

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

IN THE MATTER OF:)	
)	
POSITION BENEFITS, LLC, and)	
)	Docket No. E-2014-0103
CHARLES N. NILOSEK,)	
)	
Respondents.)	

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 Position Benefits, LLC, and Charles N. Nilosek (“Respondent” or collectively, the “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 acted as unregistered investment advisers and broker-dealers, and offered and sold unregistered securities.

The Enforcement Section requests that the Director enter an order: 1) finding as fact all allegations set forth in Sections IV to VII, inclusive, of the Complaint; 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 acting as unregistered investment advisers, and Respondent Nilosek to permanently cease and

desist from acting as an unregistered investment adviser representative, in violation of Section 201 of the Act; 4) requiring Respondents to permanently cease and desist from acting as unregistered broker-dealers, and Respondent Nilosek to permanently cease and desist from acting as an unregistered broker-dealer agent, in violation of Section 201 of the Act; 5) requiring Respondents to permanently cease and desist from selling securities not registered or exempt from registration in the Commonwealth in violation of Section 301 of the Act; 6) barring Respondent Position Benefits from acting as or being associated with any Massachusetts-registered broker-dealer or investment adviser; 7) barring Respondent Nilosek from associating with or acting as a registered investment adviser, an investment adviser required to be registered, an investment adviser exempted from registration, a person relying on an exclusion from the definition of investment adviser in any capacity, a broker-dealer, a broker-dealer agent, an issuer, or an issuer-agent; 8) requiring Respondents to provide an accounting and to disgorge all proceeds and other direct or indirect remuneration received from the alleged wrongdoing; 9) barring Respondents from offering for sale and selling any security in Massachusetts until the security is properly registered or is offered for sale and sold pursuant to an exemption from registration under the Act; 10) imposing an administrative fine in an amount and upon such terms and conditions as the Director or Presiding Officer may determine; and 11) taking any such further action which could be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

II. SUMMARY

Charles N. Nilosek (“Nilosek”) founded Position Benefits, LLC (“Position Benefits”) in August 2013, and has served as its president to date. Position Benefits, LLC has never been registered in the Commonwealth of Massachusetts (“the Commonwealth”) or with any other

securities regulator as an investment adviser or as a broker-dealer. Nilosek is not and has never been registered with the Commonwealth or with any other securities regulator as an investment adviser representative, as a broker-dealer agent, or in any other capacity. Despite their lack of registration in the Commonwealth, Respondents Position Benefits and Nilosek hold themselves out as investment advisers while selling Massachusetts residents an unregistered risky security that they represent is a safe and secure investment. What's more, in social media Nilosek describes his and others' roles at Position Benefits as offering financial planning for a fee.

Position Benefits offers one financial product, which it calls "Secure Bridge Loan Investments" (hereinafter, "Woodbridge Investments"). Position Benefits peddles Woodbridge Investments as a secure investment option with zero risk that can earn a Massachusetts investor as high as 12% annual return on an investment, guaranteed. Pervading Position Benefits' advertising efforts are exaggerated and misleading statements about the safety of Woodbridge Investments, and about Position Benefits' and Nilosek's qualifications. Nilosek and Position Benefits tell Massachusetts investors to sell off their investment retirement accounts and cash in their existing certificates of deposit, all to purchase Woodbridge Investments. Despite having no education, training, or experience in securities, Nilosek assures investors that they will "never have to worry" about their "precious nest eggs," and that their return on investment is "guaranteed." These statements and this marketing would be completely inappropriate for any registered entity.

Woodbridge Investments are offered and sold to Massachusetts investors on behalf of Woodbridge Mortgage Investment Funds 1, 2, and 3 (collectively, "Woodbridge Mortgage Investment Funds"). Position Benefits solicits Massachusetts investors to purchase Woodbridge Investments through Woodbridge. Position Benefits receives a commission from Woodbridge for

every individual or entity it refers to Woodbridge that invests in a Woodbridge Investment. Position Benefits does not offer any other product, and commissions and marketing bonuses received from Woodbridge are Position Benefits' only source of income. Woodbridge has paid Position Benefits more than \$607,000 over an approximate nineteen month period.

