

**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:              | ) |                        |
|                                | ) |                        |
| OAKDALE WEALTH MANAGEMENT LLP, | ) |                        |
| JAMES G. DALY, &               | ) |                        |
| MICHAEL O'KEEFFE,              | ) |                        |
|                                | ) |                        |
| RESPONDENTS.                   | ) | Docket No. E-2017-0017 |

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**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 Oakdale Wealth Management LLP, James G. Daly, and Michael O'Keeffe (together, "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 that Respondents engaged in acts and practices in violation of Sections 101, 102, and 204 of the Act and 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 restitution to fairly compensate Massachusetts investors for those losses attributable to the alleged wrongdoing; 6) requiring Respondents to provide a verified accounting of all proceeds that were received as a result of the alleged wrongdoing; 7) requiring Respondents to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing; 8) permanently barring Respondent Oakdale Wealth Management LLP from registering in Massachusetts or conducting business in Massachusetts as an investment adviser required to be registered, an investment adviser exempt from registration, a federal covered adviser notice-filed in Massachusetts, an entity relying on an exclusion from the definition of investment adviser, a broker-dealer, or an issuer of securities; 9) permanently barring Respondent James G. Daly from associating or registering in Massachusetts in any capacity with any investment adviser required to be registered, any investment adviser exempt from registration, a federal covered adviser notice-filed in Massachusetts, or any entity relying on an exclusion from the definition of investment adviser; 10) permanently barring Respondent James G. Daly from registering or acting in Massachusetts as an agent of any broker-dealer, or as a partner, officer, director, or control person of a broker-dealer; 11) permanently barring Respondent James G. Daly from registering or acting in Massachusetts as an issuer of securities or an agent of any issuer of securities; 12) temporarily suspending Respondent Michael O’Keeffe’s registration from registering or acting in Massachusetts as an agent of any broker-dealer, or as a partner, officer, director, or control person of a broker-dealer; 13) temporarily suspending Respondent Michael O’Keeffe from registering or acting in Massachusetts as an issuer of securities or an agent of any issuer of securities; 14) imposing an

administrative fine on Respondents in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; and 15) taking any such further action which may be necessary or appropriate in the public interest and for the protection of Massachusetts investors.

## **II. SUMMARY**

James G. Daly (“Daly”) and Michael O’Keeffe (“O’Keeffe”) have gambled away millions of dollars in client assets through high risk bets on the oil and gas market. The victims of Daly and O’Keeffe’s reckless investment strategy, the vast majority of whom are Massachusetts residents, include a widow, a charitable organization, and many senior citizens saving for retirement.

Oakdale Wealth Management LLP (“Oakdale”) was a Massachusetts-registered investment adviser formed by Daly and O’Keeffe in 2006. Daly and O’Keeffe acted as partners, with Daly handling most of the investment advisory business and O’Keeffe acting as Oakdale’s Chief Compliance Officer. As investment advisers, Daly and O’Keeffe had a fiduciary duty to act in their clients’ best interests and to make financial decisions that were individually tailored to suit each client’s financial needs. Throughout the years, Oakdale acquired approximately 115 clients that were Massachusetts residents. Oakdale’s clients had different investment needs, risk tolerances, and financial situations. Yet, Daly and O’Keeffe chose to invest nearly all the firm’s clients primarily in energy-related investments. These investments were high risk, publicly-traded securities that focused on the exploration and development of natural resources, such as oil and natural gas. Daly used his discretionary trading authority over Oakdale client accounts to invest nearly all clients in energy-related investments.

The offering documents for the energy-related investments that Daly selected explicitly warned potential investors about the volatility of the energy sector and the high levels of risk involved. Daly, ignoring these warnings, chose to over-concentrate nearly every single one of Oakdale's clients in these securities. Daly allocated a substantial portion of nearly every Oakdale client's assets, regardless of age, risk tolerance, and net worth, into energy-related investments. In fact, roughly 30% of each client's total portfolio was made up of energy-related investments. In total, Respondents invested over \$11 million of their clients' assets into energy-based MLPs and other energy-related investments across 2,000 separate purchases.

From 2006 to 2018, Oakdale's Form ADV Part 2 and written policies and procedures stated that Oakdale would individually tailor investment decisions based on each client's risk tolerance and investment objectives. O'Keeffe, the Chief Compliance Officer, failed to ensure that these procedures were meaningfully applied or enforced by rubber stamping all of Daly's investment decisions. According to the written policies and procedures, O'Keeffe had an ongoing duty to meaningfully review the suitability of all securities purchased or sold in every Oakdale client account. Suitability includes the responsibility to ensure that client assets are appropriately allocated and not over-concentrated in a particular security or sector. A natural consequence of over-concentration is that risks associated with a particular security or sector are magnified, thereby leading to outsize losses that negatively impact client portfolios. By concentrating nearly all client accounts in the energy sector, Respondents utilized a one-size-fits-all approach that placed many investors with a low risk tolerance into extremely risky products that could, and ultimately did, rapidly decline in value.

By 2015, the value of almost every Oakdale client account had become heavily dependent on the performance of energy-related investments. Soon after, the issuers of many of the energy-related investments that Oakdale clients were invested in filed for bankruptcy or lost substantial value because of a downturn in energy prices. Oakdale clients lost millions of dollars as a result of substantial losses in their energy-related investments. Hard working investors, such as retired police officers, bus drivers, and a construction worker, lost significant portions of their retirement savings. A charitable organization with \$1 million under Oakdale's management incurred losses of approximately \$354,353. A widow, whose terminally ill husband had set up an account at Oakdale to provide for her, lost most of the money meant to last for the rest of her life. The widespread and devastating nature of Daly and O'Keeffe's investment decisions is outlined in additional detail in the Statement of Facts below.

The Enforcement Section takes this action to prevent Respondents from engaging in further egregious conduct in violation of the Act. In addition, the Enforcement Section seeks, among other things, restitution to fairly compensate investors for those losses attributable to the alleged wrongdoing and an order permanently barring Respondent Daly from acting in any capacity in the securities industry in Massachusetts.

### **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.

3. This proceeding is brought in accordance with Sections 101, 102, and 204 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, 2012 to present (the “Relevant Time Period”).

#### **V. RESPONDENTS**

6. Oakdale Wealth Management, LLP (“Oakdale”) was an investment adviser with headquarters in Millis, Massachusetts and, later, Braintree, Massachusetts. Oakdale has a Financial Industry Regulatory Authority (“FINRA”) Investment Adviser Registration Depository (“IARD”) number of 123236. Oakdale terminated its registration in Massachusetts on November 15, 2018. Oakdale was organized as a limited liability partnership in Massachusetts on November 9, 2005 and filed for dissolution on December 7, 2018. From 2002 to November 9, 2005, Oakdale was organized as a sole proprietorship known as Daly Wealth Management (“DWM”).

7. James G. Daly (“Daly”) is a resident of Franklin, Massachusetts. Daly has a FINRA Central Registration Depository (“CRD”) number of 4273992. Daly was registered as an investment adviser representative of Oakdale, formerly known as DWM, in Massachusetts from 2002 to November 15, 2018. Daly is currently registered in

Massachusetts as an investment adviser representative of Compass Capital Corporation, located in Braintree, Massachusetts.

8. Michael J. O’Keeffe (“O’Keeffe”) is a resident of Millis, Massachusetts. O’Keeffe has a FINRA CRD number of 5086632. O’Keeffe was registered as an investment adviser representative of Oakdale in Massachusetts from 2006 to February 27, 2018. O’Keeffe is currently registered in Massachusetts as an investment adviser representative of MOK Financial Planning & Tax, Inc., located in Millis, Massachusetts and for which O’Keeffe serves as President and Chief Compliance Officer.

## **VI. STATEMENT OF FACTS**

### **A. Overview of Oakdale Wealth Management.**

9. From 2006 to 2018, Oakdale was a Massachusetts-registered investment adviser with a principal place of business in Millis, Massachusetts. In 2018, Oakdale moved its principal place of business to Braintree, Massachusetts.

10. Daly was an investment adviser representative and partner of Oakdale from 2006 to 2018. Daly was responsible for managing the majority of Oakdale client accounts.

11. O’Keeffe was an investment adviser representative, Chief Compliance Officer, and partner of Oakdale from 2006 to 2018. In addition, O’Keeffe provided tax services for a large number of Oakdale clients.

12. Oakdale executed investment advisory agreements with its clients that authorized Oakdale, Daly, and O’Keeffe to execute transactions in client accounts without seeking prior authorization.

13. Charles Schwab & Co. Inc. (“Schwab”) was the custodian for Oakdale clients. Oakdale placed trades for customer accounts through Schwab’s institutional platform.

14. As an investment adviser and investment adviser representatives, Oakdale, Daly and O’Keeffe owed a fiduciary duty to their clients, and they were obligated to put the interests of their clients first.

