



3. Hough has served on the Fayette County Board of Education since 2021. He currently serves as Board Vice Chair, and, according to the Fayette County Board of Education's website, his term finishes in 2028.

4. Hough was employed in the securities industry for approximately thirty-seven (37) years. Between August 9, 1983, to March 31, 2018, Hough was employed as a broker dealer agent for various broker dealer firms and was registered with the State of Georgia as a broker dealer agent during that time period. Between August 10, 2005, to August 13, 2019, Hough was employed as an investment adviser representative for various investment advisory firms and was registered with the State of Georgia as an investment advisor representative during that same time period. Hough's CRD number is CRD #1017957.

5. Notably, from February 9, 1995 to June 30, 2003, Hough was employed as a broker dealer agent with A.G. Edwards and Sons, Inc. ("A.G. Edwards"), CRD #4. On April 7, 2004, the Commissioner entered into a Consent Order ("April 7 Consent Order") with A.G. Edwards, who consented to a five hundred thousand dollar (\$500,000.00) civil penalty, the maximum allowed, for failure to supervise employees for unauthorized trades and unsuitable recommendations. According to the Form U-5 filed by A.G. Edwards, Hough's registration was terminated on July 30, 2003, because he "failed to cooperate in the firm's investigation." The Commissioner is reviewing whether the investigation conducted by A.G. Edwards of Hough is related to the conduct at issue in the April 7, 2004, Consent Order.

6. Per Hough's testimony to the Commissioner, his involvement with First Liberty Building and Loan began in or around 2019 after meeting Brant Frost IV ("Frost IV") through "Republican party politics." He subsequently joined First Liberty as an "independent contractor" and his initial role was as a "development officer" tasked with bringing in new business.

#### **A. COMMISSIONER OF SECURITIES' INVESTIGATION**

7. On July 1, 2025, the Commissioner became aware of First Liberty Building and Loan ("First Liberty").

8. Over one hundred fifty (150) investors submitted complaints to the Commissioner regarding First Liberty.

9. The Commissioner became aware of Hough through conversations with complainants.

10. On August 11, 2025, the Commissioner issued Subpoena No. ENSC-261270 to Hough in the matters of First Liberty Building and Loan. On this day, the Commissioner also issued subpoenas to financial institutions to obtain the bank records of First Liberty.

11. On September 7, 2025, Hough submitted a response to Subpoena No. ENSC-261270 (“Hough Subpoena Response”).

12. On October 22, 2025, the Commissioner issued Subpoena No. ENSC-261270-06 to Hough for testimony under oath in the matter of First Liberty Building and Loan.

13. On January 21, 2026, the Commissioner took Hough’s testimony under oath.

14. Through documentation and information received as part of the investigation, the Commissioner finds that Hough violated the Georgia Uniform Securities Act and applicable regulations by conducting unregistered broker dealer agent activity, unregistered investment adviser representative activity, and the offer and sale of unregistered securities in Georgia. In addition, Hough made material misrepresentations and/or omissions in connection with the sale of securities.

#### **B. HOUGH’S ROLE AT FIRST LIBERTY BUILDING AND LOAN**

15. Hough worked with First Liberty from about August 15, 2019, until its closure in June 2025.

16. First Liberty offered investors opportunities to invest in their Loan Participation Agreement program and issued promissory notes that were purported to fund bridge loans to borrowers.

17. Hough’s initial role at First Liberty, in or around August 2019, was “Senior Investment Officer” and he was to bring new business to the company. Hough advertised First Liberty in a local magazine and joined networking groups in order to generate the business of possible borrowers and investors. Hough initially received a fixed salary from First Liberty, but his compensation shifted to more of a performance-based (e.g. commission-based) pay. At some point, his title changed to “Senior Development Officer.”

18. In his sworn deposition testimony, Hough referred to himself as a “gatekeeper” of borrowers who desired bridge loans. Hough would pose questions to potential bridge loan borrowers regarding credit score, contracts, cash on hand, collateral, and projected cash flow from the business, to determine whether they qualified for the loan. He would then create a “writeup” and refer the potential borrower to First Liberty’s underwriting group.