From Position Benefits' founding to date, Nilosek and Position Benefits have held themselves out as investment advisers to residents of Massachusetts. This false representation – effectuated through advertising campaigns, substantial internet presence, numerous radio and television advertisements, and word of mouth – has generated significant business for Position Benefits by representing to Massachusetts investors that Position Benefits and Nilosek can and do provide investment advice as part of broader investment counseling. In reality, Position Benefits and Nilosek lure Massachusetts investors into meetings with the promise of investment advice, and pull a “bait and switch,” offering guarantees and promises of safety on a product¹ that offers neither. Nilosek takes advantage of his radio broadcast connections and his “Life is Great New England” and “Money Matters” radio program to generate leads and sales of a risky security for his own personal gain.

In Massachusetts, persons who hold themselves out as investment advisers subject themselves to regulation as investment advisers. Persons who hold themselves out as such and fail to register pose a threat to the investing public and harm the investment adviser industry. Investment advisers who register must meet certain basic examination, reporting, and character requirements. Unregistered investment advisers take clients away from the investment adviser community, and away from regulatory oversight. Because Position Benefits and Nilosek have

¹ Woodbridge Investments, about which little information is publicly available, are not registered as securities in the Commonwealth, and Woodbridge has not filed a notice of exemption in the Commonwealth. On April 29, 2015, Woodbridge signed an Offer of Settlement agreeing to offer recession to those Massachusetts investors who have purchased Woodbridge Investments.

represented and do represent themselves to be in the business of providing investment advice to Massachusetts investors, while failing to register and while gaining significant profit from their extensive misrepresentations, they stand in violation of the Act and the corresponding Regulations.

III. JURISDICTION AND AUTHORITY

1. As provided for by the Act, the Division has jurisdiction over matters relating to securities pursuant to chapter 110A of Massachusetts General Laws.
2. The Enforcement Section brings this action pursuant to the authority conferred upon the Division by Section 407A of the Act, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and the Regulations.
3. This proceeding is brought in accordance with Sections 201, 301, and 407A of the Act and its Regulations.
4. The Enforcement Section reserves the right to amend this Complaint and/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 August 1, 2013 to present (the “Relevant Time Period”).

V. RESPONDENTS

6. Position Benefits, LLC (“Position Benefits”) is a limited liability company formed under the laws of Massachusetts on August 23, 2013, with a current business address of 320 Court Street, Plymouth, Massachusetts 02360, and a web address of www.positionbenefits.com. The resident agent and listed manager of Position Benefits is Charles N. Nilosek. Position

Benefits is not registered in any capacity with the Division, the Securities and Exchange Commission (the “SEC”), or the Financial Industry Regulatory Authority (“FINRA”).

7. Charles N. Nilosek (“Nilosek”) is a resident of Plymouth, Massachusetts and the founder, president, and resident agent of Position Benefits. Nilosek is not registered in any capacity with the Division, the SEC, or FINRA. Nilosek is the host of a radio program called “Life is Great New England” and was the host of a radio program called “Money Matters.”

VI. OTHER RELEVANT INDIVIDUALS AND ENTITIES

8. Managing Director is the Managing Director of Position Benefits. Managing Director is not registered in any capacity with the Division, the SEC, or FINRA.
9. Woodbridge Mortgage Investment Fund 1, LLC is a limited liability company owned and managed by Woodbridge’s CEO and organized under the laws of Delaware in 2012 with a business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 and a web address of www.woodbridgecommercialmortgage.com.²
10. Woodbridge Mortgage Investment Fund 2, LLC is a limited liability company owned and managed by Woodbridge’s CEO and organized under the laws of Delaware in 2013 with a business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 and a web address of www.woodbridgecommercialmortgage.com.
11. Woodbridge Mortgage Investment Fund 3, LLC is a limited liability company owned and managed by Woodbridge’s CEO and organized under the laws of Delaware in 2014 with a business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 and a web address of www.woodbridgecommercialmortgage.com.

² The entities identified in paragraphs 9 to 11 are referred to collectively in this Complaint as “Woodbridge Mortgage Investment Funds.” Unless otherwise indicated, “Woodbridge” refers to any entity affiliated by common ownership with Woodbridge Mortgage Investment Funds, such as Woodbridge Structured Funding, LLC.