15. Oakdale’s Form ADV Part 2, Item 7 states, “[m]ost of our clients are families, executives, retirees and business owners, but we also work with pension plans, medical professionals, charities and trusts & estates.”

16. As of February 29, 2016, Oakdale managed 257 client accounts with assets under management of approximately \$21,075,000. Approximately 115 Oakdale clients were Massachusetts residents.

**B. Daly and O’Keeffe failed to act in their clients’ best interests.**

1) Daly and O’Keeffe used a one-size-fits-all approach.

17. Oakdale utilized a substantially similar investment strategy involving energy-related investments for nearly all clients, regardless of risk tolerance or stated investment objectives.

18. Daly and O’Keeffe placed the majority of each Oakdale client’s assets in energy-based MLPs and other energy-related investments, including the following products: Alerian MLP Exchange Traded Fund (AMLP),<sup>1</sup> Apache Corporation (APA),<sup>2</sup> ArchCoal Inc. (ARCH),<sup>3</sup> BreitBurn Energy Partners, L.P. (BBEP),<sup>4</sup> Calumet Specialty Product

<sup>1</sup> Alerian MLP Exchange-Traded Fund is a fund which tracks a market-cap-weighted index of 25 energy infrastructure master limited partnerships. The fund is structured as a C-corporation.

<sup>2</sup> Apache Corporation is an oil and gas exploration and production company with operations in the United States, Egypt, and the United Kingdom North Sea.

<sup>3</sup> ArchCoal Inc. is an American coal mining and processing company. The company mines, processes, and markets bituminous and sub-bituminous coal with low sulfur content in the United States. ArchCoal Inc previously traded under the ticker symbol “ACI” until October 5, 2016, where it traded under the symbol ARCH after emerging from chapter 11 bankruptcy protection.

<sup>4</sup> Breitburn Energy Partners, L.P. and its subsidiaries are independent oil and gas partnerships engaged in the acquisition, exploitation and development of properties in the U.S. that bear oil, natural gas, and NGL, a



Partners, L.P. (CLMT),<sup>5</sup> CVR Partners, L.P. (UAN),<sup>6</sup> Energy Transfer Partners, L.P. (ETP),<sup>7</sup> Kinder Morgan, Inc., (KMI),<sup>8</sup> Linn Energy, LLC (LINE),<sup>9</sup> Navios Maritime Partners L.P. (NMM),<sup>10</sup> Nuveen Diversified Commodity Fund (CFD),<sup>11</sup> Seadrill Limited (SDRL),<sup>12</sup> Vanguard Natural Resources, LLC. (VNRR),<sup>13</sup> and United States Natural Gas Fund, L.P. (UNG)<sup>14</sup> (collectively, the “Energy Investments”).

19. Oakdale’s Form ADV Part 2, Item 8 states, “[o]ur strategies are based on the individual client profile and priority objectives of each client, designated as principal protection, income generation and or growth.” (Emphasis added).

20. Oakdale’s Form ADV Part 2, Item 16 states, “Oakdale Wealth Management usually receives discretionary authority from the client at the outset of an advisory

combination of ethane, propane, butane and natural gasoline which when removed from natural gas become liquid under various levels of higher pressure and lower temperature.

<sup>5</sup> Calumet Specialty Products Partners, L.P. produces and sells specialty hydrocarbon products in North America and internationally. It operates in two segments, Specialty Products and Fuel Products. The Specialty Products segment offers various lubricating oils, white mineral oils, solvents, petrolatum, waxes, synthetic lubricants, and other products which are used primarily as raw material components for basic automotive, industrial, and consumer goods.

<sup>6</sup> CVR Partners, L.P. was formed to own, operate, and grow its nitrogen fertilizer business. The company’s nitrogen fertilizer manufacturing facility utilizes a petroleum coke, or pet coke, gasification process to produce nitrogen fertilizer. CVR Partners, L.P.’s facility includes an ammonia unit, an urea ammonium nitrate, or UAN, unit, and a gasifier complex. CVR Partner, L.P.’s parent company is CVR Energy, Inc., which specializes in the production of petroleum.

<sup>7</sup> Energy Transfer Partners, L.P., provides diversified energy-related services in the United States. The company owns and operates approximately 9,400 miles of natural gas transportation pipelines and three natural gas storage facilities in Texas; and approximately 12,200 miles of interstate natural gas pipelines.

<sup>8</sup> Kinder Morgan, Inc. is one of the largest energy infrastructure companies in North America. The company’s pipelines transport natural gas, refined petroleum products, crude oil, carbon dioxide and more.

<sup>9</sup> Linn Energy, LLC was a petroleum, natural gas, and natural gas liquids exploration and production company based in Houston, Texas.

<sup>10</sup> Navios Maritime Partners L.P. is an international owner and operator of dry cargo carriers formed by Navios Maritime Holdings Inc.

<sup>11</sup> Nuveen Diversified Commodity Fund was an exchange-traded commodity fund launched by Nuveen Investments, Inc. The fund used futures, forwards, and options contracts to invest in energy sector and other industries. The fund closed and was delisted on December 23, 2016.

<sup>12</sup> Seadrill Limited, an offshore drilling contractor, provides offshore drilling services to the oil and gas industry worldwide.

<sup>13</sup> Vanguard Natural Resources, LLC focuses on the acquisition and development of oil and natural gas properties in the United States.

<sup>14</sup> United States Natural Gas Fund, L.P. is an exchange-traded fund launched and managed by United States Commodity Funds LLC. The fund invests in the commodity markets of the United States. It uses future contracts to invest in natural gas.

relationship to select the identity and amount of securities to be bought or sold. **In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.**” (Emphasis added).

21. Oakdale’s Form ADV Part 2 separates the risk tolerance of client accounts into the categories of “Principal Protection,” “Income,” “Balanced,” and “Growth.”

22. Daly placed nearly all Oakdale clients into energy-related investments regardless of their risk tolerance or investment objectives, as illustrated in the chart<sup>15</sup> below.

| <b>Risk Tolerance</b> | <b>Individual Energy Investment Purchases</b> | <b>Amount Invested Across all Oakdale Accounts</b> |
|-----------------------|---|--|
| Growth                | 875   | \$5,998,453  |
| Balanced              | 937   | \$4,636,618  |
| Income                | 207   | \$903,323  |

23. As a result of the extent to which Oakdale and Daly concentrated their clients in the Energy Investments, the value of client accounts became dependent on the performance of the energy sector.

24. Respondents’ conduct deviated from their Form ADV Part 2 by failing to individually tailor investments to the specific needs and objectives of Oakdale clients.

<sup>15</sup> The values contained in the chart reflect investments made in the following products: Alerian MLP Exchange-Traded Fund, BreitBurn Energy Partners, L.P., Calumet Specialty Product Partners, L.P., CVR Partners, L.P., Energy Transfers Partners, L.P., Linn Energy, LLC, Navios Maritime Partners L.P., and Vanguard Natural Resources, LLC and do not include all energy-related investments made by Daly and Oakdale.

- 2) Daly and Oakdale allocated client funds into unsuitable energy-related investments.
25. Daly and Oakdale failed to consider their own Written Policies and Procedures (“WPP”) when allocating client funds in the Energy Investments.
26. Item 3.5 of Oakdale’s WPP, titled “Allocation Policies,” states in relevant part:
- (a) Suitability-** Inclusion of an account will depend on the strategy, goals, and characteristics of the account. Specifically the following factors will be primarily considered:
- (i) Sector The sector of the proposed investment will be checked against the program of the individual account or fund.
  - (ii) Risk The speculative nature of some investments will make them unsuitable for certain accounts.
  - (iii) Liquidity of the proposed investment
    - (A) Restricted stocks may be difficult to sell
    - (B) Limited floats may restrict entry and exit
  - (iv) Income vs. Capital gains may affect suitability regarding tax structure of accounts
  - (v) Prior exposure or outside dealings may make certain investments inappropriate for particular accounts
    - (A) To a particular stock
    - (B) To a sector/industry
  - (vi) Horizon Tiers based on size, which affects suitability (vii) Accounts are grouped based on size, with the dividing lines occasionally updated.
- (b) Fairness-** We seek to achieve an equitable allocation among suitable accounts, once specific factors have been considered.
27. Item 3.7.3 of Respondents’ WPP, titled “Initial Review,” states in relevant part:
- At a minimum, "suitability" would be observed for a particular investment or advisory strategy or program where there is evidence that the adviser evaluated:
- Client financial status
  - Client tax status
  - Client investment objectives
  - Client current portfolio/investments
  - Client risk tolerance
  - Client liquidity/cash needs
  - Frequency of review required

28. Despite the factors listed above, Daly failed to conduct any meaningful suitability analysis prior to placing Oakdale clients into the Energy Investments.

29. Item 3.7.3 of Respondents' WPP further states:

**To establish "suitability" an investment adviser has to demonstrate the development of portfolio objectives and a portfolio strategy for each client and that each individual transaction is consistent with those objectives and strategy.**

30. Daly and Oakdale failed to follow Item 3.7.3 of their own WPP by consistently placing client assets in multiple products that were inconsistent with clients' objectives and strategies. Daly, instead, implemented the same high risk strategy for nearly all Oakdale clients.

