

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

IN THE MATTER OF:)
)
)
KENNETH A. MOUSETTE,)
DAVID LINDAHL,)
POOL FUND ASSOCIATES,)
INVESTORS FUND TRUST, &)
DANIELLE REALTY TRUST,)
)
RESPONDENTS.) Docket No. E-2018-0043
_____)

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 Respondents Kenneth A. Mousette, David Lindahl, Pool Fund Associates, Investors Fund Trust, and Danielle Realty Trust (together, “Respondents”) for violations of MASS. GEN. LAWS ch. 110A, the Massachusetts Uniform Securities Act (the “Act”), and the regulations promulgated thereunder at 950 MASS. CODE REGS. 10.00 – 14.413 (the “Regulations”). The Enforcement Section alleges that Respondents engaged in acts and practices in violation of Sections 101 and 102 of the Act and the Regulations.

The Enforcement Section seeks an order: 1) finding as fact the allegations set forth 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; 4) censuring Respondents; 5) requiring Respondents to provide an independent accounting of losses attributable to the alleged wrongdoing; 6) requiring Respondents to make offers of rescission to all investors in Pool Fund Associates); 7) requiring Respondents to pay restitution to fairly compensate Pool Fund Associates investors for all losses attributable to the alleged wrongdoing; 8) imposing an administrative fine on Respondents in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; and 9) taking any such further action which may be necessary or appropriate in the public interest for the protection of Massachusetts investors.

II. SUMMARY

The Enforcement Section brings this action against Kenneth A. Mousette (“Mousette”) of Avon, Massachusetts, David Lindahl (“Lindahl”) of Hingham, Massachusetts, Pool Fund Associates (the “Pool Fund”), the Investors Fund Trust (“IFT”), and the Danielle Realty Trust (“DRT”) for violations of the Act. For the past decade, Lindahl’s grossly negligent management of the Pool Fund allowed Mousette to embezzle its assets. Mousette’s pattern of abuse resulted in hundreds of thousands of dollars’ worth of real property being fraudulently transferred to himself and his family. Currently, there are at least 34 investors in the Pool Fund who have not received any distributions or information from the people responsible for managing their assets since Mousette and Lindahl assumed control. At least one investor has passed away, losing over \$80,000 to the Pool Fund fraud. Mousette has systematically embezzled and torpedoed the value of the Pool Fund, abused his position of control and caused over \$1.5 million in damages to investors.

The Pool Fund was originally created by Mark A. Shaevel (“Shaevel”), a resident of Barnstable, Massachusetts, in 1986 for the purpose of combining investor funds to invest in real estate. The Pool Fund was a fraudulent entity from the start; it was never registered as a corporation in any capacity and during its entire existence, it failed to maintain any books and records. For decades, Shaevel took investor funds, transferred them to the IFT, and used them to fund construction projects. While Shaevel told investors that they were investing in the IFT, the Pool Fund actually had no legal connection to the IFT, as Shaevel was the sole trustee and beneficiary. The investor funds collected by Shaevel were placed in his name, giving him sole control to do with as he pleased. This typically involved Shaevel using investor funds to fund his own business deals. Shaevel continually solicited Massachusetts investors for years to bring in fresh funds to keep the Pool Fund afloat up until he left the fund in 2009. These investors were often retirees or people looking to retire in the near future. Many of the investors had limited investment experience and did not qualify as accredited investors. Shaevel often had these investors make multiple smaller investments, but over time, several accounts reached into the hundreds of thousands of dollars.

In the late 2000s, Shaevel fell ill and determined he could no longer continue to operate the Pool Fund. In 2009, he transferred control of the Pool Fund and the IFT to Lindahl and Mousette, who wrote a joint letter to investors representing that they had assumed control for the purposes of winding down the Pool Fund and liquidating IFT assets. Lindahl was named the managing partner of the Pool Fund and sent correspondence to investors stating that he would go about liquidating assets. Shortly after this transfer, Shaevel left Massachusetts and subsequently passed away.

Since becoming the managing partner of the Pool Fund, Lindahl has done next to nothing to manage or protect the investor's funds. Had Lindahl conducted even a cursory review of the Pool Fund or the IFT, Lindahl would have discovered that the Pool Fund had never been officially registered in the Commonwealth in any capacity and that Shaevel had been lying to investors about the relationship between the IFT and the Pool Fund.