12. Woodbridge Structured Funding, LLC (“Woodbridge Structured Funding”) is a limited liability company owned and managed by Woodbridge’s CEO and organized under the laws of Delaware with a business address of 14225 Ventura Boulevard, Suite 100, Sherman Oaks, California 91423 and a web address of www.woodbridgeinvestments.com.
13. SHP Financial LLC (“SHP Financial”) is a limited liability company organized under the laws of Massachusetts with a current business address of 225 Water St. #106c, Plymouth, Massachusetts 02360 and a website of www.shpfinancial.com. Nilosek was a founding member of SHP Financial, LLC. Nilosek is no longer employed with SHP Financial.

VII. STATEMENT OF FACTS

A. Nilosek’s background.

13. Position Benefits is not and has never been registered with the Commonwealth of Massachusetts as an investment adviser, as a broker-dealer, or in any other capacity.
14. Nilosek is not and has never been registered with the Commonwealth of Massachusetts as an investment adviser, as an investment adviser representative, as a broker-dealer, as a broker-dealer agent, or in any other capacity.
15. Nilosek has never been registered with other state or federal securities regulators, or any self-regulatory organization.
16. Nilosek holds a bachelor’s degree in communications from Curry College, granted in 1994.
17. Nilosek holds a master’s degree in communications from Boston University, granted in 1998.
18. Nilosek has no formal education in finance or securities.
19. Nilosek has no certifications as a financial planner.
20. Nilosek has no experience in any position providing investment advice.
21. Nilosek is a founder and former member of SHP Financial.

B. Position Benefits' business.

22. Position Benefits has never been registered in any capacity with any state or federal securities regulator, or any self-regulatory organization.
23. Position Benefits solicits Massachusetts investors to purchase Woodbridge Investments (also known as Secure Bridge Loan Investments or Secure Bridge Loans).
24. Position Benefits receives compensation from Woodbridge Structured Funding, LLC (“Woodbridge Structured Funding”) for each individual or entity that Position Benefits refers who invests in Woodbridge Investments through Woodbridge Mortgage Investment Funds.
25. From September 12, 2013 to February 28, 2014, Woodbridge Structured Funding paid Position Benefits more than \$607,000.
26. Of the payments that Position Benefits received from Woodbridge Structured Funding, more than \$165,000 was paid to Position Benefits as a “marketing bonus,” with the remainder representing commissions for individual referrals.
27. Position Benefits does not offer any financial product other than Woodbridge Investments.
28. However, Position Benefits attracts Massachusetts investors by holding itself out as an investment adviser.
29. Although payments from Woodbridge are Position Benefits' sole means of income, Position Benefits has no written contract with Woodbridge.

C. Position Benefits and Nilosek holding themselves out as investment advisers.

i. Internet search engine results.

30. A Google search for “Position Benefits” displays Position Benefits, LLC as the first result.
31. The title tag of the Position Benefits Google search result displays the following phrase:
“Position Benefits – Personal Financial Consulting.”

ii. Website.

32. Position Benefits advertises on its website at www.positionbenefits.com, which is viewable publicly, including to Massachusetts investors.
33. Position Benefits and Nilosek are referred to as “Financial Advisors,” “Investment Counselors,” and “Financial Counselors” on the Position Benefits website.
34. On every heading of Position Benefits’ various website pages, Position Benefits labels itself as providing “Personal Financial Consulting/Concierge Services.”
35. Position Benefits’ current website homepage features the following language prominently in the center of the screen:

Position Benefits is an investment counseling firm with years of experience crafting successful investment strategies that offer new paths to financial independence.

(Emphasis added.)

36. Nilosek’s biography on the Position Benefits website states that “Mr. Nilosek has built his career on secure and safe financial and estate planning.” (Emphasis added.)

37. Position Benefits’ current website homepage features the following statement:

Our high net worth clients pride themselves on being able to optimize their wealth, not for its own sake, but in the pursuit of carefully defined personal and family goals. For such investors, Position Benefits offers exclusive access to unique investment opportunities not otherwise available. The founder of Position Benefits, Chuck Nilosek, has extensive experience in the field of asset protection, safe investing [*sic*] making him and his team the ideal ambassadors for this popular option.

(Emphasis added.)