31. Daly and Oakdale placed many clients, such as ones who were elderly and had low risk tolerances, in unsuitable concentrations of the Energy Investments.

**C. O'Keefe failed to reasonably supervise Oakdale and Daly's trading activity.**

32. O'Keefe failed to follow Oakdale's WPP by not supervising or investigating Daly's trading activity in the Energy Investments.

33. O'Keefe acted as the Chief Compliance Officer of Oakdale from 2006 until February 27, 2018, during which time O'Keefe supervised Daly.

34. O'Keefe and Oakdale had a duty, based on Oakdale's WPP, to analyze the risks associated with the Energy Investments and to review the concentration of assets in Oakdale client portfolios.

35. O'Keefe did not flag Daly's trading activity in the Energy Investments, but instead allowed Daly to over-concentrate Oakdale's multiple low risk investors in the Energy Investments.

36. Item 3.7.3 of Respondents' WPP further states:

Oakdale Wealth Management, LLP reviews the suitability of any investments and/or programs offered to the client at the time of account opening. Documentation of such reviews are maintained in the client file.

37. O’Keeffe disregarded Item 3.7.3 of Oakdale’s WPP by failing to adequately review the suitability of the Energy Investments made by Daly in nearly all Oakdale client portfolios.

38. In doing so, O’Keeffe effectively failed to consider the overall combined risk of the Energy Investments to Oakdale clients, specifically those with low risk tolerances.

39. Item 3.7.4 of Respondents’ WPP, titled “Ongoing Review,” states in relevant part:

The supervisors will use the above information in reviewing client account performance on an ongoing basis. If it appears that an account is not being managed to the announced objectives and strategy or if it appears that the account is the subject of unusual or excessive transactions the supervisor will discuss this with the Associated Person. Where it appears that there is no adequate explanation the supervisor will contact the Chief Compliance Officer who will investigate the matter, including contacting the client if necessary, and determine whether further action is necessary, including corrective transaction(s), re-assigning the account or disciplinary action.

40. O’Keeffe had a duty, based on Oakdale’s WPP, to supervise and investigate all securities products that Oakdale representatives solicit or sell to their clients on an ongoing basis.

41. There is no evidence that O’Keeffe, acting in his role as Chief Compliance Officer, contacted clients who were affected by over-concentration in their accounts or investigated the matter of over-concentration.

**D. Daly placed Oakdale clients in unsuitable investments.**

1) The unsuitable energy-related investments were subject to similar risks.

42. The Energy Investments consisted of master limited partnerships (“MLPs”), limited liability companies (“LLCs”), exchanged-traded funds (“ETFs”), an exchange-

traded commodity (“ETC”), and stocks that were in the energy sector or related to the energy sector.

43. Publicly traded LLCs are limited liability companies that are structured and taxed as limited partnerships. Publicly-traded LLCs have similar characteristics and risks to MLPs.

44. ETFs that invest in MLPs are professionally managed funds that own a basket of individual MLPs and trade on stock exchanges.

45. ETCs track the price of a particular commodity or basket of commodities, such as oil, and then fluctuate in value based on those commodities.

46. The Energy Investments all specifically warn of the volatility of the energy sector in their disclosure documents and include industry specific risks. Specifically, investments in the natural resources or energy infrastructure sector have significant exposure to adverse legislative and economic risks.

47. In addition, the Energy Investments are particularly vulnerable to commodity price fluctuations because significant decreases in production or supply of natural resources can adversely impact revenues and cash flows which could then impact distributions made to unit holders.

48. The Alerian MLP ETF purchased in Oakdale client accounts is a non-diversified ETF under the Investment Company Act of 1940.

49. The prospectus for Alerian MLP ETF states, “[o]il prices have declined significantly in recent years, and **the volatility of energy commodity prices can indirectly affect certain entities engaged in the energy infrastructure sector** due to

the impact of prices on the volume of commodities transported, processed, stored or distributed.” (Emphasis added.)

50. Apache Corporation’s 2013 Form 10-K states, “[c]rude oil and natural gas prices are volatile, and a substantial reduction in these prices could adversely affect our results and the price of our common stock.”

51. ArchCoal Inc.’s 2012 Form 10-K states, “[a]t any given time we are subject to fluctuations in market prices for the quantities of coal that we have produced but which we have not committed to sell...the market prices for coal may be volatile and may depend upon factors beyond our control.”

52. The prospectus for BreitBurn Energy Partners, L.P. states, “[o]il and gas prices are very volatile and currently are at historically high levels. A decline in commodity prices will cause a decline in our cash flow from operations, which may force us to reduce our distributions or cease paying distributions altogether.”

53. The prospectus for Calumet Specialty Product Partners, L.P. states, “[t]he amount of cash we can distribute on our units principally depends upon the amount of cash we generate from our operations, which is primarily dependent upon our producing and selling quantities of fuel and specialty products, or refined products, at margins that are high enough to cover our fixed and variable expenses.”

54. The prospectus for CVR Partners, L.P. warns investors of "**[t]he volatile nature of our business and the variable nature of our distributions.**"(Emphasis added).

55. While CVR Partners, L.P. primarily produces nitrogen products, its parent company is CVR Energy, Inc., an energy sector corporation. For this reason, the prospectus also states, “[d]ue to our relationship with CVR Energy and CVR Refining,

adverse developments or announcements concerning CVR could materially adversely affect our business.”

56. The prospectus for Energy Transfer Partners, L.P. states, “[t]he profitability of our midstream and transportation business is dependent upon prices and market demand for natural gas and NGLs, which are beyond our control and have been volatile.”

57. Kinder Morgan, Inc.’s 2013 Form 10-K states:

The revenues, profitability and future growth of the CO<sub>2</sub>-KMP business segment and the carrying value of its oil, NGL and natural gas properties depend to a large degree on prevailing oil and gas prices... Prices for oil, NGL and natural gas are subject to large fluctuations in response to relatively minor changes in the supply and demand for oil, NGL and natural gas, uncertainties within the market and a variety of other factors beyond KMP’s control.

58. Similarly, the prospectus for Linn Energy, LLC states, “[o]ur revenue, profitability and cash flow depend upon the prices and demand for natural gas. The natural gas market is very volatile and a drop in prices can significantly affect our financial results and impede our growth.”

59. Navios Maritime Partners L.P.’s business model involves the shipping of commodities such as iron ore and coal. The prospectus for Navios Maritime Partners L.P. states:

We anticipate that the future demand for our drybulk carriers and drybulk charter rates will be dependent upon demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, India, Brazil and Russia and the rest of the world, seasonal and regional changes in demand and changes to the capacity of the world fleet. Recent adverse economic, political, social or other developments have decreased demand and prospects for growth in the shipping industry and thereby could reduce revenue significantly.



60. The disclosure materials for the Nuveen Diversified Commodity Fund state:

Investing in commodity futures contracts in the energy sector may present more risks than if the Fund had no exposure to such contracts. A downturn in the energy sector could have a larger impact on the Fund than on a fund that does not invest in the energy sector. At times, the performance of commodity contracts in the energy sector may lag the performance of other sectors or the broader market as a whole. In addition, there are several specific risks associated with investments in the energy sector, including commodity price risk, depletion risk (i.e., the depletion of reserves), supply and demand risk, regulatory risk, acquisition risk, weather risk and catastrophic event risk.

61. The prospectus for Seadrill Limited states:

The Seadrill Group will also be exposed to commercial risks including market risk in general, the future development of the price of oil (which affects demand for drilling services), the length of the actual service life of its rigs and vessels compared to what is expected and technical risks associated with the operation of its rigs and vessels. In the event that any of these factors should occur, this could have a negative impact on the financial results of the Seadrill Group.

62. The prospectus for United States Natural Gas Fund, L.P. states:

USNG is subject to the risks and hazards of the natural gas industry because it invests in Natural Gas Interests. The risks and hazards that are inherent in the natural gas industry may cause the price of natural gas to widely fluctuate. If the changes in percentage terms of USNG's units' NAV reflects the changes in percentage terms of the price of natural gas, then the price of USNG's units may also fluctuate.

63. Lastly, the prospectus for Vanguard Natural Resources, LLC, states, “[c]ertain factors could cause actual results to differ materially from results anticipated in the forward-looking statements. These factors include, but are not limited to, the volatility of realized natural gas and oil prices.”

2) Units of MLPs and LLCs contain significant risks and tax consequences.

64. MLPs are structured as pass-through business entities for tax purposes. Units of MLPs can be publicly traded on a stock exchange. Shareholders of MLPs are called “unit holders.”

65. For tax purposes, LLCs can either be taxed as a sole proprietorships or partnerships based on the number of members. With multiple owners, an LLC is automatically elected to be taxed as a partnership by default, while an LLC with one owner is taxed as sole proprietorship.