19. When asked, during his testimony under oath, how he developed risk profiles for the loan participation programs, he replied that it was a subjective process that he described as “experience, gut feel.” He later elaborated and described “collateral and loan to value” as factors he considered when developing risk profiles.

20. Hough also received compensation from First Liberty for soliciting investors to invest in the loan participation agreements with First Liberty. During Hough’s testimony under oath, he stated that information related to investment opportunities came to him from Frost IV. Hough would speak to Frost IV about the timing of borrowers fulfilling their loan payoffs. As illustrated and explained below, it was Hough’s pattern and practice to solicit investors through email communications that contained material misrepresentations and/or omissions.

21. Hough testified that he did not independently verify the information he was provided by Frost IV before passing it along to investors. Hough stated that Frost IV’s “testimony, his own actions, his position in the Republican party, [and] his position as a Christian,” were factors that made Frost IV trustworthy.

22. Hough also received information from Jayme Sickert (“Sickert”), the employee at First Liberty responsible for compliance, about investment opportunities that Hough had recommended to investors. For example, Hough would ask Sickert questions as to why some of the loan participation programs he sold had not matured as promised. Hough did not independently verify the information received by Sickert.

### **C. HOUGH FINANCIALLY BENEFITED FROM SOLICITING INVESTORS TO INVEST WITH FIRST LIBERTY**

23. Hough managed accounts for eleven (11) First Liberty investors, and he brought in eight (8) of those investors. These accounts included approximately forty-three (43) loan participation agreement products totaling six million eight hundred and fifty-five dollars (\$6,855,000.00) in principal. In his subpoena response, Hough reported that only one (1) investor that he solicited received the return of his investment principal.

24. Documentation and information received as part of the investigation evidenced that Hough received income from First Liberty via payroll, commissions, bonuses, and political contributions.

25. Between November 2019 to December 2024, Hough received approximately one hundred sixty thousand eight hundred seventy-five dollars (\$160,875.00) in commissions or fees related to his sale of First Liberty Loan Participation Agreements to investors.

26. During his testimony under oath, Hough testified he did not receive any bonuses from First Liberty. Documentation received as part of the investigation revealed that Hough received twenty-five (25) checks from a First Liberty banking account with the word “Bonus” in the check memo line. Throughout his affiliation with First Liberty, Hough received approximately forty-five thousand dollars (\$45,000.00) in bonuses from First Liberty.

27. Hough received a check in the amount of twenty-five thousand dollars (\$25,000.00) that dated May 27, 2025 with the memo “Bonus.” The Commissioner notes that First Liberty’s last day in operation was June 27, 2025.

28. Hough received a total of seven thousand five hundred dollars (\$7,500.00) in political contributions from First Liberty in relation to his races for Fayette County Board of Education. On October 16, 2020, Hough received a check in the amount of five-thousand-dollar (\$5,000.00) from the First Liberty Capital account with the memo “School Board Race Donation.” On October 21, 2024, Hough received a check in the amount of two thousand five hundred dollars (\$2,500.00) with the memo “RJH BOE CAMPAIGN 24” from the First Liberty Building and Loan account.

### **C.1 Hough Received Over Twenty Thousand Dollars In Commissions From His Sale of Loan No. 126**

29. Hough’s subpoena response to the Commissioner included a loan described as “Memphis” and was assigned Loan No. 126, dated October 14, 2022 (“Loan No. 126”).

30. Hough placed four (4) investors into Loan 126, totaling one million dollars (\$1,000,000.00).

31. On October 21, 2022, Hough received compensation from First Liberty via check written in the amount of twenty-two thousand five hundred dollars (\$22,500.00) with the memo “Loan Fee Memphis.”

32. The principal invested by those four (4) investors into Loan No. 126 has not been returned.

**C.2 Hough Used His Position With The Board Of Education To Cultivate Trust  
With Hough Investor #1 And Made Material Misrepresentations/Omissions To  
Induce Her To Purchase First Liberty Investments**

33. Investor #1 provided an affidavit to the Commissioner. It is quoted, in part, below.

34. Investor #1 is a forty-five (45) year old special education teacher with the Fayette County Public School system. Hough has been a board member of the Fayette County School Board since 2021. Hough was a trusted family friend of Investor #1.