While Lindahl was doing nothing to protect investor funds, Mousette was looting the Pool Fund and IFT. Instead of winding down the Pool Fund and the IFT so that investors could get their money back, Mousette began the process of using the Pool Fund and IFT assets to enrich himself. First, Mousette secured over \$800,000 in loans to construct a house in Norwell, Massachusetts ("109 Parker Street"). Before he began construction, Mousette fraudulently transferred title to 109 Parker Street from the IFT to his personal trust, the DRT, and later deeded the property to his wife for \$1. In addition to mortgaging 109 Parker Street, Mousette used IFT property in Marion, Massachusetts (the "Marion Property") to secure the loans on 109 Parker Street. The Marion Property was also fraudulently transferred from the IFT to the DRT in 2013. Over a period of eight years, Mousette fraudulently took all of the Pool Fund and IFT assets further defrauding investors and leaving them with nothing.

After the Division began its investigation, Mousette contacted Lindahl to request that he sign an affidavit ratifying the transfer of the Marion Property five years after the fact. Essentially, this was an attempt to have Lindahl legitimize the fraudulent transfers that Mousette had made. Sensing a trap, Lindahl refused to sign, but also failed to

question Mousette as to why transfers would be made on assets that were to be wound down and sold for the benefit of Pool Fund and IFT investors.

While Mousette was misappropriating assets, Lindahl was completely absent from managing affairs of the Pool Fund. Despite being named as managing partner, Lindahl failed to perform even the most basic of oversight which would have revealed Mousette's improper activities. Instead, Lindahl chose to completely neglect all of his responsibilities as managing partner to pursue his personal business ventures. The investors, many of whom were elderly, received no distributions or communications from the Pool Fund for over five years, until several investors began to contact Lindahl asking for information on their investment. Lindahl responded by telling the investors to contact Mousette and then attempted to resign when investors' attorneys began requesting information.

The Pool Fund began as a fraud that collected millions of dollars from dozens of Massachusetts investors for the benefit of Shaevel. Mousette and Lindahl not only continued that fraud, but compounded the fraud which ultimately destroyed the value of the Pool Fund and IFT investments. The fraudulent activities of Mousette and Lindahl have caused over \$1.5 million of investor funds to be lost.

With this action, the Enforcement Section seeks to stop Respondents from continuing to engage in acts and practices that violate Massachusetts securities laws.

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 Sections 407A of the Act, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act.
3. This proceeding is brought in accordance with Sections 101 and 102 of the Act.
4. The Enforcement Section reserves the right to amend this Complaint and/or 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, 2007 to the present (the “Relevant Time Period”).

V. RESPONDENTS

6. Kenneth Mousette (“Mousette”) is a resident of Avon, Massachusetts. Mousette has been the Trustee of the Investor’s Fund Trust and de-facto manager of Pool Fund Associates since December 2009.
7. David Lindahl (“Lindahl”) is a resident of Hingham, Massachusetts. Lindahl has been a trustee of the Investor’s Fund Trust and official manager of Pool Fund Associates since December 2009.

8. Pool Fund Associates (the “Pool Fund”) is an unincorporated partnership created by Mark Shaevel on January 1, 1986. Shaevel created the Pool Fund for the purpose of combining investor funds to conduct real estate transactions and investments. The Pool Fund has never filed a registration with the Corporations Division of the Secretary of the Commonwealth.

9. Investor’s Fund Trust (“IFT”) is a Massachusetts trust created under declaration of trust dated December 1, 1976. Mousette and Lindahl were appointed as co-trustees in December 2009 by the former trustee Mark Shaevel. Mark Shaevel created the IFT for the purpose of effectuating real-estate transactions on behalf of Pool Fund Associates.

10. Danielle Realty Trust (“DRT”) is a Massachusetts trust created under declaration of trust dated August 5, 2004. Mousette is the sole Trustee of the DRT. The beneficiaries of the DRT are Mousette’s daughters.

