

**COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF THE SECRETARY OF THE COMMONWEALTH  
SECURITIES DIVISION  
ONE ASHBURTON PLACE, ROOM 1701  
BOSTON, MASSACHUSETTS 02108**

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IN THE MATTER OF: )

DAVID BLAIR NICHOLS and )  
FRONTIER ADVISORS GROUP, INC. )

RESPONDENTS. )

) Docket No. E-2019-0084  
)  
)

**ADMINISTRATIVE COMPLAINT**

**I. PRELIMINARY STATEMENT**

The Enforcement Section of the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth (the “Enforcement Section” and the “Division,” respectively) files this Administrative Complaint (the “Complaint”) to commence an adjudicatory proceeding against David Blair Nichols (“Nichols”) and Frontier Advisors Group, Inc. (“Frontier”) (collectively, “Respondents”), for violations of MASS. GEN. LAWS ch. 110A, the Massachusetts Uniform Securities Act (the “Act”), and 950 MASS. CODE REGS. 10.00-14.413 (the “Regulations”). The Enforcement Section alleges Respondents engaged in acts and practices in violation of Sections 201 and 301 of the Act and Regulations.

The Enforcement Section seeks an order: 1) finding as fact all allegations set forth in Section VII below; 2) finding that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors; 3) requiring Respondents to permanently cease and desist from further conduct in violation of the Act and Regulations; 4) censuring Respondents; 5) requiring Respondents to offer

rescission to all investors from whom they have received funds; 6) requiring Respondents to provide a verified accounting of all proceeds which were received as a result of the alleged wrongdoing; 7) permanently barring Respondents from associating with or registering in the Commonwealth as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or as a partner, officer, director, or control person of a broker-dealer or investment adviser; 8) permanently barring Respondents from registering in the Commonwealth as, or conducting business in the Commonwealth as, a federally covered adviser notice-filed in the Commonwealth, an entity relying on an exclusion from the definition of an investment adviser, a broker-dealer, an issuer of securities, or successor, partner, or affiliate of any of the above; 9) permanently prohibiting Respondents from offering or selling securities to any Massachusetts resident; 10) permanently prohibiting Respondents from being a manager, director, officer, partner, and/or control person of any entity offering or selling securities to any Massachusetts resident; 11) permanently prohibiting Respondents from being a manager, director, officer, partner, and/or control person of any entity offering or selling securities incorporated or otherwise organized in Massachusetts; 12) permanently prohibiting Respondents from offering or selling securities from or within the Commonwealth; 13) requiring Respondents to pay restitution to fairly compensate investors for all losses attributable to the alleged wrongdoing; 14) requiring Respondents to disgorge all profits and direct or indirect compensation and remuneration received by Respondents in connection with the alleged wrongdoing; 15) imposing an administrative fine on Respondents in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; and 16)

taking any such further actions which may be necessary or appropriate in the public interest for the protection of Massachusetts investors.

## II. SUMMARY

David Blair Nichols (“Nichols”), long after his registration as a broker-dealer agent had lapsed, repeatedly offered and sold over \$5 million in unregistered securities to at least 33 Massachusetts investors.<sup>1</sup> Between 2013 and 2017, Nichols peddled securities from Woodbridge Group of Companies, LLC and its affiliated companies (collectively, “Woodbridge”) and Northridge Holdings, Ltd. (“Northridge”) while neither he nor his company, Frontier Advisors Group, Inc. (“Frontier”) were registered to do so. The securities Nichols offered and sold were likewise never registered with any state or federal regulatory body, and have since become the subject of criminal, civil, and administrative actions by multiple states and the Securities and Exchange Commission (“SEC”). Despite having passed multiple securities industry exams in the past, Nichols actively offered and sold unregistered securities in the Commonwealth of Massachusetts.