35. On or around October 17, 2024, Investor #1 emailed Hough to “explore options” regarding First Liberty bridge loans. Investor #1 stated, “I have approximately \$130,000 available to invest and am ready to move forward as soon as possible”. Investor #1 asked Hough, “[d]o you have any opportunities that would be a good fit”.

36. Investor #1 stated in her affidavit that she contacted Hough “based on [her] family’s trust in Mr. Hough as a family friend and school board member.”

37. On or around October 24, 2024, Hough responded to Investor #1’s email and requested to speak with her on the phone. During that telephone conversation, Investor #1 informed Hough “that [she] was looking for a low-risk investment” and “that [she] could not afford to lose any of [her] savings.” Hough responded, “he would reach back out to [her] when a new safe First Liberty investment was available that fit [her] investment objectives and low risk tolerance.”

38. On or around December 9, 2024, Hough solicited Investor #1 to invest into a First Liberty bridge loan opportunity via email, which stated in part that the minimum amount required to invest was one hundred thousand dollars (\$100,000.00) and the APR was thirteen percent (13%). On or about December 15, 2024, Investor #1 invested one hundred twenty-five thousand dollars (\$125,000.00) into this bridge loan (“December 15 Loan Participation Agreement”), which constituted more than half of her life savings.

39. Investor #1 invested in the December 15 Loan Participation Agreement because Hough’s representations to her “made the investment opportunity look safe and secure.” Investor #1 stated in her affidavit that “the subject [line] on [Hough’s] email made the investment appear to have more than enough collateral to pay [her] back.” That subject line stated: “Re: New 13% Bridge Loan opportunity- less than 10% [Loan to Value].”

40. Upon review of information received during the investigation, Hough failed to disclose that he received a commission payment for selling Investor #1 the December 15 Loan Participation Agreement. Hough also failed to provide Investor #1 with sufficient material information relating to the risks associated with the December 15 Loan Participation Agreement. Investor #1 stated that “Hough did not disclose that the investment had any risks.” Investor #1 believed that “Hough had vetted and researched [the solicitation] thoroughly, which gave [her] confidence that it was a sound investment.”

41. Upon review of information received during the investigation, Hough made unsuitable recommendations that Investor #1 invest in this December 15 Loan Participation Agreement and he failed to provide sufficient material information to Investor #1 regarding the risks of First Liberty’s Participation Agreement.

42. Investor #1 has not received the return of any of her principal investment, which was one hundred twenty-five thousand dollars (\$125,000.00). Investor #1 concludes her affidavit by stating that her investment into First Liberty “was more than half of [her] life savings”.

**C.3 Hough Made Material Misrepresentations And/Or Omissions, False Representations To Hough Investor #2 And Induced Him To Purchase First Liberty Investments**

43. Investor #2 provided an affidavit to the Commissioner. It is quoted, in part, below.

44. Investor #2 is a seventy-one (71) year old retired physician. He met Hough thorough a Christian ministry in the early 2000s.

45. Shortly after the 2008 economic crisis, Investor #2 reached out to Hough for his services as an investment adviser representative.

**C.3.a. Hough Provided Unregistered Investment Advice to Investor #2**

46. During that time period, Hough was employed as an investment adviser representative registered with Georgia under ProEquities, Inc., (“ProEquities”) CRD #15708, an investment advisor firm previously registered with the Securities and Exchange Commission (“SEC) and notice filed in Georgia. ProEquities registration was terminated on March 13, 2025 due to the firm ceasing to conduct advisory business. Under ProEquites, Hough held his

registration with Georgia as an investment advisor representative from November 30, 2005 to March 31, 2018.