VI. RELATED PARTIES

11. John Ford O’Connor (“O’Connor”) is a Massachusetts attorney who was appointed as General Counsel of the Pool Fund in December 2009.

12. Mark Shaevel (“Shaevel”) is a former resident of Barnstable, Massachusetts. He was the original creator and manager of the Pool Fund and the trustee of IFT. Shaevel was responsible for appointing Mousette and Lindahl to their current roles.

VII. STATEMENT OF FACTS

A. The Pool Fund was a Fraud from the Beginning

13. In 1976, Shaevel created the IFT under a declaration of trust to manage real property interests of pooled investment funds.

14. On January 1, 1986, Shaevel executed a partnership agreement (the “Partnership Agreement”) creating a new business entity, the Pool Fund, with the stated purpose “to invest the assets of the partnership with Mark L. Shaevel, Trustee of Investors Fund Trust and not to conduct a trade or business.”
15. Investors combined their money in the Pool Fund to allow Shaevel to purchase property and invest in real estate projects that they would not be able to invest in individually.
16. Pool Fund investors joined the Pool Fund with the expectation of generating a profit from their investment.
17. At least two Pool Fund investors relied on their investment in the Pool Fund to generate additional income for their retirement.
18. While each investor was named as a partner, Shaevel served as the sole managing partner and was empowered to conduct business without consulting the other investors.
19. In his role as managing partner, Shaevel ran both the day to day activities of both the Pool Fund and the IFT and was the only individual with decision making authority over the Pool Fund and IFT assets.
20. Shaevel represented to investors that the Pool Fund was a general partnership, with one managing partner, Shaevel, to oversee the actual investments.
21. The Pool Fund investors served as de-facto limited partners by investing without taking on a management or any other active decision making role.
22. The Pool Fund never filed any certificate or other documentation with the Secretary of the Commonwealth.

23. The Pool Fund has never registered as a security nor filed an exemption from registration as a security in Massachusetts.

24. Shaevel represented to investors that the IFT was an extension of the Pool Fund and existed exclusively to facilitate the Pool Fund's business activities. In reality, Shaevel was the trustee and sole beneficiary of the IFT, and money was funneled into the IFT by Shaevel with no documentation to trace it back to the Pool Fund.

25. The Partnership Agreement gave Shaevel total control over investor assets.

26. Shaevel continued to solicit investors throughout the early 2000s, until he left.

27. Pool Fund investors continuously received payments and distributions but, it is unclear how that money was generated as Shaevel maintained no books and records.

28. These payments and distributions stopped after Mousette and Lindahl were appointed as trustees of the Pool Fund and the IFT.

29. As of 2010, the Pool Fund had at least 34 Investors, many of whom are elderly residents of Massachusetts, who had collectively invested over \$1.5 million. At least one investor has since passed away.

B. Mousette and Lindahl Perpetuated the Ongoing Fraud

30. Around 2009, Shaevel fell ill and began the process of transferring control of the Pool Fund and the IFT to Lindahl and Mousette.

31. Shaevel contacted Lindahl and asked that he take over management of the Pool Fund and oversee the winding up of its affairs and the liquidation of its assets.

32. With this extensive experience, Lindahl knew or should have known the responsibilities that a managing partner has to investors.

33. Lindahl testified to the Division that he, Mousette, and Shaevel agreed that Lindahl would be an advisor to the Pool Fund, while Mousette would manage the actual day-to-day activities.

34. In a meeting on December 9, 2009, Lindahl was officially appointed the “Managing Partner” of the Pool Fund.

35. At that same meeting, both Mousette and Lindahl were designated co-trustees and beneficiaries of the IFT.

36. In February 2010, a letter was sent to investors which explained the transfer of control.

37. Lindahl signed this letter as well as all the accompanying minutes and certifications as “Managing Partner and Trustee of the Investor’s Fund Trust.”

38. This letter also instructed investors to “contact us” should there be any questions, but only provided Mousette’s contact information.

39. This letter made no mention of the previous discussions of Lindahl’s alleged role as an advisor.

40. After the transfer was completed, Shaevel left Massachusetts, and passed away.

i. Mousette Controlled the Ongoing Pool Fund Fraud

41. Mousette signed the February 2010 letter, which stated to investors that they could contact either Mousette or Lindahl if they have any questions, but provided only Mousette’s contact information. To Pool Fund Investors, it was represented that Mousette was the primary point of contact for their investment.