In 2013 and 2014, Nichols worked for SHP Financial LLC. (“SHP”), where he acquired a large number of customers. At SHP, he facilitated purchases and sales of Woodbridge’s Secure Bridge Loans (“Secure Bridge Loans”) for his customers. For successful sales, Nichols received a commission from Woodbridge. When he left SHP in late 2014 to work under his own company, Frontier, Nichols brought many of his customers with him, and he then received his commissions directly from Woodbridge. Nichols continued to facilitate transactions in Woodbridge products into 2016. During this time, the Division brought an administrative complaint (E-2014-0103) against an

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<sup>1</sup> Nichols was registered in Massachusetts as a broker-dealer agent from 1989 until 2009. Nichols has never been registered as an investment-advisor representative.

individual and entity related to the sale of Woodbridge securities, specifically the Secure Bridge Loans. This administrative complaint named SHP Financial as a related entity in Woodbridge's operations. In a related matter, the Division issued a Consent Order on May 4, 2015 barring Woodbridge from selling unregistered Secure Bridge Loans in Massachusetts, requiring that an offer of rescission be made to Massachusetts investors, and fining Woodbridge \$250,000 for violations of the Act. In December 2017, the SEC charged Woodbridge with fraud under Section 17(a) of the Securities Act of 1933 in the form of operating a Ponzi scheme, and by 2018, Woodbridge had filed for bankruptcy.

Realizing that his customers would no longer be happy with Woodbridge securities, Nichols sought a similar product to peddle. Northridge offered securities that were also tied to real estate and were evidenced by promissory notes. Northridge's securities were also unregistered. Nichols contacted Northridge and received a package of marketing materials and forms to solicit potential investors. Nichols made several attempts to persuade his customers to invest in Northridge securities. At least one Massachusetts investor purchased Northridge securities from Nichols. Nichols made \$6,000 from Northridge for this purchase. On June 10, 2019, the Division along with regulators from three other states charged Northridge with, among other things, the issuance of unregistered securities.

Since 2013, Nichols and Frontier have received compensation for facilitating the purchase and sale of Woodbridge and Northridge securities for at least 33 separate Massachusetts Investors. Woodbridge and Northridge securities were neither registered nor exempt from registration in Massachusetts or elsewhere. Neither Nichols nor Frontier were registered as broker-dealers or broker-dealer agents. With this action, the

Enforcement Section of the Division seeks to stop Respondents from further violations of the Massachusetts Uniform Securities Act.

### **III. JURISDICTION AND AUTHORITY**

1. As provided for by the Act, the Division has jurisdiction over matters relating to securities pursuant to chapter 110A of Massachusetts General Laws.
2. The Enforcement Section brings this action pursuant to the authority conferred upon the Division by Section 407A of the Act, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and the Regulations.
3. This proceeding is brought in accordance with Sections 201, 301, and 407A of the Act and its Regulations.
4. The Enforcement Section reserves the right to amend this Complaint and bring additional administrative complaints to reflect information developed during the current and ongoing investigation.

### **IV. RELEVANT TIME PERIOD**

5. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of January 1, 2010 to present.

### **V. RESPONDENTS**

6. Frontier Advisors Group, Inc. (“Frontier”) is a corporation initially formed under the laws of Massachusetts as Nichols College Funding Solutions, Inc. on March 19, 2005. Frontier has a current business address of 800 Turnpike Street, Suite 300, North Andover, Massachusetts 01845. Frontier has never been registered in any capacity with the

Division, the Securities and Exchange Commission (the “SEC”), or the Financial Industry Regulatory Authority (“FINRA”).

7. David Blair Nichols (“Nichols”) is a resident of North Andover, Massachusetts, and the founder, president, and resident agent of Frontier. Nichols has a FINRA Central Registration Depository (“CRD”) number of 1878102. Nichols was registered in Massachusetts as a broker-dealer agent of several broker-dealers from March 1989 until February 2006. Nichols has never been registered as an investment-adviser representative and has not been registered in Massachusetts in any capacity since 2006.

#### **VI. RELATED ENTITIES**

8. Woodbridge Mortgage Investment Fund 1, LLC (“Woodbridge Fund 1”) was a limited liability company organized under the laws of Delaware in 2012 with a former business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423. Woodbridge Fund 1 filed a petition for bankruptcy in December 2017, with its assets held in the Woodbridge Liquidation Trust, a Delaware statutory trust, until February 2019.<sup>2</sup>

9. Woodbridge Mortgage Investment Fund 2, LLC (“Woodbridge Fund 2”) was a limited liability company organized under the laws of Delaware in 2013 with a former business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423. Woodbridge Fund 2 filed a petition for bankruptcy in December 2017, with its assets held in the Woodbridge Liquidation Trust, a Delaware statutory trust.