47. Investor #2 “opened two investment accounts and deposited several hundred thousand dollars with Mr. Hough’s investment advisory firm, ProEquities. Hough managed the investments in those accounts until he left the firm in or around 2018, at which time he ceased acting as [Investor #2’s] financial advisor and [his] accounts subsequently moved to TD Ameritrade.”

48. After leaving ProEquities, Hough began working at Ashworth Sullivan Wealth Management Group (currently operating as Bluechip Wealth Advisors LLC), CRD #150008, an investment advisor firm registered with the SEC and notice filed in Georgia. While at this firm, Hough was registered as an investment advisor representative in Georgia from August 30, 2018 until August 13, 2019.

49. Investor #2 stated, “On or about July 2019, I retired from my medical practice. Around that time, I contacted Mr. Hough because I had questions about whether I should sell the investments being held in the TD Ameritrade account.”

50. Investor #2 stated, “At that time, [Hough] offered to be our investment advisor and manage my accounts at TD Ameritrade for a fee. Mr. Hough told me not to sell certain investment(s) in my TD Ameritrade account.”

51. Based on the trust that Investor #2 had in Hough, Investor # 2 agreed to hire Hough as his investment adviser representative and agreed to pay him an investment advisory fee for his services. For approximately July 2019 through at least December 31, 2020, Hough acted as an investment adviser and charged Investor #2 advisory fees for his services. Investor #2 stated in his affidavit, “Mr. Hough did not disclose that at that time that he was not licensed in any capacity to recommend investments or render investment advice and/or charge a fee for his investment advisory services.”

52. On January 23, 2020, approximately five (5) months after Hough’s registration as an investment adviser representative was terminated, Hough charged Investor #2 an advisory fee and Investor #2 wrote Hough a check for eighteen hundred dollars (\$1,800.00) “for his investment advice for the last six months of 2019.”

53. On December 22, 2020, Hough charged Investor #2 for investment advisory services for the entire year of 2020 and Investor #2 wrote Hough a check for four thousand two hundred and fifty-five dollars (\$4,255.00) with the memo "Investment Advice."

**C.3.b Hough Solicited Investor #2 to Invest In First Liberty Investments And Made Material Misrepresentations And/Or Omissions In Connection With The Sale Of Unregistered Securities.**

54. Investor #2 stated, "Between approximately November 2019 and October 2022, I invested a total of \$800,000 in five separate First Liberty investments."

55. Each time, Hough sent Investor #2 solicitation emails that falsely portrayed the investments as relatively low risk. Investor # 2 stated that "Mr. Hough minimized the level of risk, and I did not believe these were high risk or speculative investments. He also told me that he was told that in the entire history of First Liberty, only one loan had ever defaulted but First Liberty made sure the investors in that deal got paid back, which comforted me."

56. Investor # 2 went on to state, "I had no reason to think that any of this was a fraudulent scheme. I now believe that Mr. Hough made false statements about the nature and risks of this investment to convince me to invest. Mr. Hough also failed to adequately disclose the risks of the investment, and he did not disclose how he got compensated by First Liberty for selling me the investment."

57. On or around October 30, 2019, Investor #2 wired two hundred thousand dollars (\$200,000.00) into a loan participation opportunity dated November 1, 2019, with an APR of sixteen percent (16%) ("November 1 Loan Participation Agreement") for a Borrower called CurePoint Radiation Clinic ("CurePoint").

58. On January 17, 2020, Hough emailed Investor #2 a new loan participation opportunity. He stated, "This looks pretty solid to me. . ." and told Investor #2, "You can make this loan from cash in your 401K, IRA, or from personal cash you hold in your bank account."

59. On February 4, 2020, Hough received compensation in the amount of four thousand dollars (\$4,000.00) as a "loan fee" for his sale of the November 1 Loan Participation Agreement to Investor #2.

60. The November 1 Loan Participation Agreement was supposed to mature on May 2, 2021 but it did not. In or around September 2022, Investor #2 made an inquiry to Hough about the payoff status of the November 1 Loan Participation Agreement. Hough relayed this inquiry to

Sickert, who responded, in part, “[w]e should be getting a pay down very soon, and our next large [b]ridge [l]oan should cover the rest”. Sickert also stated that one of the original guarantors of CurePoint, Scott Honan, would buy the clinic. To date, Scott Honan has not purchased the clinic.