66. Some LLCs are structured and taxed as limited partnerships so that they may be publicly traded.

67. Inherent conflicts of interest exist between the general partner of the MLP and the limited partners that could result in the general partner favoring his own interests over the interests of the MLP and its unit holders.

68. Inherent conflicts of interest exist between the manager of the LLC and the members that could result in the manager favoring his own interests over the interests of the LLC and its unit holders.

69. All or a portion of the MLP or LLC unit holder’s distribution may consist of a return from their initial investment, meaning that a portion of a distribution may not be from the net profits of the company’s operations.

70. MLP and LLC unit holders are treated as limited partners, meaning that they receive a Schedule K-1 (Form 1065) rather than a 1099-DIV (Form 1099). A Schedule K-1 lists the unit holder’s share of income, deductions, credits, and other tax items. If the

MLP or LLC has operations in multiple states, the unit holder may need to file a tax return in each state.

71. The business structure of the company may generate unrelated business income that may have undesirable tax consequences for retirement accounts and other tax-exempt investors. Consequently, even if an investment is held in a retirement or other tax deferred account, an investor may still be required to pay certain taxes in that tax year.

72. Oakdale serviced multiple tax deferred and retirement accounts and Respondents used their discretionary authority to purchase MLPs in the tax deferred accounts of certain Oakdale clients.

73. O’Keeffe prepared and filed the tax returns for multiple Oakdale clients, some of whom had tax deferred and retirement accounts at Oakdale.

3) Daly’s investment strategy ignored the risk disclosure of the Energy Investments and depended entirely on the price of commodities rising.

74. Daly selected the Energy Investments based on his own research and investment strategies.

75. Daly explained Oakdale’s general investment strategy and concerns, stating:

Oakdale Wealth Management’s longer term concerns include higher inflation and client’s [sic] ability to maintain lifestyle. Our responses have included our general concern for a repeat of similar hyperinflation periods of the 1930’s and 1970’s given high debt levels and extensive stimuli. As such, Oakdale’s general macro strategy is to have assets with pricing power as primary staple sectors for inflation protection of either a healthier economy or stagflation.

76. In a 2014 letter to Oakdale clients, Daly stated that the price of oil had declined, but advised “[w]hy are recommend [sic] holding and investing in an oil price rebound.”

77. Daly promised at least two investors a 6% return on their investment with only minor risk.

78. Daly told multiple investors that the products he purchased for them contained only minor risk when in fact those accounts held a large percentage of high risk investments.

79. Daly told multiple clients that commodities, such as oil, were due to rise, and advocated for the Energy Investments. He invested nearly all Oakdale clients in gold and minerals for similar reasons.

80. At times, Daly berated clients for questioning his decision making when they noticed the significant decline in the value of their accounts.

81. All the investments selected by Daly ultimately experienced the adverse outcomes that were outlined in the descriptions of risks included in the disclosure documents. As a result, the value of many of the Energy Investments held by Oakdale clients declined significantly between 2015 and 2017, as illustrated by the chart below.<sup>16</sup>

*[remainder of page intentionally left blank]*

<sup>16</sup> The numbers in the table were derived using the respective month-end values from the account statements of Oakdale clients. To the extent that these values could not be determined from client account statements, the Division utilized Market Watch as an online source to determine the month end values of the market price.

| <b>Energy Investment</b>             | <b>Market Price March 2013</b> | <b>Market Price March 2014</b> | <b>Market Price March 2015</b> | <b>Market Price March 2016</b> | <b>Market Price March 2017</b> |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Alerian MLP Exchange-Traded Fund     | \$17.62                        | \$17.66                        | \$15.21                        | \$10.92                        | \$12.71                        |
| Apache Corp.                         | \$75.72                        | \$82.95                        | \$60.83                        | \$48.64                        | \$51.39                        |
| ArchCoal Inc.                        | \$5.43                         | \$4.82                         | \$0.99                         | Bankrupt                       | Bankrupt                       |
| BreitBurn Energy Partners, L.P.      | \$20.40                        | \$19.97                        | \$5.48                         | \$0.55                         | Bankrupt                       |
| CVR Partners, L.P.                   | \$25.01                        | \$21.19                        | \$13.15                        | \$8.36                         | \$4.65                         |
| Energy Transfer Partners, L.P.       | \$50.69                        | \$53.79                        | \$55.75                        | \$32.34                        | \$36.52                        |
| Kinder Morgan, Inc.                  | \$38.15                        | \$32.09                        | \$38.39                        | \$18.72                        | \$19.16                        |
| Linn Energy, LLC                     | N/A                            | \$28.32                        | \$11.06                        | \$0.75                         | Bankrupt                       |
| Navios Maritime Partners L.P.        | N/A                            | N/A                            | \$11.14                        | \$1.24                         | \$2.07                         |
| Nuveen Diversified Commodity Fund    | \$20.75                        | \$15.88                        | \$11.90                        | \$8.91                         | <u>Fund Closed</u>             |
| Seadrill Limited                     | N/A                            | \$35.16                        | \$9.35                         | \$3.30                         | \$1.65                         |
| United States Natural Gas Fund, L.P. | N/A                            | N/A                            | \$13.24                        | \$6.66                         | \$7.57                         |
| Vanguard Natural Resources, LLC      | N/A                            | N/A                            | \$12.07                        | \$1.46                         | Bankrupt                       |

82. Between 2012 to 2018, Respondents invested at least \$11 million of Oakdale client assets in the Energy Investments. In 2016, Respondents' total assets under management was \$21 million.

83. In 2016, BreitBurn Energy Partners L.P., Linn Energy, LLC, and Archcoal Inc. all filed bankruptcy petitions under chapter 11 of the United States Bankruptcy Code. ArchCoal Inc. is still currently in operation after an internal restructuring.

84. Vanguard Natural Resources, LLC filed bankruptcy petitions under chapter 11 of the United States Bankruptcy Code in 2017. The company has restructured and is still operating.

85. The Nuveen Diversified Commodity Fund closed and was delisted in 2016.

**E. Daly and O’Keeffe over-concentrated Oakdale clients in highly risky investments and caused substantial investor harm.**

86. There are at least 95 Massachusetts investors who have been substantially harmed by Respondents’ over-concentration in the Energy Investments.

87. The following 23 Massachusetts client accounts managed by Oakdale experienced such harm.

1) Investor One: Over-Concentration

88. Investor One is a 74 year old retired resident of Boston, Massachusetts.

89. Investor One’s husband, who was terminally ill at the time, set up an account for his wife at Oakdale in 2007 so that she could draw from the account for living expenses.

90. Investor One’s husband died in 2008.

91. Investor One’s investment objective was to preserve capital. As stated in Investor One’s April 2016 Wealth Management Family/Financial Planning Statement (“Planning Statement”), Daly and Oakdale planned to place Investor One’s tax deferred accounts in growth investments “to cover retirement horizon.”

92. Without regard to Investor One’s objective of preserving principal to cover retirement expenditures, Daly heavily invested Investor One’s funds primarily in the Energy Investments.

93. From June 28, 2012 to October 20, 2015, Daly and Oakdale invested Investor One’s funds in the Energy Investments in the amount of approximately \$395,715.16. This

amount was approximately 62% of the value of Investor One's Oakdale accounts in Q4 of 2015.<sup>17</sup>

94. Investor One lost at least 65% of her initial principal investments in the Energy Investments.<sup>18</sup>

95. These losses are reflected in Investor One's overall account balance from 2014 to 2015. After having an account balance of approximately \$887,121.09 in Q2 of 2014, Investor One's overall account balance significantly declined to approximately \$578,627.01 by Q2 of 2015, due in part to the Energy Investments.<sup>19</sup>

96. As a result, Investor One's monthly withdrawal has decreased significantly, which may affect her ability to pay for medical expenses.

2) Investor Two: Over-Concentration

97. Investor Two is a 74 year old retiree living in Boston, Massachusetts.

98. Investor Two's investment objective was capital preservation. As stated in Investor Two's 2015 Planning Statement, Daly and Oakdale planned to place Investor Two's tax deferred accounts in growth investments "to cover retirement horizon."

99. Without regard to Investor Two's objective of preserving principal to cover retirement expenditures, Daly invested a substantial portion of Investor Two's funds in the Energy Investments.

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<sup>17</sup> Calculations of the value and concentration of Energy Investments within investor accounts is based on each investor's ending quarterly statements which may not have accounted for all transactions that impacted the accounts. All of the following investor accounts included in section E are based on the same calculations.

<sup>18</sup> Calculations of the loss of initial principal in Energy Investments within investor accounts is based on each investor's ending quarterly statements and trade confirmations which may not have accounted for all transactions that impacted the accounts. All of the following investor accounts included in section E are based on the same calculations.

<sup>19</sup> Calculations of overall account balance within investors accounts is based on each investor's ending quarterly statements which may not have accounted for all accounts owned or held by investor. All of the following investor accounts included in section E are based on the same calculations.