10. Woodbridge Mortgage Investment Fund 3, LLC (“Woodbridge Fund 3”) was a limited liability company organized under the laws of Delaware in 2014 with a former

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<sup>2</sup> The entities identified in paragraphs 7 to 9 are referred to collectively in this Complaint as “Woodbridge Mortgage Investment Funds.” Unless otherwise indicated, “Woodbridge Entities” refers to any entity affiliated by common ownership with Woodbridge Mortgage Investment Funds.

business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423. Woodbridge Fund 3 filed a petition for bankruptcy in December 2017, with its assets held in the Woodbridge Liquidation Trust, a Delaware statutory trust.

11. Woodbridge Structured Funding, LLC (“Woodbridge Structured Funding”) was a limited liability company organized under the laws of Delaware in 2009, with a former business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California, 91423. Woodbridge Structured Funding filed a petition for bankruptcy in December 2017, with its assets held in the Woodbridge Liquidation Trust, a Delaware statutory trust.

12. Northridge Holdings, Ltd. (“Northridge”) is a corporation formed under the laws of North Dakota in 1987 with corporate headquarters located at 1020 West Fullerton Avenue, Suite G, Addison, Illinois 60101.<sup>3</sup>

13. Eastridge Holdings, Ltd. (“Eastridge”) is a corporation formed under the laws of Illinois in 2008 with corporate headquarters located at 1020 West Fullerton Avenue, Suite G, Addison, Illinois 60101. The CEO of Northridge owns 100% of the capital stock of Eastridge.

14. Southridge Holdings, Ltd. (“Southridge”) is a corporation formed under the laws of Illinois in 2009 with corporate headquarters located at 1020 West Fullerton Avenue, Suite G, Addison, Illinois 60101. The CEO of Northridge owns 100% of the capital stock of Southridge.

15. Unity Investment Group I, Ltd. (“Unity”) is a corporation formed under the laws of Illinois in 2007 with corporate headquarters located at 1020 West Fullerton Avenue,

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<sup>3</sup> Unless otherwise indicated, “Northridge Entities” refers to any entity affiliated by common ownership with Northridge Holdings, Ltd., including but not limited to Eastridge Holdings, Ltd.

Suite G, Addison, Illinois 60101. The CEO of Northridge owns 100% of the capital stock of Unity.

## **VII. STATEMENT OF FACTS**

### **A. The Securities**

#### **i. Woodbridge “Secure Bridge Loan” Securities**

16. Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2, LLC, and Woodbridge Mortgage Investment Fund 3, LLC (collectively, the “Woodbridge Funds”) were Delaware limited liability companies with primary business addresses in California.

17. Between 2012 and 2017, Woodbridge and the Woodbridge Funds raised money from individual Massachusetts investors by offering and selling “First Position Commercial Mortgages” which were also referred to as Secure Bridge Loans (“Woodbridge Securities”).

18. In general, the Woodbridge Securities involved investors loaning Woodbridge a sum of money which would be aggregated with other investor funds to make a Secure Bridge Loan to third party commercial borrowers. Investors would purportedly receive a return on their investment through Woodbridge from the interest payments paid by the third party commercial borrowers.

19. Woodbridge, or a Woodbridge affiliated entity, combined its own money with the money borrowed from investors in Woodbridge Securities to extend loans to third-party commercial borrowers.

20. Upon payment of a principal sum to Woodbridge, each investor in Woodbridge Securities received a promissory note and a loan agreement with exhibits that include a



promissory note from Woodbridge to the Massachusetts Investor, a form of assignment, a form of collateral assignment, and a form of inter-creditor agreement.

21. The promissory note set forth a monthly interest rate between 6% and 9% that Woodbridge would pay to the investor.

22. The promissory note further provided that Woodbridge would pay the principal back at or before the end of the promissory note term, which was typically a range of one to two years.