61. On or around September 14, 2022, Frost IV emailed Investor #2 to provide an update on CurePoint. Hough was copied on this communication. Frost IV stated to Investor #2 that CurePoint was in bankruptcy, but First Liberty expected a “paydown within the next 30 days” and “all participants [would] be paid off” before Christmas of 2022 and that those funds would come from the sale of the clinic. Frost IV also stated that First Liberty was “financing the buyer of the clinic, so we have total visibility into all aspects of the process, and are exerting maximum control.”

62. Importantly, as explained below, even though Hough presumably knew that CurePoint was in bankruptcy as of September 14, 2022, he sent Investor #3 an email about two days later later soliciting Investor #3 to invest in the Curepoint investment opportunity but failed to disclose to Investor #3 that it was in bankruptcy.

63. The Commissioner notes that First Liberty financing the purchase of the clinic and the profits from said purchase going toward paying off investor loans, is a defining characteristic of a Ponzi Scheme. Frost IV’s statement should have placed Hough on notice that First Liberty’s borrowers were not performing, and the security provisions of the loan participation agreements were not being executed as stated. Given Hough’s specialized secondary degree and his extensive experience in the financial industry, it should have been apparent that the product he was recommending needed more due diligence.

64. Upon review of information received during the investigation, Hough made unsuitable recommendations that Investor #2 invest in each of the First Liberty investments. Additionally, Hough made false statements about the nature and risks of this investment to convince Investor #2 to invest. Mr. Hough also failed to adequately disclose the risks of the investment, and he did not disclose how he was compensated by First Liberty for selling the investment.

65. Investor #2 concluded his affidavit by stating, “Only one of those investments repaid me my principal investment in the amount of \$250,000.00. The other four investments

failed. I have not received back my remaining principal, totaling approximately \$550,000.00, and I fear that it is a total loss.”

**C.4 Hough Used His Securities Industry Experience To Cultivate Trust With Hough Investor #3 And Made Material Misrepresentations/Omissions To Induce Him To Purchase First Liberty Investments**

66. Investor #3 provided an affidavit to the Commissioner. It is quoted, in part, below.

67. Investor #3 is a forty-seven (47) year old software developer.

68. Hough and Investor #3 first “met in 2016. At that time [Hough] was a financial adviser.”. On January 11, 2016, Hough emailed Investor #3 stating, “Good meeting you yesterday. I’d like to continue this conversation on your financial future. . .” Investor #3 did not invest with Hough at this time, but he stated they “stayed in touch casually over the years.”

69. Between, May 30, 2022 and June 17, 2025, Hough sent Investor #3 twelve (12) unique loan participation programs for his review, each of them a First Liberty product.

70. On May 30, 2022, in connection with the loan opportunity he sent Investor #3, Hough sent an email to Investor #3 stating, “As the founder, Brant Frost IV indicates, this credit is backed by one of our largest net worth clients and thus the risk/return ratio is about as good as it gets. That’s not to say that our bridge loans are risk free; they’re not. But with over 200 of these loans issued over the past 20 years with only two that had problems, the capital risk is extremely low.”

71. On July 15, 2022, in connection with the loan opportunity he sent Investor #3 a follow up email in which Hough stated, “No doubt you’ve assets into cash to hedge against more market chaos. Well, while you’re waiting for the clouds to clear—a year from now—put that cash to work in a low-risk bridge loan with an annualized rate at [16%], paid monthly and a 9% per annum “catch up” bonus at maturity.”

72. On September 16, 2022, Hough sent Investor #3 information relating to a loan opportunity for a Borrower called CurePoint. Hough’s email stated CurePoint had a “full guarantee of owner with 150M+ NW.” At the time Hough solicited Investor #3 into CurePoint, Hough did not disclose CurePoint’s pervious bankruptcy despite having knowledge of the bankruptcy as described above.