100. From June 28, 2012 to August 6, 2015, Daly and Oakdale invested Investor Two's funds in the Energy Investments in the amount of approximately \$170,282.77. This amount was approximately 70% of the value of Investor Two's Oakdale accounts in Q4 of 2015.

101. Investor Two lost at least 67% of her initial principal investments in the Energy Investments.

102. These losses are reflected in Investor Two's overall account balance from 2012 to 2015. After having an account balance of approximately \$316,897.56 in Q1 of 2012, Investor Two's account balance significantly declined to approximately \$177,834.63 by Q4 of 2015, due in part to the Energy Investments.

103. Investor Two lost a substantial portion of the savings she relied upon for retirement.

3) Investor Three: Over-Concentration

104. Investor Three is a non-profit corporation with its principle place of business in Massachusetts.

105. Investor Three's investment objective was to protect principal while generating adequate funds for its charitable trust account. As stated in Investor Three's February 2012 Planning Statement, Daly and Oakdale planned to place Investor Three's account in growth and income investments "to meet charitable gifting" needs.

106. Without regard to Investor Three's objective of principal protection and having a balance between growth and income in order to meet charitable gifting needs, Daly and Oakdale invested a substantial portion of Investor Three's funds in the Energy Investments.



107. From September 10, 2012 to October 26, 2015, Daly and Oakdale invested Investor Three's funds in the Energy Investments in the amount of approximately \$519,773.49. This consisted of at least 73% of the value of Investor Three's Oakdale accounts in Q4 of 2015.

108. Investor Three lost at least 68% of the initial principal in the Energy Investments.

109. These losses are reflected in Investor Three's overall account balance from 2012 to 2015. After having an account balance of approximately \$1 million in Q1 of 2012, Investor Three's account balance significantly declined to approximately \$634,633.22 by Q4 of 2015, due in part to the Energy Investments.

110. Investor Three lost roughly a third of the initial \$1 million investment that was intended for charitable purposes.

4) Investors Four and Five: Over-Concentration

111. Investor Four, 72, and Investor Five, 67, are a retired couple residing in North Weymouth, Massachusetts.

112. Investors Four and Five's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Four and Five's 2015 Planning Statement, Investors Four and Five's primary objective was "principal protection for long retirement and possible legacy."

113. Despite Investors Four and Five's objective of principal protection, Daly invested a substantial portion of Investors Four and Five's funds in the Energy Investments.

114. From June 28, 2012 to May 2, 2016, Daly and Oakdale invested Investors Four and Five's funds in the Energy Investments in the amount of approximately \$680,356.35.

This amount was approximately 54% of the value of Investors Four and Five's Oakdale accounts in Q4 of 2015.

115. Investors Four and Five lost at least 68% of their initial principal investments in the Energy Investments.

116. These losses are reflected in Investors Four and Five's overall account balance from 2014 to 2016. After having an account balance of approximately \$1.25 million in Q1 of 2014, Investors Four and Five's overall account balance significantly declined to approximately \$914,487.30 Q4 of 2015, due in part to the Energy Investments.

117. Investors Four and Five lost a substantial portion of the savings they intended to use for retirement.

5) Investors Six and Seven: Over-Concentration

118. Investor Six, 68, and Investor Seven, 72, are a retired couple residing in Lowell, Massachusetts. Investor Seven is a former garage worker.

119. Investors Six and Seven's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Six and Seven's April 2016 Planning Statement, Daly and Oakdale planned to invest Investors Six and Seven's account in a balance between growth and income investments to "meet retirement horizon and longevity."

120. Despite Investors Six and Seven's objective of principal protection, Daly and Oakdale invested a substantial portion of Investors Six and Seven's funds in the Energy Investments.

121. From June 28, 2012 to July 28, 2015, Daly and Oakdale invested Investors Six and Seven's funds in the Energy Investments in the amount of approximately \$51,690.58.

This amount was approximately 43% of the value of Investors Six and Seven's Oakdale accounts in Q4 of 2015.

122. Investors Six and Seven lost at least 74% of their initial principal investments in the Energy Investments.

123. These losses are reflected in Investors Six and Seven's overall account balance from 2012 to 2015. After having an account balance of approximately \$62,745.61 in Q1 of 2012, Investors Six and Seven's overall account balance significantly declined to approximately \$38,749.39 by Q4 of 2015, due in part to the Energy Investments.

6) Investors Eight and Nine: Over-Concentration

124. Investor Eight, 67, a registered nurse, and Investor Nine, 68, a construction worker, are a couple residing in Millis, Massachusetts.

125. Investors Eight and Nine's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Eight and Nine's 2014 Planning Statement, Daly and Oakdale planned to place Investors Eight and Nine in growth investments to "meet retirement horizon and longevity."

126. Despite Investors Eight and Nine's objective of principal protection, Daly and Oakdale invested a substantial portion of Investors Eight and Nine's funds in the Energy Investments.

127. From September 3, 2014 to July 15, 2016, Dale and Oakdale invested Investors Eight and Nine's funds in the Energy Investments in the amount of approximately \$40,254.55, which was approximately 39% of the value of Investors Four and Five's Oakdale accounts in Q4 of 2015.

128. Investors Eight and Nine lost at least 80% of their initial principal investments in the Energy Investments.

129. These losses are reflected in Investors Eight and Nine's overall account balance from 2014 to 2016. After having an account balance of approximately \$116,669.82 in Q3 of 2014, Investors Eight and Nine's overall account balance significantly declined to approximately \$82,214.13 by Q3 of 2016, due in part to the Energy Investments.

130. Investors Eight and Nine lost a substantial portion of the savings they had intended to use for retirement.

7) Investor Ten: Over-Concentration

131. Investor Ten is a 77 year old retired school teacher and resident of Franklin, Massachusetts.

132. Investor Ten's investment objective was to preserve capital. As stated in Investor Ten's 2015 Planning Statement, Daly and Oakdale planned to place Investor Ten's tax deferred accounts in growth investments "to cover retirement horizon."

133. Without regard to Investor Ten's objective of preserving principal to cover retirement expenditures, Daly heavily invested Investor Ten's funds in the Energy Investments.

134. From June 28, 2012 to October 20, 2015, Daly and Oakdale invested Investor Ten's funds in the Energy Investments in the amount of approximately \$151,539.59. This amount was approximately 63% of the value of Investor Ten's Oakdale accounts in Q4 of 2015.

135. Investor Ten lost at least 69% of her initial principal investment in the Energy Investments.

136. These losses are reflected in Investor Ten's overall account balance from 2012 to 2015. After having an account balance of approximately \$316,193.60 in Q1 of 2012, Investor Ten's account balance significantly declined to approximately \$182,077.78 by Q4 of 2015, due in part to the Energy Investments.

137. Investor Ten lost a substantial portion of the savings she had intended to use for her retirement.

8) Investors Eleven and Twelve: Over-Concentration

138. Investor Eleven, 68, and Investor Twelve, 61, are a couple residing in Norfolk, Massachusetts. Investor Eleven is a retired elevator mechanic.

139. Investors Eleven and Twelve's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Eleven and Twelve's May 2013 Planning Statement, Daly and Oakdale planned to place Investors Eleven and Twelve's accounts in growth investments to "meet retirement horizon and longevity."

140. Despite Investors Eleven and Twelve's objective of principal protection, Daly and Oakdale invested a significant portion of Investors Eleven and Twelve's funds in the Energy Investments.

141. From July 3, 2013 to July 28, 2015, Daly and Oakdale invested Investors Eleven and Twelve's funds in the Energy Investments in the amount of approximately \$159,856.15. This amount was approximately 70% of the value of Investors Eleven and Twelve's Oakdale accounts in Q4 of 2015.

142. Investors Eleven and Twelve lost at least 67% of their initial principal investments in the Energy Investments.

143. These losses are reflected in Investors Eleven and Twelve's overall account balance from 2014 to 2015. After having an account balance of approximately \$339,920.77 in Q2 of 2014, Investors Eleven and Twelve's overall account balance significantly declined to approximately \$203,737.82 by Q4 of 2015, due in part to the Energy Investments.

144. The loss caused Investor Twelve severe emotional stress and caused her "to stay up all night in tears." Investors Eleven and Twelve currently do not know how they are going to be financially stable during their retirement.

9) Investors Thirteen and Fourteen: Over-Concentration

145. Investor Thirteen, 59, and Investor Fourteen, 57, are a couple residing in Northborough, Massachusetts.

146. Investors Thirteen and Fourteen's investment objectives included both long-term growth and income. As stated in Investors Thirteen and Fourteen's August 2009 Planning Statement, Investors Thirteen and Fourteen's long term plan was to "accumulate wealth towards longer term goals[.]"

147. Without regard to Investors Thirteen and Fourteen's objective of accumulating wealth towards long term goals, Daly invested a significant portion of Investors Thirteen and Fourteen's funds in the Energy Investments.