23. The Woodbridge Secure Bridge Loans were never registered as securities in Massachusetts.

24. The Woodbridge Secure Bridge Loans were never exempt from registration as securities in Massachusetts.

25. The Woodbridge Secure Bridge Loans do not qualify as federally covered securities in Massachusetts.

26. Woodbridge has never filed a notice of exemption from securities registration in Massachusetts for the Secured Bridge Loans.

27. On December 4, 2017, Woodbridge, the Woodbridge Funds, and other Woodbridge Entities initiated bankruptcy proceedings with the United States Bankruptcy Court in the District of Delaware.

28. On October 26, 2018, the bankruptcy court described Woodbridge as a “massive fraud” and “Ponzi scheme.”

29. On December 20, 2017, the SEC charged Woodbridge, the Woodbridge Funds, and other Woodbridge Entities with fraud in the form of a “massive Ponzi scheme” under Section 17(a) of the Securities Act of 1933.

30. On December 27, 2018 a final judgment was issued against Woodbridge permanently enjoining it from continuing to issue unregistered securities and from further violations of Section 5 and Section 17(a) of the Securities Act of 1933 and Section 10(b), Section 20(a), and Section 15(a) of the Securities Exchange Act of 1934.

**ii. Northridge “CD Loan Promissory Note” Securities.**

31. The Northridge Companies are limited companies formed under the laws of either North Dakota or Illinois, with primary business addresses in Illinois.

32. Northridge is a property management company which owns and manages apartment buildings in and around Chicago, Illinois.

33. In general, Northridge funds the acquisition and maintenance of properties by selling limited partnership agreements which grant the limited partner a share in the profit from the property, but grant no control or authority over the operation and affairs of the partnership.

34. In addition to the limited partnerships, Northridge offered a second type of investment, referred to in Northridge marketing as “CD accounts,” “CD alternatives,” “CD Loans,” or “CD Loan Promissory Notes” (“Northridge Securities”).

35. Investors in Northridge Securities would loan money to Eastridge, Southridge, or Unity, in exchange for a promissory note paying 3% to 6% interest for a term between one and eight years.

36. Northridge provided compensation to various individuals and entities to solicit investors for Northridge Securities (“Northridge Referral Entities”).

37. Northridge paid the Northridge Referral Entities compensation ranging from \$2,192 to \$26,500 per transaction.

38. Northridge provided the Northridge Referral Entities with a packet of information to be sent to potential investors (“Promissory Note Investment Packet”).
39. The Promissory Note Investment Packet appears on Northridge letterhead.
40. The Promissory Note Investment Packet contains a cover page which stated, “[f]unds placed in a real estate promissory note will receive 3% per annum for years or until such time as they are invested in a real estate limited partnership.”
41. The same page then lists, under the title “CD Loan Promissory Note,” a list of different rates of return based on the term of the promissory note.
42. The second page of the Promissory Note Investment Packet simply lists the phrase “New Investor Forms” under the Northridge logo.
43. The third page of the Promissory Note Investment Packet is a cover letter which refers to the recipient as an “investor” and asks the “investor” to fill out forms such as the “Investor Contact Information Sheet,” the “Accreditation Form,” and a “Form W-9.”
44. None of the Northridge promissory notes issued to Massachusetts investors are secured by a mortgage, a lien, assignment of accounts receivable, or by any other underlying asset.
45. The Northridge Securities were never registered as securities in Massachusetts.
46. The Northridge Securities were never exempt from registration as securities in Massachusetts.
47. The Northridge Securities have never qualified as federally-covered securities in Massachusetts.
48. No Northridge Entity has ever filed a notice of exemption from securities registration in Massachusetts for the Northridge Securities.

49. On July 10, 2019 the Division filed a complaint against Northridge for the issuance of unregistered securities, among other charges.

50. On September 6, 2019 the SEC charged Northridge's CEO, Northridge, and the Northridge Entities with fraud "[i]n Ponzi fashion" under Section 17(a) of the Securities Act of 1933.

**B. The Respondents**

51. Nichols passed the Series 7 exam in 1988 and 2004, the Series 62 exam in 2002, and the Series 63 exam in 1988 and 2003.

52. Nichols was a Massachusetts-registered broker-dealer agent of various broker-dealer firms from 1989 until 2009.

53. Nichols has not been registered as a broker-dealer, broker-dealer agent, investment-adviser, or investment-adviser representative with any state or federal securities regulator since 2009.

