
 *
IN THE MATTER OF: *
 *
NATIVE AMERICAN ENERGY *
GROUP, INC. *
 *
JOSEPH GATANO D'ARRIGO *
CRD NO. 2001666 *
 *
RAJ S. NANVAAN *
f/k/a TEJBIR SINGH *
CRD NO. 2801400 *
 *
J.R. BAUTISTA, JR. *
CRD NO. 1859027 *
 *
(“Respondents”) *
 *

ORDER TO CEASE AND DESIST
ORDER TO MAKE RESTITUTION
NOTICE OF INTENT TO FINE
AND
NOTICE OF RIGHT TO HEARING

DOCKET NO. CRF-20-8480-S

I. PRELIMINARY STATEMENT

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of Respondents to determine if Respondents have violated, are violating or are about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the information obtained during the Investigation, the Commissioner has reason to believe that Respondents have violated certain provisions of the Act and Regulations. Accordingly, the

Commissioner believes that a basis exists to a) issue a cease and desist order against Respondents pursuant to Section 36b-27(a) of the Act; b) order that Respondents make restitution pursuant to Section 36b-27(b) of the Act; and c) impose a fine upon Respondents pursuant to Section 36b-27(d) of the Act.

II. RESPONDENTS

4. Native American Energy Group, Inc. (“NAEG”) is a Delaware corporation whose address last known to the Commissioner is 61-43 186th Street, Suite 507, Fresh Meadows, New York 11365. NAEG is purportedly a development stage company specializing in oil, natural gas and alternative energy systems. NAEG is not and has not been registered in any capacity under the Act.

5. Joseph Gatano D’Arrigo (“D’Arrigo”), an individual whose address last known to the Commissioner is 149-11 16th Road, Flushing, New York 11357, is Co-founder, Chief Executive Officer and a Director of NAEG. D’Arrigo is not and has not been registered in any capacity under the Act.

6. Raj S. Nanvaan f/k/a Tejbir Singh (“Nanvaan”), an individual whose address last known to the Commissioner is 10420 Queens Boulevard, Apartment 16C, Forest Hills, New York 11375, is Co-founder, Chief Financial Officer, Chief Operations Officer and a Director of NAEG. Nanvaan is not and has not been registered in any capacity under the Act.

7. J.R. Bautista Jr. (“Bautista”) is an individual whose address last known to the Commissioner is 5165 Tennis Lane, Delray Beach, Florida 33484. Bautista is not currently registered in any capacity under the Act. Bautista was previously registered as a broker dealer agent with the Division from October 21, 1988 to August 21, 1989; and January 17, 1990 to July 7, 1994. Bautista purportedly served as a consultant to NAEG. On January 17, 1990, the Commissioner entered a Consent Order against Bautista arising out of allegations that Bautista transacted securities business in Connecticut without being registered as an agent under the Act. In the Consent Order, Bautista was barred for a period of eighteen months from engaging in the solicitation for purchase or sale of any security whose exchange was not registered with the SEC and was ordered to pay a fine of \$450.00.

III. NAEG'S SECURITIES REGISTRATION WAS REVOKED IN 2017

8. On August 20, 2010, D'Arrigo, on behalf of NAEG, filed a Form 10 Registration Statement ("Initial Form for General Registration of Securities") with the Securities and Exchange Commission ("SEC") pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act"). On October 6, 2017, the SEC revoked NAEG'S Registration of Securities Pursuant to Section 12(j) of the Exchange Act because NAEG failed to file periodic reports with the SEC since September 2013, as required by Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 promulgated thereunder ("SEC Order").

IV. STATEMENT OF FACTS

9. NAEG offered and sold common shares of NAEG via subscription agreements ("NAEG Securities") to at least one Connecticut investor, Investor A. Specifically, Investor A made three purchases of NAEG Securities totaling \$35,000: December 2017 for \$10,000, June 2018 for \$20,000 and another purchase in June 2018 for an additional \$5,000. The third investment of \$5,000 was made in response to Bautista who, on behalf of NAEG, pressured Investor A to increase his investment in NAEG.

10. The NAEG Securities constitute securities within the meaning of Section 36b-3(19) of the Act, which securities were not registered under Section 36b-16 of the Act nor were they the subject of a filed exemption claim or claim of covered security status.

11. Information obtained during the Investigation reflects that a significant portion of Investor A's investment monies used to purchase NAEG Securities was not used to invest in oil and/or gas or investments of any kind, but was wired out of NAEG's operating bank account directly to D'Arrigo, Nanvaan and Bautista. NAEG failed to disclose to Investor A that the proceeds from his investment would be used to pay D'Arrigo, Nanvaan and Bautista.