73. On October 3, 2022, Investor #3 entered into a CurePoint Loan Participation Agreement with First Liberty (“October 3 Loan Participation Agreement”). He invested one hundred thousand dollars (\$100,000.00).

74. On March 29, 2023, Hough solicited, via email, Investor #3 another First Liberty Loan Participation program. On the same day, Investor #3 responded stating, “I am curious where our current investment stands. Knowing where we are on it will help me decide if I am ready to jump into another.” There is no evidence Hough responded to Investor #3’s question.

75. On May 24, 2023, Hough sent Investor #3 an additional loan participation opportunity. On the same day, Investor #3 responded asking, “Any idea on where we are at on our current investment? Any [chance] it’ll be wrapping up in time to roll over into this one?” There is no evidence Hough responded to Investor #3’s question.

76. Investor #3 stated in his affidavit, “At some point, [after he invested] Mr. Hough told me that the borrower in my investment filed for bankruptcy. Mr. Hough, however, attempted to turn bankruptcy into a positive development, because he told me that the bankruptcy trustee had my principal and interest and that it was just taking time to work through the court system.”

77. Investor #3 stated “I now believe that Mr. Hough was just saying that to put me off and conceal the truth that First Liberty was operating a fraudulent scheme.”

78. Documentation obtained through the Commissioner’s investigation evidences that Hough’s statement was made after Investor #3 had invested into CurePoint.

79. Investor #3 stated, “Mr. Hough continued to solicit me to invest in new opportunities even after I made it clear to him that I was not willing to make any additional investments until my initial investment was returned. . .”

80. On June 17, 2025, Hough emailed Investor #3 stating, “Greetings. We have a direct First Liberty loan opportunity for your review. This should be right up your alley and that of your partners. I’ll call later to discuss; I’d appreciate your opinion given your tech expertise.” The Commissioner notes First Liberty’s last day of operation was on June 27, 2025.

81. Documentation obtained through the Commissioner’s investigation evidences the entity described in Hough’s June 17, 2025, email was not a borrower at all and much of the June 17, 2025 email is patently false.

82. Upon review of information received during the investigation, Hough failed to disclose that he received a commission payment for selling Investor #3 the October 3 Loan

Participation Agreement. Hough also failed to provide Investor #3 with sufficient material information relating to the risks associated with the October 3 Loan Participation Agreement.

83. Hough breached his fiduciary duty to Investor #3 by using pressure tactics to secure investments and by omitting and misleading Investor #3 regarding material facts relevant to making an investment decision when pitching First Liberty products to Investor #3.

## **II. CONCLUSIONS OF LAW**

84. Paragraphs 1 through 83 are incorporated by reference as though fully set forth herein.

85. The Commissioner has jurisdiction over this matter pursuant to the Act. *See* O.C.G.A. § § 10-5-70 and 10-5-71.

86. Pursuant to O.C.G.A. § 10-5-73(a)(1) of the Act, if the Commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules, the Commissioner may “[i]ssue an order directing the person to cease and desist from engaging in the act, practice, or course of business, or to take action necessary or appropriate.”

87. Pursuant to Rule 590-4-1-.10 of the Rules of the Georgia Commissioner of Securities (“Rules”), the Commissioner is authorized to issue an emergency order effective on the date of issuance provided that the “Commissioner deems that the public health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in the emergency order, in which case the order may be effective immediately pending proceedings.”

88. Pursuant to O.C.G.A. § 10-5-2(31), in part, “[s]ecurity means a note...evidence of indebtedness...investment contract...” where the term “[i]ncludes as an investment contract an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor where common enterprise means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.”

89. Pursuant to O.C.G.A. § 10-5-2(31), the participation loan agreements issued by First Liberty, and offered by Hough, are notes and evidence of indebtedness; therefore, the participation loan agreements are securities under the Act. Moreover, pursuant to O.C.G.A. § 10-5-2(31), the participation loan agreements issued by First Liberty and offered and sold by Hough provide for investors to invest in a common enterprise with the expectation of profits to be

derived from the efforts of those other than the investor. Therefore, the participation loan agreements are investment contracts, and thus securities under the Act.