54. Nichols is currently licensed to sell insurance with the Massachusetts Division of Insurance.

55. In 2005, Nichols founded the company Nichols College Funding Solutions Inc., where he provided college planning advice.

56. From 2013 until late 2014, Nichols was employed by SHP Financial LLC ("SHP").

57. Beginning in late 2014, Nichols began including "Frontier Advisors" and "www.frontieradvisorsgroup.com" in the signature line for his communications with his customers.

58. Many of Nichols' SHP customers continued to be his customers after he left SHP.

59. In 2017, Nichols formally changed the name of Nichols College Funding Solutions Inc., to Frontier Advisors Group, Inc.

60. Nichols is the sole owner, officer, and employee of Frontier.

**C. The Violative Conduct**

61. Since 2013, Nichols and Frontier offered and sold Woodbridge Securities and Northridge Securities to Massachusetts investors.

62. Nichols identified at least 32 Massachusetts investors to whom he sold Woodbridge Securities for a commission, and an additional investor to whom he sold Northridge Securities for a commission (“Massachusetts Investors”).

63. Nichols identified at least 63 separate Woodbridge Securities and Northridge Securities he offered to Massachusetts Investors, totaling \$5,089,291 in investments and potential investments.

64. The commissions Nichols received for facilitating Woodbridge Securities while he was working at SHP were paid by Woodbridge to SHP, SHP would then provide Nichols a check for each transaction.

65. While operating at Frontier, Nichols received commissions directly from Woodbridge, with Frontier Advisors appearing as the payee on the checks.

66. Nichols received commissions of \$4,000 to \$6,000 for each \$100,000 sale of Woodbridge Securities, meaning that he would receive commissions of 4% to 6%.

67. Nichols advertised Woodbridge Securities via emails with the subject line “**Weekly First Position Commercial Mortgage List**” (“Weekly List Emails”).

68. The Weekly List Emails were titled in large, bold letters, “**6% RETURN ON A 1 YEAR INVESTMENT!**”

69. Beneath the title, and in the same font, the advertisement states “**AS HEARD ON WBZ, WRKO & WXTK RADIO!**”

70. Further text of the Weekly List Emails reads, “[w]e had a tremendous response to our appearance on the above radio stations... Stop losing money at the bank, and start receiving interest payments in your very first month of owning a Secure Bridge Loan Investment!”

71. The Weekly List Emails advised potential investors that “[i]f you have any questions on any of these investments or would like to reserve one for your portfolio, please call 1-508-843-1590 or email us at david@frontieradvisorsgroup.com [.]”

72. The Weekly List Emails then go on to detail new Woodbridge Securities, including the position available, available monthly income, minimum purchase price, investment term, interest rate, property value, and other metrics.

73. After soliciting customers or potential customers Nichols contacted Woodbridge to obtain the promissory note, loan agreement, collateral agreement and exhibits for the customer to sign.

74. Nichols was aware that the Division had taken action against Woodbridge for the issuance of unregistered securities in 2015.

75. In 2016 and 2017, Nichols began recommending to his customers that they divest from Woodbridge Securities.

76. As early as May of 2016, Nichols began offering Northridge Securities to his customers as an alternative to Woodbridge Securities.

77. Nichols sent customers Northridge Marketing Materials, along with the Promissory Note Investment Packet.

78. Nichols offered Northridge Securities to at least five Massachusetts investors and at least one Massachusetts investor purchased Northridge Securities.

79. At least one Massachusetts investor purchased a \$100,000 Northridge promissory note between at 6% per year for an indeterminate term.

80. Nichols received a commission of \$6,000 from Northridge as a result of the sale of Northridge Securities to the Massachusetts investor.

### **VIII. VIOLATIONS OF LAW**

#### **Count I – Violations of MASS. GEN. LAWS ch. 110A, § 201(a)**

81. Section 201(a) of the Act provides:

(a) It is unlawful for any person to transact business in this commonwealth as a broker-dealer or agent unless he is registered under this chapter.

MASS. GEN. LAWS ch. 110A, § 201(a).