148. From June 28, 2012 to July 28, 2014, Daly and Oakdale invested Investors Thirteen and Fourteen's funds in the Energy Investments in the amount of approximately \$176,450.13. This amount was approximately 91% of the value of Investors Thirteen and Fourteen's Oakdale accounts in Q4 of 2015.

149. Investors Thirteen and Fourteen lost at least 73% of their initial principal investments in the Energy Investments.

150. These losses are reflected in Investors Thirteen and Fourteen's overall account balance from 2012 to 2015. After having an account balance of approximately \$489,450.05 during Q1 of 2012, Investors Thirteen and Fourteen's overall account balance significantly declined to approximately \$160,906.40 in Q1 of 2015, due in part to the Energy Investments.

151. Investors Thirteen and Fourteen lost a substantial portion of the funds they intended to use to put their fourteen year old son through college.

10) Investors Fifteen and Sixteen: Over-Concentration

152. Investor Fifteen, 68, and Investor Sixteen, 67, are a retired couple residing in Franklin, Massachusetts.

153. Investors Fifteen and Sixteen's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Fifteen and Sixteen's 2016 Planning Statement, Daly and Oakdale planned to place Investors Fifteen and Sixteen primarily in "income producing securities in taxable accounts with some capital appreciation from stocks in tax qualified retirement accounts[.]"

154. Without regard to Investors Fifteen and Sixteen's objective of principal protection and their conservative risk tolerance, Daly invested a significant portion of Investors Fifteen and Sixteen's funds in the Energy Investments.

155. From September 10, 2012 to June 24, 2016, Daly and Oakdale invested Investors Fifteen and Sixteen's funds in Energy Investments in the amount of approximately

\$346,114.38. This amount was approximately 56% of the value of Investors Fifteen and Sixteen's Oakdale accounts in Q4 of 2015.

156. Investors Fifteen and Sixteen lost at least 78% of their initial principal investments in the Energy Investments.

157. These losses are reflected in Investors Fifteen and Sixteen's overall account balance from 2012 to 2016. After having an account balance of approximately \$772,554.17 in Q1 of 2012, Investors Fifteen and Sixteen's overall account balance significantly declined to approximately \$504,617.79 by Q4 of 2016, due in part to the Energy Investments.

11) Investors Seventeen and Eighteen: Over-Concentration

158. Investor Seventeen, 72, and Investor Eighteen, 70, are a retired couple residing in Millis, Massachusetts.

159. Investors Seventeen and Eighteen's investment objective was to preserve capital. As stated in Investors Nineteen and Twenty's June 2014 Planning Statement, Daly and Oakdale planned to place Investors Seventeen and Eighteen's tax deferred accounts in growth investments "to cover retirement horizon."

160. Without regard to Investors Seventeen and Eighteen's objective of preserving principal to cover retirement expenditures, Daly invested a significant portion of Investors Seventeen and Eighteen's funds in the Energy Investments.

161. From June 28, 2012 to October 20, 2015, Daly and Oakdale invested Investors Seventeen and Eighteen's funds in the Energy Investments in the amount of approximately \$720,824.80. This amount was approximately 62% of the value of Investors Seventeen and Eighteen's Oakdale accounts in Q4 of 2015.



162. Investors Seventeen and Eighteen lost at least 66% of their initial principal investments in the Energy Investments.

163. These losses are reflected in Investors Seventeen and Eighteen's overall account balance from 2012 to 2015. After having an account balance of approximately \$1.3 million in Q1 of 2012, Investor Seventeen and Eighteen's overall account balance significantly declined to approximately \$783,888.31 by Q4 of 2015, due in part to the Energy Investments.

164. Investors Seventeen and Eighteen lost a substantial portion of their retirement savings.

12) Investors Nineteen and Twenty: Over-Concentration

165. Investor Nineteen, 80, a former police officer and Investor Twenty, 73, a former school bus driver, are a retired couple residing in Mansfield, Massachusetts.

166. Investors Nineteen and Twenty's investment objective was to preserve capital for retirement.

167. Without regard to Investors Nineteen and Twenty's objective of preserving principal to cover retirement expenditures, Daly invested a significant portion of Investors Nineteen and Twenty's funds in the Energy Investments.

168. From February 7, 2013 to July 30, 2015, Daly and Oakdale invested Investors Nineteen and Twenty's funds in the Energy Investments in the amount of approximately \$82,569.26. This amount was approximately 89% of the value of Investors Nineteen and Twenty's Oakdale accounts in Q4 of 2015.

169. Investors Nineteen and Twenty lost at least 63% of their initial principal investment in the Energy Investments.

170. These losses are reflected in Investors Nineteen and Twenty's overall account balance from 2013 to 2016. After having an account balance of approximately \$114,099.43 in Q1 of 2013, Investor Nineteen and Twenty's overall account balance significantly declined to approximately \$57,658.56 by Q4 of 2015, due in part to the Energy Investments.

171. Investors Nineteen and Twenty suffered as they now have reduced funds to take care of their handicapped son.

13) Investors Twenty-One and Twenty-Two: Over-Concentration

172. Investor Twenty-One, 57, and Investor Twenty-Two, 55, are a couple residing in Holliston, Massachusetts.

173. Investors Twenty-One and Twenty-Two's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Twenty-One and Twenty-Two's June 2015 Planning Statement, Daly and Oakdale stated that Investors Twenty-One and Twenty-Two's "asset allocation must strike a balance between principal protection and growth while moving towards income producing securities in taxable accounts and capital appreciation from stocks in tax qualified retirement accounts."

174. Without regard to Investors Twenty-One and Twenty-Two's objective of having a balance between principal protection and growth, Daly invested a substantial portion of Investors Twenty-One and Twenty-Two's funds in the Energy Investments.

175. From June 28, 2012 to November 7, 2017, Daly and Oakdale invested Investors Twenty-One and Twenty-Two's funds in the Energy Investments in the amount of

approximately \$205,711.42. This amount was approximately 57% of the value of Investors Twenty-One and Twenty-Two's Oakdale accounts in Q4 of 2015.

176. Investors Twenty-One and Twenty-Two lost at least 68% of their initial principal investment in the Energy Investments.

177. These losses are reflected in Investors Twenty-One and Twenty-Two's overall account balance from 2012 to 2017. After having an account balance of approximately \$348,918.40 in Q1 of 2012, Investors Twenty-One and Twenty-Two's overall account balance significantly declined to approximately \$273,423.17 by Q4 of 2017, due in part to the Energy Investments.

178. Investors Twenty-One and Twenty-Two now anticipate having difficulties funding their children's college education and their own retirement expenses.

14) Investors Twenty-Three and Twenty-Four: Over-Concentration

179. Investor Twenty-Three, 74, and Investor Twenty-Four, 73, are a retired couple residing in Framingham, Massachusetts.

180. Investors Twenty-Three and Twenty-Four's investment objective was to preserve capital. As stated in Investors Twenty-Three and Twenty-Four's 2015 Planning Statement, Daly and Oakdale planned to place Investors Twenty-Three and Twenty-Four's tax deferred accounts in growth investments "to cover retirement horizon."

181. Without regard to Investors Twenty-Three and Twenty-Four's objective of preserving principal to cover retirement expenditures, Daly heavily invested Investors Twenty-Three and Twenty-Four's funds in the Energy Investments.

182. From June 13, 2012 to July 28, 2015, Daly and Oakdale invested Investors Twenty-Three and Twenty-Four's funds in Energy Investments in the amount of

approximately \$65,862.08. This amount was approximately 57% of the value of Investors Twenty-Three and Twenty-Four's Oakdale accounts in Q4 of 2015.

183. Investors Twenty-Three and Twenty-Four lost at least 81% of their initial principal investment in the Energy Investments.

184. These losses are reflected in Investors Twenty-Three and Twenty-Four's overall account balance from 2013 to 2015. After having an account balance of approximately \$198,971.22 during Q3 of 2013, Investor Twenty-Three and Twenty-Four's overall account balance significantly declined to approximately \$109,809.10 in Q4 of 2015, due in part to the Energy Investments.

185. Investors Twenty-Three and Twenty-Four's lifestyle suffered as they lost a substantial portion of their life savings.

15) Investors Twenty-Five and Twenty-Six: Over-Concentration

186. Investor Twenty-Five, 72, and Twenty-Six, 73, are a retired couple residing in Millis, Massachusetts.

187. Investors Twenty-Five and Twenty-Six's investment objective was to preserve capital. As stated in Investors Twenty-Five and Twenty-Six's April 2016 Planning Statement, Daly and Oakdale planned to place Investors Twenty-Five and Twenty-Six's tax deferred accounts in growth investments "to cover retirement horizon."

188. Without regard to Investors Twenty-Five and Twenty-Six's objective of preserving principal to cover retirement expenditures, Daly heavily invested Investors Twenty-Five and Twenty-Six's funds in the Energy Investments.