90. Pursuant to O.C.G.A. § 10-5-20, “[i]t is unlawful for a person to offer or sell a security in this state unless: (1) [t]he security is a federal covered security; (2) [t]he security, transaction, or offer is exempted from registration under [the Act]; or [t]he security is registered under [the Act].”

91. First Liberty’s securities are not federal covered securities and are not registered pursuant to the Act. Hough’s offering and selling of First Liberty’s securities in the State of Georgia is a violation of O.C.G.A. § 10-5-20. The violations are actionable pursuant to O.C.G.A. § 10-5-73; therefore, Hough is subject to discipline.

92. Pursuant to O.C.G.A. § 10-5-2(1), in part, the term “agent” is defined as “an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or who represents an issuer in effecting or attempting to effect purchases or sales of the issuers securities.”

93. O.C.G.A. § 10-5-31, in part, “[i]t is unlawful for an individual to transact business in this state as an agent unless the individual is registered under [the Act] as an agent or is exempt from registration as an agent.” Hough is not registered with the Commissioner as an agent.

94. Pursuant to O.C.G.A. § 10-5-2(19), in part, the term “investment adviser representative,” is defined as

“an individual employed by or associated with an investment adviser or federal covered investment adviser who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.”

95. Pursuant to O.C.G.A. § 10-5-33, in part, “It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under [The Act] as an investment adviser representative or is exempt from registration as an investment adviser. . . . “Hough is not registered with the Commissioner as an investment adviser representative. Hough was receiving payments from Investor #2 for providing investment advice after his registration was terminated.

96. Pursuant to O.C.G.A. § 10-5-50(2), “it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly, to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading.”

97. Hough made untrue statements of material fact when he solicited First Liberty loan participation programs. Investor funds were not placed in these products as promised, but became part of a Ponzi scheme, as alleged by the SEC.

98. Hough omitted material facts in connection with the sale of a security when he failed to adequately disclose the risk factors of the Loan Participation Agreement to the investors he solicited into the programs, including Investor #1, Investor #2, and Investor #3.

99. Hough omitted material facts in connection with the sale of Investor #3’s CurePoint Loan Participation Program when he failed to disclose the fact CurePoint was undergoing bankruptcy proceedings in his solicitation material, despite knowing CurePoint was in bankruptcy at the time he solicited Investor #3.

100. Hough made material misrepresentations of material fact when he sent Investor #2 the June 17, 2025 email for a loan participation program that did not exist. He did not tell Investor #2 that he did not verify the legitimacy of the information prior to sending it.

### **III. ORDER**

**WHEREFORE**, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. **RANDALL “RANDY” HOUGH** immediately **CEASE AND DESIST** all violations of the Georgia Uniform Securities Act of 2008, as amended.
2. **RANDALL “RANDY” HOUGH** is hereby **BARRED** from agent activity in the State of Georgia pursuant to O.C.G.A. § 10-5-31.
3. **RANDALL “RANDY” HOUGH** is hereby **BARRED** investment adviser representative activity in the State of Georgia pursuant to O.C.G.A. § 10-5-31.
4. **RANDALL “RANDY” HOUGH** pay a **CIVIL PENALTY** in the amount of **Five Hundred Thousand Dollars (\$500,000.00)**. Said penalty is payable to the Commissioner within thirty (30) days of the finalization of this Emergency Order.

The entry of this Emergency Order is deemed to be in the public interest, and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to the Respondent or the investigation into First Liberty Building & Loan and shall not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or known to the Commissioner at the time this Order was issued.

This Emergency Order does not prevent the Commissioner from seeking other remedies that may be available under the Georgia Securities Act.

SO ORDERED this 5<sup>th</sup> day of March, 2026.