82. Section 401(c) of the Act defines the term broker-dealer:

(c) 'Broker-dealer' means any person engaged in the business of effecting transactions in securities for the account of others or for his own account.

MASS. GEN. LAWS ch. 110A, § 401(c).

83. Section 401(b) of the Act provides:

(b) 'Agent' means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

...

A partner, officer, or director of a broker-dealer or issuer, or a person occupying a similar status or performing similar functions, is an agent only if he otherwise comes within this definition.

MASS. GEN. LAWS ch. 110A, § 401(b).

84. The Enforcement Section herein re-alleges and re-states the allegations of fact set forth in Section VII above.

85. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 201.

**Count II – Violations of MASS. GEN. LAWS ch. 110A, § 201(b)**

86. Section 201(b) of the act states:

(b) It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. The registration of an agent is not effective during any period when he is not associated with a particular broker-dealer registered under this chapter or a particular issuer. When an agent begins or terminates a connection with a broker-dealer or issuer, or begins or terminates those activities which make him an agent, the agent as well as the broker-dealer or issuer shall promptly notify the secretary.

MASS. GEN. LAWS ch. 101A, § 201(b).

87. The Enforcement Section herein re-alleges and re-states the allegations of fact set forth in Section VII above.

88. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 201(b).

**Count III – Violations of MASS. GEN. LAWS ch. 110A, § 301**

89. Section 301 of the Act provides:

It is unlawful for any person to offer or sell any security in the commonwealth unless:-

- (1) the security is registered under this chapter;
- (2) the security or transaction is exempted under section 402; or
- (3) the security is a federal covered security.

MASS. GEN. LAWS ch. 110A, § 301.

90. The Enforcement Section herein re-alleges and re-states the allegations of fact set forth in Section VII above.

91. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 301.



## **IX. STATUTORY BASIS FOR RELIEF**

Section 407A of the Act provides, in pertinent part:

(a) If the secretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement or rescission or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

MASS. GEN. LAWS ch. 110A, § 407A.

## **X. PUBLIC INTEREST**

For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors for the Director to enter an order finding that such “action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this chapter [MASS. GEN. LAWS ch. 110A].”

## **XI. RELIEF REQUESTED**

WHEREFORE, the Enforcement Section of the Division requests that an order be entered:

- A) Finding as fact all allegations set forth in Section VII above;
- B) Finding that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors;
- C) Requiring Respondents to permanently cease and desist from further conduct in violation of the Act and Regulations;
- D) Censuring Respondents;
- E) Requiring Respondents to offer rescission to all investors from whom they have

received funds;

F) Requiring Respondents to provide a verified accounting of all proceeds which were received as a result of the alleged wrongdoing;

G) Permanently barring Respondents from associating with or registering in the Commonwealth as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or as a partner, officer, director, or control person of a broker-dealer or investment adviser;

H) Permanently barring Respondents from registering in the Commonwealth as, or conducting business in the Commonwealth as, a federally covered adviser notice-filed in the Commonwealth, an entity relying on an exclusion from the definition of an investment adviser, a broker-dealer, an issuer of securities, or successor, partner, or affiliate of any of the above;

I) Permanently prohibiting Respondents from offering or selling securities to any Massachusetts resident;

J) Permanently prohibiting Respondents from being a manager, director, officer, partner, and/or control person of any entity offering or selling securities to any Massachusetts resident;

K) Permanently prohibiting Respondents from being a manager, director, officer, partner, and/or control person of any entity offering or selling securities incorporated or otherwise organized in Massachusetts;

L) Permanently prohibiting Respondents from offering or selling securities from or within the Commonwealth;

- M) Requiring Respondents to pay restitution to fairly compensate investors for all losses attributable to the alleged wrongdoing;
- N) Requiring Respondents to disgorge all profits and direct or indirect compensation and remuneration received by Respondents in connection with the alleged wrongdoing;
- O) Imposing an administrative fine on Respondents in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; and
- P) Taking any such further actions which may be necessary or appropriate in the public interest for the protection of Massachusetts investors.

**MASSACHUSETTS SECURITIES DIVISION  
ENFORCEMENT SECTION**

By and through its attorneys,



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Dated: September 17, 2019