38. The “Bridge Loans FAQ” portion of Position Benefits’ website states that:

Most importantly, Woodbridge takes full advantage of its numerous long-term relationships with attorneys, mortgage brokers and financial advisors all over the country such as Position Benefits.

(Emphasis added.)

39. The “Partnerships” portion of Position Benefits’ website states: “In addition to Position Benefits helping you invest your money wisely, Position Benefits is expanding its reach to help you save money.” (Emphasis added.)
40. The video embedded in Position Benefits’ homepage contains the following testimonial quote from a Position Benefits client: “Chuck is an expert in conservative investing.”
41. The video embedded in Position Benefits’ homepage also contains the following testimonial quote: “As a volunteer [Nilosek] comes in and does financial counseling.” (Emphasis added.)
42. Registered investment advisers and investment adviser representatives are prohibited from advertising with client testimonials.
43. The testimonial quotes found in the video on Position Benefits’ homepage from paragraphs 40 and 41 market Nilosek as an individual with expertise in financial counseling.
44. Nilosek states the following at the conclusion of the video embedded in Position Benefits’ homepage:

We do something pretty unique here, I like to call it financial concierge. I’ve built up quite a network of people that I know are experts in the field whether it is estate planning or mortgage planning, insurance and investments. When I sit down with people, I tell them look, let’s just put all of our cards on the table, and then we come up with solutions to what their ongoing future problems are. That’s the number one thing that we do here.

(Emphasis added.)

45. Despite Position Benefits’ extensive marketing of itself as providing comprehensive financial planning and investment advice, Nilosek testified before the Enforcement Section that Position Benefits does not do financial planning and only offers one product:

As part of my experience in the financial planning world, you know, I would uncover, okay, you’re asking me about this particular property, but what you truly need is could be [sic] more long-term comprehensive financial planning where you should probably sit down with an advisor who can do that for you. This is only a temporary one-year band aid. This isn’t — you know, again, this isn’t long-

term plan — this isn't really planning. This is, you know, just sort of getting a product.

(Emphasis added.)

46. Position Benefits' website instructs visitors to "call to speak with a Position Benefits advisor." (Emphasis added.)

47. The Managing Director's biography on the Position Benefits website states that the Managing Director "acts as a liaison between Position Benefits and the company who serves their client's needs. She is also responsible for the delivery and implementation of financial plans." (Emphasis added.)

48. Like Nilosek, Managing Director has no training or experience in the securities industry and is not registered in any capacity with the Division, the SEC, or FINRA.

iii. Facebook.

49. Position Benefits maintains a Facebook account that is viewable by the public, including in Massachusetts, as of April 29, 2015.

50. Position Benefits' Facebook page title is "Position Benefits: Investing Service." (Emphasis added.)

51. Position Benefits uses Facebook to advertise.

52. For example, Position Benefits uses Facebook to link to the Position Benefits website at www.positionbenefits.com.

iv. Electronic and mailed marketing materials.

53. Position Benefits distributes electronic and mailed marketing materials, including across Massachusetts.

54. Position Benefits' electronic and mailed marketing materials hold Position Benefits out as an investment adviser.

55. Position Benefits’ electronic and mailed marketing materials refer to Position Benefits employees as “financial planners” and “advisors.”

56. Position Benefits’ electronic and mailed marketing materials include the following statements:

WAIT LIST-

If you would like to speak with a Position Benefits advisor on how easy it is to invest in these safe options for short term cash, please call or email to request your own over the phone FREE consultation. During this conversation the financial planner will identify what your needs are, what your timeline is and what concerns you have moving forward. If you happen to complete this exercise and commit to a spot on the wait list, a rate will be held for you for the duration of the year.

(Emphasis added.)

57. Position Benefits’ electronic and mailed marketing materials state:

Our trained advisors have many years of income/distribution training and are equipped to aid you in building an income plan that can be FREE of income taxes and unnecessary market risk.

(Emphasis added.)

v. LinkedIn.

58. Nilosek maintained a profile on LinkedIn.com during the Relevant Time Period.

59. Nilosek’s LinkedIn profile contained the following description of his role at Position Benefits during the Relevant Time Period:

CEO/ Owner
Position Benefits LLC
2013 – Present (1 year) | Plymouth, MA

Finally, Safe options for your money with yields of 6-8%, without the worry of market risk.

