

TRAVIS J. ILES
SECURITIES COMMISSIONER



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IN THE MATTER OF THE DEALER
REGISTRATION OF ROOTS REAL
ESTATE INVESTMENT
COMMUNITY I, LLC

§
§
§

Order No. REG-24-CAF-03

TO: Daniel Dorfman, CEO
Roots Real Estate Investment Community I, LLC
1344 La France Street NE
Atlanta, GA 30307

CONSENT ORDER

Be it remembered that Roots Real Estate Investment Community I, LLC ("Respondent") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and the Findings of Fact and Conclusions of Law contained herein. This Order is entered into solely for the purpose of resolving the investigation and is not intended to be used for any other purpose.

FINDINGS OF FACT

1. Respondent has waived (a) Respondent's rights to notice and hearing in this matter; (b) Respondent's rights to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, Tex. Gov't Code §§ 4001.001-4008.105 ("Texas Securities Act"), and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001-2001.903.
2. On January 12, 2024, Respondent applied for registration with the Securities Commissioner as a dealer.

Unregistered Activity

3. Respondent is a Real Estate Investment Trust ("REIT") company that originates, invests in and manages a diversified portfolio primarily consisting of investments in single family and multifamily residential real estate properties and development projects in the Metropolitan Statistical Area ("MSA") of Atlanta, Georgia.

4. Respondent raises capital from the public through the sales of its own securities of membership interests (“Units”) pursuant to the federal Regulation A Tier 2 offering exemption.
5. To this end, from September 2022 through January 2024 (the “Relevant Period”), Respondent made sales in Texas to 266 residents totaling almost \$900,000.
6. However, during this Relevant Period, Respondent was not registered with the Securities Commissioner as a dealer.
7. Section 4001.056 of the Texas Securities Act, which defines a “dealer” in Texas, provides that any issuer of securities, other than a registered dealer, who directly offers for sale or sells its own securities in Texas shall be deemed a dealer and shall be required to comply with applicable dealer registration provisions.

CONCLUSIONS OF LAW

1. Respondent was required by Section 4004.051 of the Texas Securities Act to register as a dealer with the Securities Commissioner in connection with its sales of its securities in Texas.
2. Accordingly, Respondent violated Section 4004.051 of the Texas Securities Act by selling securities in Texas during a time when Respondent was not registered as a dealer with the Securities Commissioner.
3. Pursuant to Section 4007.105(a)(13)(A) of the Texas Securities Act, the aforementioned violation of Section 4004.051 of the Texas Securities Act constitutes a basis for the issuance of an Order reprimanding Respondent.
4. Pursuant to Section 4007.106(a)(3) of the Texas Securities Act, Respondent’s aforementioned violation of Section 4004.051 of the Texas Securities Act constitutes a basis for the assessment of an administrative fine against Respondent.

ORDER

1. It is therefore ORDERED that the application for registration as a dealer with the Securities Commissioner is hereby APPROVED.
2. It is further ORDERED that Roots Real Estate Investment Community I, LLC is hereby REPRIMANDED.
3. It is further ORDERED that Roots Real Estate Investment Community I, LLC shall pay an ADMINISTRATIVE FINE in the amount of seventeen thousand five hundred dollars (\$17,500.00). Payment shall be made by wire to the Securities Commissioner contemporaneously with this Order in the amount of seventeen thousand five hundred dollars (\$17,500.00), payable to the State of Texas.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 30th day of April, 2024.



TRAVIS J. ILES
Securities Commissioner

Respondent:

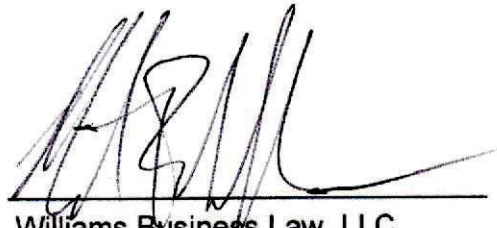


Roots Real Estate Investment
Community I, LLC
By: Daniel Dorfman,
CEO

Approved as to Form:



Cristi Ochoa,
Attorney
Inspections and Compliance Division



Williams Business Law, LLC
By: Michael P. Williams
Counsel for Respondent



Nadda Rungruangphol,
Attorney
Registration Division