42. Mousette was present at the meetings where Lindahl’s role was discussed, and was aware that Lindahl was only intending to take on an advisory role.

43. Mousette and Lindahl met after this meeting and determined that they would hold properties through the recession and attempt to sell the properties when values increased.

44. Neither Lindahl nor Mousette have taken any steps to liquidate the holdings or wind down the affairs of the Pool Fund since assuming their current roles.

45. Neither Lindahl nor Mousette have disclosed the actual circumstances of the investment to the Pool Fund and IFT investors.

C. Mousette Fraudulently Transferred Trust Assets to Himself and His Family

46. Without consulting Lindahl, Mousette began to develop the trust property in Norwell (“109 Parker Street”). Mousette hired himself as the contractor to build a house on 109 Parker Street.

47. In order to fund the construction of the house on 109 Parker Street, Mousette engaged a private lender (“Lender One”) to finance the construction, incurring approximately \$800,000 in mortgages on 109 Parker Street.

48. When Mousette first attempted to obtain a loan from Lender One, Lender One refused to issue the loan because of a defect in the chain of title.

49. Mousette failed to notify Lindahl or disclose to the Pool Fund investors this title defect or its potential implications.

50. Mousette stated to the Division that he contacted O’Connor, the general counsel to the Pool Fund, to “fix” the “anomaly” in the chain of title.

51. O’Connor provided Lender One a signed affidavit, which described the chain of title for 109 Parker Street.

52. O’Connor’s affidavit specifically referenced a deed that transferred property from the Pool Fund to the IFT recorded at the Plymouth County Registry of Deeds.

53. Lender One accepted a statement from O'Connor regarding the chain of title and subsequently granted the loan.

54. On January 9, 2013, Mousette transferred the title to 109 Parker Street from the IFT to the DRT. Mousette is the sole trustee of the DRT and he and his family are the beneficiaries.

55. On the same day, Mousette granted a mortgage in the amount of \$350,000 to Lender One, on both 109 Parker Street, and another IFT property held in Marion, Massachusetts (the "Marion Property").

56. On January 9, 2013 Mousette transferred the Marion Property from the IFT to the DRT.

57. In June 2018, after having been contacted by the Enforcement Section, Mousette requested that Lindahl sign an affidavit which would ratify the conveyance of the Marion Property to the DRT.

58. Lindahl refused to sign the affidavit because it requested him to state he knew about the transfer of the Marion Property when he did not.

59. The conveyances of 109 Parker Street and the Marion Property were recorded with the following certification: "All Beneficiaries of the [IFT] have duly directed the Trustee to execute the within Quitclaim Deed." Upon information and belief, the certification is untrue.

60. On March 12, 2018, Mousette conveyed 109 Parker Street for nominal consideration, to a member of his immediate family.

61. Mousette used the Pool Fund's assets to secure loans to construct 109 Parker Street and subsequently transferred all interest in the property to his wife.

62. Mousette also encumbered the Marion Property to secure loans to develop 109 Parker Street before he transferred the interest in the Marion Property to the DRT.

63. After these transfers, the Pool Fund and the IFT were left without assets and the investments were rendered worthless.

D. Lindahl and Mousette Perpetuated and Exacerbated the Fraud

64. Shaevel misrepresented multiple aspects of the Pool Fund to investors.

65. Neither the Pool Fund nor its predecessors were ever appropriately registered as partnerships doing business in the Commonwealth.

66. The Pool Fund was never registered as a security nor did it claim an exemption from registration in the Commonwealth.

67. The Partnership Agreement represented to investors that the Pool Fund would be investing in the IFT. However the only beneficiary of the IFT was Shaevel. After Shaevel transferred control of the Pool Fund and IFT, Mousette and Lindahl became beneficiaries in his place.

68. Investors were not aware of the true circumstances of the Pool Fund or the IFT because of deliberate misrepresentations made by Shaevel

69. Upon assuming control of the Pool Fund and IFT, Mousette and Lindahl were aware of the true nature of the IFT and its unsecured connection to the Pool Fund.