**SECRETARY OF STATE  
COMMISSIONER OF SECURITIES  
BRAD RAFFENSPERGER**

By:   
Noula Zaharis  
Assistant Commissioner of Securities



**COMMISSIONER OF SECURITIES  
STATE OF GEORGIA**

**IN THE MATTER OF:** :  
 :  
**RANDALL “RANDY” HOUGH** :  
 :  
 : **File Number: ENSC-261291**  
**Respondent.** :  
 :  
\_\_\_\_\_ :

**NOTICE OF OPPORTUNITY FOR HEARING**

**TO: Randall Hough**  
[Redacted]

**CC:**  
**Cook Law Firm Atlanta, P.C.**  
Tom Cook, Esq.  
1800 Peachtree Street, NW  
Suite 514  
Atlanta, GA 30309

Pursuant to O.C.G.A. §10-5-73(b), Respondent is hereby notified that within thirty (30) days after receipt of a request for a hearing in a record from Respondent, this matter will be scheduled for a hearing unless another date and time is otherwise agreed to by the parties. If Respondent does not request a hearing and none is ordered by the Commissioner within thirty (30) days after the date of service of this Order, this Order will become final as to Respondent by operation of law. If a hearing is requested or ordered, the Commissioner, after notice of and opportunity for hearing to Respondent, may modify or vacate this Order, or extend it until final

determination.

**1. GROUNDS:** The grounds for the issuance of the Order are that Respondent has engaged in conduct in violation of O.C.G.A. §§ 10-5-41 and 10-5-73. *et seq.*

**2. REQUEST FOR HEARING:** A request for a hearing may be delivered to the attention of Noula Zaharis, Director, Office of the Secretary of State, Securities and Charities Division, 2 Martin Luther King Jr. Drive SE, Suite 317 West Tower, Atlanta, Georgia 30334 or by electronic mail at [nzaharis@sos.ga.gov](mailto:nzaharis@sos.ga.gov).

**3. PROCEDURE FOR REQUESTING A HEARING:** If Respondent requests a hearing, the request for hearing must be in writing and contain the following information:

- A title which indicates the nature of the proceedings;
- The complete name and address of the person or persons on whose behalf the request is filed;
- The name and address of all other persons known to have a legal interest in the proceedings;
- If the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
- A clear and concise statement of the facts upon which the contested case arises;
- A prayer setting forth the relief sought; and
- A statement of the grounds upon which the person contends he is entitled to the relief sought.

**4. SCHEDULING OF HEARING:** If requested, a hearing will be scheduled and the Respondent will be notified of the date, time and location of the hearing.

**5. ISSUES TO BE ADDRESSED:** If a hearing is requested, the issues to be addressed are set forth in the attached Order that is incorporated herein by reference and made a part of this Notice of Opportunity for Hearing.

**6. CONTESTED CASES:** This is a contested case proceeding and pursuant to the Rules it shall be conducted as expeditiously as possible, with regard to the rights of the parties, and in a manner to enable the parties to obtain relevant information needed for preparation of the case to the extent that such disclosure is authorized or required by law.

**7. LEGAL AUTHORITY AND JURISDICTION:** This Notice of Opportunity for Hearing is issued pursuant to O.C.G.A. § 10-5-73, Rule 590-4-6-.01, *et seq.*, and O.C.G.A. § 50-

13-1, *et seq.* (The Georgia Administrative Procedure Act).

**8. INFORMAL CONFERENCE:** Respondent may request an informal prehearing conference with the Division Director pursuant to the Commissioner's Rule 590-4-6-.12 adopted under the Act. The receipt of a request for a prehearing conference will toll, until the date scheduled for the prehearing conference, the running of the time for requesting a hearing. Further information regarding an informal conference may be obtained by contacting Noula Zaharis at (470)-312-2787.

**9. RIGHTS OF PARTIES:** The parties to this matter shall have all of the rights provided for in the Act and the Rules, including but not limited to the following:

- to subpoena witnesses and documentary evidence;
- to be represented by legal counsel; and
- to respond to and present evidence on all issues involved.

SO ORDERED this 5<sup>th</sup> day of March 2026.

**SECRETARY OF STATE  
COMMISSIONER OF SECURITIES  
BRAD RAFFENSPERGER**

By:   
Noula Zaharis  
Assistant Commissioner of Securities