**V. STATUTORY BASIS FOR ORDER TO CEASE AND DESIST,
ORDER TO MAKE RESTITUTION AND ORDER IMPOSING FINE**

a. Violation of Section 36b-16 of the Act by NAEG and Bautista –
Offer and/or Sale of Unregistered Securities

12. Paragraphs 1 through 11, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

13. NAEG and Bautista offered and/or sold unregistered securities to at least one investor, as more fully described in paragraphs 9 and 10. The offer and sale of such securities absent registration or exemption constitutes a violation of Section 36b-16 of the Act, which forms a basis for an order to cease and desist to be issued against NAEG and Bautista under Section 36b-27(a) of the Act, an order that NAEG and Bautista make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon NAEG and Bautista under Section 36b-27(d) of the Act.

b. Violation of Section 36b-4(a) of the Act by Respondents –
Fraud in Connection with the Offer and Sale of any Security

14. Paragraphs 1 through 13, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

15. The conduct of Respondents, as more fully described in paragraph 11, constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person. Such conduct constitutes a violation of Section 36b-4(a) of the Act, which forms a basis for an order to cease and desist to be issued against Respondents under Section 36b-27(a) of the Act, an order that Respondents make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act.

**VI. ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION,
NOTICE OF INTENT TO FINE AND NOTICE OF RIGHT TO HEARING**

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, NAEG has committed at least one violation of Section 36b-16 of the Act, and at least one violation of Section 36b-4(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, D'Arrigo has committed at least one violation of Section 36b-4(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Nanvaan has committed at least one violation of Section 36b-4(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Bautista has committed at least one violation of Section 36b-16 of the Act, and at least one violation of Section 36b-4(a) of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist, Order to Make Restitution, and the imposition of a fine upon Respondents is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policies and provisions of the Act;

WHEREAS, notice is hereby given to Respondents that the Commissioner intends to impose a maximum fine not to exceed one hundred thousand dollars (\$100,000) per violation upon Respondents;

WHEREAS, the Commissioner **ORDERS** that **NATIVE AMERICAN ENERGY GROUP, INC.**, its employees, officers, representatives, affiliates and successors in interest **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are

made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **JOSEPH GATANO D'ARRIGO CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **RAJ S. NANVAAN f/k/a TEJBIR SINGH CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **J.R. BAUTISTA, JR. CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and/or selling unregistered securities; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that Respondents **MAKE RESTITUTION** of any sums obtained as a result of Respondents' violations of Sections 36b-16 and 36b-4(a) of the Act, plus interest at

the legal rate set forth in Section 37-1 of the General Statutes of Connecticut. Specifically, the

Commissioner **ORDERS** that:

1. Within thirty (30) days from the date this Order to Make Restitution becomes permanent, Respondents shall provide the Division with a written disclosure which contains (a) the name and address of each of the Connecticut investors who purchased NAEG Securities from December 2017 to the present, (b) the amount collected from each investor, (c) the date of each investment, and (d) the amount of any refunds of principal or purported interest payments made to each investor;
2. Within forty-five (45) days from the date this Order to Make Restitution becomes permanent, Respondents shall reimburse each Connecticut investor the amount of funds collected from the investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments, with respect to each investor's purchase of the NAEG Securities. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to each affected investor; and
3. Within ninety days (90) days from the date this Order to Make Restitution becomes permanent, Respondents shall provide the Division with proof in the form of copies of the certified checks and the return receipts required by paragraph 2 of Section VI of this Order to Cease and Desist, Order to make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively "Order"), that Respondents have reimbursed each investor the amount of funds collected from the investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments, with respect to each Connecticut investor's purchase of the NAEG Securities.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-27 of the Act, each Respondent will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following each Respondent's receipt of this Order. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If any Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". If a hearing is requested, the hearing will be held on March 25, 2020, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

The hearing will be held in accordance with the provisions of Chapter 54 of the General Statutes of Connecticut. At such hearing, each Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If any Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against any such Respondent will be deemed admitted.

Accordingly, the Order to Cease and Desist and Order to Make Restitution shall remain in effect and become permanent against any such Respondent and the Commissioner may order that the maximum fine be imposed upon any such Respondent.

Dated at Hartford, Connecticut,
this 28th day of January 2020.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 29th day of January 2020, I caused to be mailed by certified mail, return receipt requested, the foregoing Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing to: Native American Energy Group, Inc., 61-43 186th Street Suite 507, Fresh Meadows, New York 11365, certified mail no. 7014 2120 0000 3701 2167; Joseph Gatano D'Arrigo, 149-11 16th Road, Flushing, New York 11357, certified mail no. 7014 2120 0000 3701 2174; Raj S. Nanvann f/k/a Tejbir Singh, 10420 Queens Boulevard, Apartment 16C, Forest Hills, New York 11375, certified mail no. 7014 2120 0000 3701 2181; and J.R. Bautista, Jr., 5165 Tennis Lane, Delray Beach, Florida 33484, certified mail no. 7014 2120 0000 3701 2198.

_____/s/_____
Christopher Cartelli
Paralegal