70. Both Mousette and Lindahl are currently 50% beneficiaries of the IFT.

71. Neither Mousette nor Lindahl took any actions to correct the misrepresentations that had been made to investors or make additional disclosures regarding material changes to the Pool Fund and IFT investment.

72. No action was taken by either Lindahl or Mousette to correct the registration deficiencies with the Pool Fund.

73. While investors received distributions prior to Mousette and Lindahl gaining control, they have not received any payments since.

74. Mousette's activities have so disconnected the Pool Fund investors from the properties, that it has effectively eliminated the value of their original investments.

E. Mousette and Lindahl Defrauded Investors

i. Fraudulent Compensation of Mousette and Lindahl

75. The minutes of the December 9, 2009 meeting, as ratified by the managing partner Lindahl, clearly stated that Lindahl and Mousette were each entitled to 1/12 of any profits generated by the Pool Fund.

76. Lindahl and Mousette have total control over the Pool Fund and IFT assets and were the only individuals responsible for valuing those assets.

77. In at least one instance, Mousette and Lindahl met to discuss management plans where they determined the properties had no current value and should be held until market conditions improved.

78. Lindahl stated to the Division that his duties to the Pool Fund investors were to effectuate "the selling of the properties and trying to get as much of their money back, and possibly profit, as possible for the remaining investors."

79. A consulting contract between the Pool Fund and Mousette states that he is required to use his best efforts to liquidate the property.

80. Mousette and Lindahl's responsibilities included providing advice as to the management of the Pool Fund and IFT assets in exchange for compensation.

81. As trustees of the Pool Fund and the IFT, Mousette and Lindahl were fiduciaries who owed duties of loyalty and care to the investors.

ii. Mousette Defrauded Investors by Transferring IFT Assets to His Own Personal Trusts

82. Mousette knew that the purpose of the IFT was to benefit the Pool Fund.

83. Mousette signed the February 2010 letter to investors that acknowledges his role in relation to the Pool Fund.

84. Because of his long history with Shaevel and the Pool Fund, Mousette was also aware of how the investment vehicle was structured and the intimate relationship between IFT and the Pool Fund when he became trustee.

85. Mousette was also aware that he was represented to the Pool Fund investors as a control person responsible for winding down the Pool Fund and the IFT including evaluating, developing, and ultimately selling properties which made up the assets of the Pool Fund and the IFT.

86. Despite representations and understandings made to the Pool Fund investors, Mousette deliberately transferred property from the IFT to his and his family's personal trusts, making the investments in the Pool Fund worthless.

iii. Lindahl's Failure to Act Operated as a Fraud on Pool Fund Investors

87. At the time he assumed the role of general partner, Lindahl knew that he would not be able to devote the time and effort necessary to manage the Pool Fund.

88. Nevertheless, Lindahl signed multiple documents and correspondences to investors as "Managing Partner" of the Pool Fund.

89. Investors in the Pool Fund were never provided any notice that Lindahl's role was that of an advisor rather than an active manager.
90. By his own admission, Lindahl took no actions whatsoever in his official capacity of "Managing Partner" of the Pool Fund.
91. Despite his role as "Managing Partner," Lindahl took no steps to review any information about the Pool Fund.
92. Lindahl remained unaware that the Pool Fund was never properly registered in Massachusetts in any capacity and took no efforts to discover or address this issue.
93. Lindahl stated to the Division that he never reviewed any of the Pool Fund's finances or other books and records.
94. Lindahl conducted no due diligence into the management and trustee activities of Mousette, which allowed Mousette to use the Pool Fund money to construct the house at 109 Parker Street.
95. Lindahl began to receive correspondence from investors asking about the lack of disbursements from the Pool Funds around 2015.
96. Lindahl responded to these correspondences from investors by directing them to contact Mousette even though Mousette was not named "Managing Partner."
97. When Lindahl began to receive correspondence from investors' attorneys, Lindahl attempted to resign his position by sending Mousette a resignation letter dated May 1, 2017.
98. Apart from the May 2017 letter to Mousette, Lindahl took no actions to inform investors of his decision, or to effectuate his resignation.