189. From September 10, 2012 to November 6, 2017, Daly and Oakdale invested Investors Twenty-Five and Twenty-Six's funds in the Energy Investments in the amount

of approximately \$145,124.88. This amount was approximately 63% of the value of Investors Twenty-Five and Twenty-Six's Oakdale accounts in Q4 of 2015.

190. Investors Twenty-Five and Twenty-Six lost at least 66% of their initial principal investments in the Energy Investments.

191. These losses are reflected in Investors Twenty-Five and Twenty-Six's overall account balance from 2014 to 2017. After having an account balance of approximately \$250,683.92 in Q1 of 2014, Investors Twenty-Five and Twenty-Six's overall account balance significantly declined to approximately \$166,808.57 by Q4 of 2015, due in part to the Energy Investments.

192. Investors Twenty-Five and Twenty-Six's lifestyle suffered as they lost a substantial portion of the retirement savings and funds they intended to use to support their daughter.

16) Investor Twenty-Seven: Over-Concentration

193. Investor Twenty-Seven, 60, currently resides in Medfield, Massachusetts. He opened multiple UTMA college accounts for his children's college expenses at Oakdale.

194. Investor Twenty-Seven's investment objective was long term growth. As stated in Investor Twenty-Seven's February 2016 Planning Statement, Investor Twenty-Seven's primary objective was a balance between "long term growth." Investor Twenty-Seven had "concern[s] with Market Conditions" and listed a conservative risk tolerance.

195. Without regard to Investor Twenty-Seven's objective of a balance between accumulating long term wealth and concerns with market conditions, Daly heavily invested Investor Twenty-Seven's funds in the Energy Investments.

196. From June 28, 2012 to July 29, 2015, Daly and Oakdale invested Investor Twenty-Seven's funds in the Energy Investments in the amount of approximately \$152,904.94. This amount was approximately 44% of the value of Investor Twenty-Seven's Oakdale accounts in Q4 of 2015.

197. Investor Twenty-Seven's lost at least 76% of his initial principal investments in the Energy Investments.

198. These losses are reflected in Investor Twenty-Seven's overall account balance from 2012 to 2015. After having an account balance of approximately \$667,714.33 in Q1 of 2012, Investor Twenty-Seven's account balance significantly declined to approximately \$226,822.30 by Q4 of 2015, due in part to the Energy Investments.

199. Investor Twenty-Seven lost a substantial portion of the funds he intended to use for his retirement and his children's education.

17) Investors Twenty-Eight and Twenty-Nine: Over-Concentration

200. Investor Twenty-Eight, 57, and Twenty-Nine, 57, are a retired couple residing in Holliston, Massachusetts.

201. Investors Twenty-Eight and Twenty-Nine's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Twenty-Eight and Twenty-Nine's June 2015 Planning Statement, Daly and Oakdale planned to place Investors Twenty-Eight and Twenty-Nine primarily in "income producing securities in taxable accounts and capital appreciation from stocks in tax qualified retirement accounts."

202. Without regard to Investors Twenty-Eight and Twenty-Nine's objective of principal protection, Daly invested a significant portion of Investors Twenty-Eight and Twenty-Nine's funds in the Energy Investments.

203. From June 13, 2012 to November 6, 2017, Daly and Oakdale invested Investors Twenty-Eight and Twenty-Nine's funds in the Energy Investments in the amount of approximately \$336,912.66. This amount was approximately 72% of the value of Investors Twenty-Eight and Twenty-Nine's Oakdale accounts in Q4 of 2015.

204. Investors Twenty-Eight and Twenty-Nine lost at least 72% of their initial principal investment in the Energy Investments.

205. These losses are reflected in Investors Twenty-Eight and Twenty-Nine's overall account balance from 2012 to 2017. After having an account balance of approximately \$391,337.77 in Q2 of 2012, Investors Twenty-Eight and Twenty-Nine's overall account balance significantly declined to approximately \$357,304.20 by Q4 of 2015, due in part to the Energy Investments.

206. Investors Twenty-Eight and Twenty-Nine lost much-needed funds they planned to use to take care of their disabled child.

18) Investors Thirty and Thirty-One: Over-Concentration

207. Investor Thirty, 47, a medical products salesman and Investor Thirty-One, 44, a teacher, are a couple residing in Acton, Massachusetts.

208. Investors Thirty and Thirty-One's investment objective was long term growth and income. As stated in Investors Thirty and Thirty-One's August 2014 Planning Statement, Investors Thirty and Thirty-One's long term plan was to "accumulate wealth for long term goals[.]"

209. Without regard to Investors Thirty and Thirty-One's objective, Daly invested a significant portion of Investors Thirty and Thirty-One's funds in the Energy Investments.

210. From July 28, 2014 to November 6, 2017, Daly and Oakdale invested Investors Thirty and Thirty-One's funds in the Energy Investments in the amount of approximately \$148,004.20. This amount was approximately 61% of the value of Investors Thirty and Thirty-One's Oakdale accounts in Q4 of 2015.

211. Investors Thirty and Thirty-One's lost at least 73% of their initial principal investments in the Energy Investments.

212. These losses are reflected in Investors Thirty and Thirty-One's overall account balance from 2014 to 2017. After having an account balance of approximately \$321,893.23 during Q3 of 2014, Investors Thirty and Thirty-One's overall account balance significantly declined to approximately \$208,018.47 in Q4 of 2017, due in part to the Energy Investments.

213. Investors Thirty and Thirty-One lost a substantial portion of their retirement savings as a result.

19) Investor Thirty-Two: Over-Concentration

214. Investor Thirty-Two is a 49 year old self-employed landscaper residing in Natick, Massachusetts.

215. Investor Thirty-Two's investment objective was to protect principal while generating adequate income for retirement. As stated in Investor Thirty-Two's February 2016 Planning Statement, "[p]ortfolio objective is to grow principal at a solid risk adjusted."



216. Despite Investor Thirty-Two's objective of principal protection, Daly and Oakdale heavily invested Investor Thirty-Two's funds in the Energy Investments.

217. From June 28, 2012 to November 8, 2017, Daly and Oakdale invested Investor Thirty-Two's funds in the Energy Investments in amount of approximately \$154,348.48. This amount was nearly all, or approximately 96%, of the value of Investors Thirty-Two's Oakdale accounts in Q4 of 2015.

218. Investor Thirty-Two lost at least 63% of his initial principal investments in the Energy Investments.

219. These losses are reflected in Investor Thirty-Two's overall account balance from 2012 to 2017. After having an account balance of approximately \$249,919.31 in Q1 of 2012, Investor Thirty-Two's overall account balance significantly declined to approximately \$71,075.27 by Q4 of 2017, due in part to the Energy Investments.

220. Investor Thirty-Two's lost a substantial portion of the savings that were intended to be used for retirement.

20) Investors Thirty-Three and Thirty-Four: Over-Concentration

221. Investor Thirty-Three, 57, and Investor Thirty-Four, 56, are a couple residing in Tewksbury, Massachusetts. Investor Thirty-Three is a self-employed sales representative.

222. Investors Thirty-Three and Thirty-Four's investment objective was long term growth. As stated in Investors Thirty-Three and Four's January 2016 Planning Statement, Investors Thirty-Three and Thirty-Four's long term plan was to "accumulate wealth for long term goals[.]"

223. Without regard to Investors Thirty-Three and Thirty-Four's objective, Daly heavily invested Investors Thirty-Three and Thirty-Four's funds in the Energy Investments.

224. From June 28, 2012 to September 11, 2015, Daly and Oakdale invested Investors Thirty-Three and Thirty-Four's funds in Energy Investments in the amount of approximately \$169,272.85. This amount was approximately 50% of the value of Investors Thirty-Three and Thirty-Four's Oakdale accounts in Q4 of 2015.

225. Investors Thirty-Three and Thirty-Four lost at least 72% of their initial principal investments in the Energy Investments.

226. These losses are reflected in Investors Thirty-Three and Thirty-Four's overall account balance from 2012 to 2015. After having an account balance of approximately \$280,158.44 during Q4 of 2012, Investors Thirty-Three and Thirty-Four's overall account balance significantly declined to approximately \$214,223.99 in Q4 of 2015, due in part to the Energy Investments.

227. Daly had originally given investor Thirty-Three and Thirty-Four the goal of reaching \$1.2 million for retirement.

228. In addition, Daly would frequently berate them during meetings when they brought up losses or questioned his investment decisions.

229. Investors Thirty-Three and Thirty-Four lost a substantial portion of their retirement savings.

21) Investor Thirty-Five: Over-Concentration

230. Investor Thirty-Five, 73, is a retired individual residing in Maynard, Massachusetts.

231. Investor Thirty-Five's investment objective was to preserve capital. As stated in Investor Thirty-Five's 2015 Planning Statement, Daly and Oakdale planned to place Investor Thirty-Five's tax deferred accounts in growth investments "to cover retirement horizon."

