statements made, in light of circumstances under
9 which they were made, not misleading.

10 Further, based upon the foregoing findings, the Commissioner is of the opinion that First
11 Nationle Solution, LLC, Perry C. Santillo, Jr. and Waite & Associates conducted business as an
12 investment adviser in this state without first securing from the Commissioner a certificate,
13 authorizing them to do so, in violation of section 25230 of the CSL.

14 Pursuant to section 25532 of the CSL First Nationle Solution, LLC, Perry C. Santillo, Jr. and
15 Waite & Associates, are hereby ordered to desist and refrain from conducting business as an
16 investment adviser in the State of California, unless and until First Nationle Solution, LLC., Perry C.
17 Santillo, Jr. and Waite & Associates, have first applied for and secured from the Commissioner a
18 certificate, then in effect, authorizing him to act as an investment advisor or unless exempt.

19 Finally, based upon the foregoing findings, the Commissioner is of the opinion that First
20 Nationle Solution, LLC, Perry C. Santillo, Jr. and Waite & Associates are subject to the laws
21 regulating broker-dealers under the CSL and have affected transactions in, or induced, or attempted
22 to induce the purchase or sale of securities as a broker-dealer without having first applied for and
23 secured from the Commissioner a certificate authorizing them to act in that capacity, in violation of
24 section 25210 of the CSL.

25 Pursuant to section 25532 of the CSL, First Nationle Solution, LLC, Perry C. Santillo, Jr. and
26 Waite & Associates is hereby ordered to desist and refrain from conducting business as a broker-
27 dealer, unless and until certification has been made under said law or unless exempt.

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1 This Order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies and provisions of the Corporate Securities Law of 1968.

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4 Dated: October 22, 2018
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

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7 By _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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