99. For almost a decade, Lindahl took no steps to wind down the partnership or liquidate assets in order to fulfill his own identified duties to investors.

F. Lindahl and Mousette Harmed The Pool Fund Investors

100. Mousette effectively converted all beneficial interest in the Pool Fund assets to himself by encumbering and transferring the titles of the Marion Property and 109 Parker Street to himself.

101. Mousette and the entities that he controls are the sole owners of the Marion Property and 109 Parker Street.

102. As of the filing of this complaint, the Pool Fund holds no assets, and has no value, because of Mousette's fraudulent transfers.

103. As of 2010, there were a total of 34 investors in the Pool Fund, most of whom are Massachusetts residents.

104. As of 2010, the 34 investors had a total of over \$1,500,000 invested in the Pool Fund.

105. None of the 34 investors have received any distributions since Mousette and Lindahl took control.

106. At least one investor who had invested approximately \$200,000 in the Pool Fund has passed away without ever seeing any return on the investment.

107. Neither Mousette nor Lindahl ever contacted investors to inform them of the property transfers or otherwise protect their interests.

VIII. VIOLATIONS OF LAW

Count I – Violations of MASS. GEN. LAWS ch. 110A § 101

108. Section 101 of the Act provides in the pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(2) to make any untrue statement of material fact or to omit 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

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

MASS. GEN. LAWS. Ch. 110A, § 101.

109. The conduct of Respondents, as described in Section VII, constitutes violations of MASS. GEN. LAWS. Ch. 110A, § 101.

Count II – Violations of MASS. GEN. LAWS ch. 110A § 102

110. Section 102 of the Act provides in the pertinent part:

It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise

(1) to employ any device, scheme, or artifice to defraud the other person, or

(2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.

MASS. GEN. LAWS. ch. 110A, § 102.

111. The conduct of Respondent Mousette, as described in Section VII, constitutes violations of MASS. GEN. LAWS. Ch. 110A, § 102.

Count III – Violations of MASS. GEN. LAWS ch. 110A § 102

112. Section 102 of the Act provides in the pertinent part:

It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the

other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise

(2) to engage in any act , practice, or course of business which operates or would operate as a fraud or deceit upon the other person.

MASS. GEN. LAWS. ch. 110A, § 102.

113. The conduct of Respondent Lindahl, as described in Section VII, constitutes violations of MASS. GEN. LAWS. Ch. 110A, § 102.

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

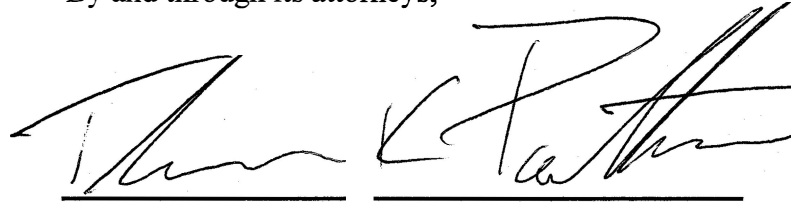
The Enforcement Section of the Division requests that an order be entered:

- A. Finding as fact all allegations set forth in Section VII of the Complaint;
- 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 the Regulations in the Commonwealth;
- D. Censuring Respondents;
- E. Requiring Respondents to provide an independent accounting of all losses attributable to the alleged wrongdoing;
- F. Requiring Respondents to make offers of rescission to all investors in the Pool Fund;
- G. Requiring Respondents to pay restitution fairly to compensate Pool Fund investors for all losses attributable to the alleged wrongdoing;
- H. Imposing an administrative fine on Respondents in an amount and upon such terms and conditions as the Director or Presiding Officer may determine; and

I. Taking any such further action which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

**MASSACHUSETTS SECURITIES DIVISION
ENFORCEMENT SECTION**

By and through its attorneys,

A handwritten signature in black ink, appearing to read 'Thomas K. Patten', is written over a horizontal line.

Thomas K. Patten, Esq.
Joseph A. McClellan, Esq.
Kimiko K. Butcher, First Assistant Director
Patrick M. Costello, Second Assistant Director
Patrick J. Ahearn, Associate Director
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108-1552
tel. (617) 727-3548
fax. (617) 248-0177

Dated: August 1, 2018