232. Without regard to Investor Thirty-Five's objective of preserving principal to cover retirement expenditures, Daly heavily invested Investor Thirty-Five's funds in the Energy Investments.

233. From June 28, 2011 to October 20, 2015, Daly and Oakdale invested Investor Thirty-Five's funds in the Energy Investments in the amount of approximately \$251,796.01. This amount was approximately 66% of the value of Investor Thirty-Five's Oakdale accounts in Q4 of 2015.

234. Investor Thirty-Five lost at least 84% of her initial principal investment in Energy Investments.

235. These losses are reflected in Investor Thirty-Five's overall account balance from 2012 to 2016. After having an account balance of approximately \$670,578.25 in Q1 of 2012, Investor Thirty-Five's overall account balance significantly declined to approximately \$304,499.92 by Q4 of 2015, due in part to the Energy Investments.

22) Investor Thirty-Six: Over-Concentration

236. Investor Thirty-Six is a 69 year old retired resident of Framingham, Massachusetts.

237. Investor Thirty-Six's investment objective was to protect principal while generating adequate income for retirement. As stated in Investor Thirty-Six's September 2009 Planning Statement, Daly and Oakdale planned to place Investors Thirty-Six's accounts in a "balance between bonds for income and stocks for growth."

238. Despite Investor Thirty-Six's objectives of principal protection and having a balance between bonds and stocks for growth in her accounts, Daly heavily invested Investor Thirty-Six's funds in the Energy Investments.

239. From June 28, 2018 to April 24, 2016, Daly and Oakdale invested Investor Thirty-Six's funds in the Energy Investments in the amount of approximately \$190,848.52. This amount was approximately 45% of all the value from Investor Thirty-Six's Oakdale accounts in Q4 of 2015.

240. Investor Thirty-Six had lost at least 71% of her initial principal investment in Energy Investments.

241. These losses are reflected in Investor Thirty-Six's overall account balance from 2012 to 2015. After having an account balance of approximately \$414,793.93 in Q1 of 2012, Investor Thirty-Six's account balance declined to approximately \$340,985.76 by Q4 of 2015, due in part to the Energy Investments.

23) Investors Thirty-Seven and Thirty-Eight: Over-Concentration

242. Investor Thirty-Seven, 75, and Thirty-Eight, 73, are a retired couple residing in South Chatham, Massachusetts. Investor Thirty-Eight suffers from serious health problems.

243. Investors Thirty-Seven and Thirty-Eight's accounts with Oakdale were a significant part of their total retirement savings.

244. Investors Thirty-Seven and Thirty-Eight's investment objective was to protect principal while generating adequate income for retirement. As stated in Investors Thirty-Seven and Thirty-Eight's May 2016 Planning Statement, Daly and Oakdale planned to place Investors Thirty-Seven and Thirty-Eight's accounts in income producing securities with the goal of capital appreciation from equities in their tax qualified retirement accounts.

245. Without regard to Investors Thirty-Seven and Thirty-Eight's objective of principal protection with income generation, Daly heavily invested a significant portion of Investors Thirty-Seven and Thirty-Eight's funds in the Energy Investments.

246. From September 11, 2012 to June 24, 2016, Daly and Oakdale invested Investors Thirty-Seven and Thirty-Eight's funds in the Energy Investments in the amount of approximately \$204,124.42. This amount was approximately 31% of the value of Investors Thirty-Seven and Thirty-Eight's Oakdale accounts in Q4 of 2015.

247. Investors Thirty-Seven and Thirty-Eight lost at least 70% of their initial principal investments in the Energy Investments.

248. These losses are reflected in Investors Thirty-Seven and Thirty-Eight's overall account balance from 2012 to 2016. After having an account balance of approximately

\$818,389.77 in Q1 of 2012, Investors Thirty-Seven and Thirty-Eight's overall account balance significantly declined to approximately \$448,061.89 by Q4 of 2016, due in part to their over-concentration in the Energy Investments.

249. Investors Thirty-Seven and Thirty-Eight now anticipate having difficulty setting up financial accounts for their grandchildren and covering Investor Thirty-Eight's future medical needs.

24) Remaining Oakdale Investors harmed by Over-Concentration.

250. There are at least 70 other Massachusetts investors that have suffered similar financial harm due to Respondents' over-concentration of customer assets in the Energy Investments.

**VII. VIOLATIONS OF LAW**

**COUNT I – Violations of MASS. GEN. LAWS ch. 110A, § 101(2)**

251. Section 101(2) of the Act provides:

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 a 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, o

MASS. GEN. LAWS ch. 110A, § 101.

252. The Enforcement Section re-alleges and re-states the allegations of fact set forth in Section VI above.

253. The conduct of Respondent Oakdale and Respondent Daly, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 101(2).

**COUNT II – Violations of MASS. GEN. LAWS ch. 110A, § 101(3)**

254. Section 101(3) of the Act provides:

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

(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.

255. The Enforcement Section re-alleges and re-states the allegations of fact set forth in Section VI above.

256. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 101(3).

**COUNT III – Violations of MASS. GEN. LAWS ch. 110A, § 102(2)**

257. Section 102(2) of the Act provides:

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.

258. The Enforcement Section re-alleges and re-states the allegations of fact set forth in Section VI above.

259. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 102(2).

**COUNT IV – Violations of MASS. GEN. LAWS ch. 110A, § 204(a)(2)(G)**

260. Section 204 of the Act provides:

The secretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds (1) that the order is in the public interest and (2) that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:-

(G) has engaged in any unethical or dishonest conduct or practices in the securities, commodities or insurance business [.]

MASS. GEN. LAWS ch. 110A, § 204(a)(2)(G).

261. 950 MASS. CODE REGS. 12.205(9) provides in pertinent part:

(9) Fraudulent Practices/Dishonest or Unethical Practices.

[...]

(c) The following practices are a non-exclusive list of practices by an adviser which shall be deemed "dishonest or unethical conduct or practices in the securities business" for purposes of M.G.L. c. 110A, § 204(a)(2)(G):

[...]

1. Recommending to a client to whom investment supervisory, management or consulting services are provided the purchase, sale or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry concerning the client's overall portfolio, investment objectives, financial situation and needs, investment experience and any other information known or acquired by the adviser after reasonable examination of the client's records as may be provided to the adviser.

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

263. The conduct of Respondents, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 204(a)(2)(G).



**COUNT V – Violation of MASS. GEN. LAWS ch. 110A, § 204(a)(2)(J)**

264. Section 204(a)(2)(J) of the Act provides:

The secretary may by order deny, suspend, or revoke any registration if he finds (1) that the order is in the public interest and (2) that the applicant or registrant

(J) has failed reasonably to supervise agents, investment adviser representatives or other employees to assure compliance with this chapter[.]

MASS. GEN. LAWS ch. 110A, § 204(a)(2)(J).

265. The Enforcement Section re-alleges and re-states the allegations in Section VI above.

266. The conduct of Respondent Oakdale and Respondent O’Keeffe, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 204(a)(J).

**VIII. 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.

**IX. 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].”

**X. RELIEF REQUESTED**

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

- A. Finding as fact all allegations set forth in paragraphs 1 through 250, inclusive, 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;
- D. Censuring Respondents;
- E. Requiring Respondents to provide restitution to fairly compensate Massachusetts investors for those losses attributable to the alleged wrongdoing;
- F. Requiring Respondents to provide a verified accounting of all proceeds that were received as a result of the alleged wrongdoing;
- G. Requiring Respondents to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing;
- H. Permanently barring Respondent Oakdale Wealth Management from registering in Massachusetts or conducting business in Massachusetts as an investment adviser required to be registered, an investment adviser exempt from registration, a federal covered adviser notice-filed in Massachusetts, an entity relying on an exclusion from the definition of investment adviser, a broker-dealer, or an issuer of securities;

- I. Permanently barring Respondent James G. Daly from associating or registering in Massachusetts in any capacity with any investment adviser required to be registered, any investment adviser exempt from registration, a federal covered adviser notice-filed in Massachusetts, or any entity relying on an exclusion from the definition of investment adviser;
- J. Permanently barring Respondent James G. Daly from registering or acting in Massachusetts as an agent of any broker-dealer, or as a partner, officer, director, or control person of a broker-dealer;
- K. Permanently barring Respondent James G. Daly from registering or acting in Massachusetts as an issuer of securities or an agent of any issuer of securities;
- L. Temporarily suspending Respondent Michael O’Keeffe’s registration from registering or acting in Massachusetts as an agent of any broker-dealer, or as a partner, officer, director, or control person of a broker-dealer;
- M. Temporarily suspending Respondent Michael O’Keeffe from registering or acting in Massachusetts as an issuer of securities or an agent of any issuer of securities;
- N. Imposing an administrative fine on Respondents in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; and

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

**MASSACHUSETTS SECURITIES DIVISION  
ENFORCEMENT SECTION**

By and through its attorneys,



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Dated: March 20, 2019