For a low fee, a Position Benefits Senior Advisor will meet you at one of the many offices available in the New England [a]rea to develop an actionable plan to get you on the path to financial, legal and health security. Many times individuals don’t know where to turn when it comes to their many concerns. Therefor [*sic*]

people fail to complete their vital financial, legal and tax plans because they don't have access to the top financial professionals in the region.

Position Benefits also has the unique ability to offer many alternative investments that are typically not available in the general marketplace. This gives our trusted clients a distinct advantage in getting issues and problems solved quickly and effectively.

Our unique skill is to quickly match our clients' needs up to the best financial, legal, tax, mortgage and health firms in their area thus getting you back to enjoying your very precious personal time. Our carefully designed recommendations come after a [sic] initial consultation in which the needs of the client(s) are identified and the solutions outlined.

As the host of Money Matters Boston Radio on (96.9 Boston Talks WTKK, 680 WRKO, 1120 WBNW, 1390 WPLM, 910 WESO), Money Matters Boston TV (Fox 25, NECN, WBIN), The Roadmap To Wealth Coast to Coast (WBZ Boston, WRKO Boston, WXTK Cape Cod, 95.9, [sic] WATD South Shore, WCRN Worcester), Position Benefits LLC have been able to build up an extensive network of financial, legal and tax professionals that we feel are the best in the industry. We have also set up many discounts for service arrangements that can ultimately assist our clients in saving thousands of dollars. Position Benefits LLC, will also assist any and all clients in expediting appointments to ensure prompt and speedy help.

(Emphasis added.)

60. Although Nilosek testified to the Enforcement Section that commissions from Woodbridge are Position Benefits' only source of income, Nilosek's LinkedIn page represents that Position Benefits and Nilosek will "develop an actionable plan" for a "low fee."
61. At the time the information in paragraph 59 was posted, Position Benefits did not have any "Senior Advisors" other than Nilosek.
62. As of April 29, 2015, Position Benefits had no "Senior Advisors" listed on its webpage at www.positionbenefits.com.
63. At the time the information in paragraph 59 was posted, Position Benefits did not have "many offices" available in the New England area.

64. According to Nilosek's testimony before the Enforcement Section, Position Benefits has only one office.
65. Position Benefits has never had more than six employees at one time.
66. Despite holding itself out as offering "many alternative investments," Position Benefits offers and has only ever offered only one financial product.
67. Despite holding itself out as maintaining an "extensive network of financial, legal, and tax professionals," Position Benefits does not receive compensation for advising clients using any such network.
68. Nilosek's statement that Position Benefits and its team "carefully" design "recommendations" for individual clients, "after an initial consultation in which the needs of the client are identified and solutions outlined," represents that Position Benefits offers more products or services than Woodbridge Investments.
69. As noted, Position Benefits' only source of income and only product is the Woodbridge Investment that it pitches to every prospective client.
70. The "skills" section of Nilosek's LinkedIn page currently lists "retirement," "estate planning," and "strategic financial planning." (Emphasis added.)
71. Position Benefits maintains a LinkedIn profile.
72. Position Benefits' LinkedIn profile page links to Position Benefits' homepage and provides Position Benefits' business address.
73. Position Benefits' LinkedIn profile states that Position Benefits participates in the "Investment Management" industry.
74. Position Benefits does not list any other industry on its LinkedIn page in which Position Benefits participates.

75. Position Benefits advertises three “specialties” on its LinkedIn page.
76. Two of the three specialties identified in paragraph 75 are “Investing” and “Investment Management.”

vi. Nilosek’s testimony.

77. Throughout his testimony before the Enforcement Section, Nilosek referred to himself as an advisor.
78. Nilosek testified before the Enforcement Section as follows:

Woodbridge in their effort to sort of not want to have a bank of telemarketers or people having to do these things reached out to financial advisors. I happened to be one of the first having had a relationship with them prior to this one product that they have and was introduced to it first initially....

(Emphasis added.)

79. Nilosek testified before the Enforcement Section as follows:

Woodbridge had in their efforts to recruit financial advisors and financial professionals around the country had reached out to one of my colleagues at SHP Financial and educated them on another product that they have called structured settlement transfers, and that’s how we — that’s how we originally met.

80. Nilosek also referred to himself in his testimony before the Enforcement Section as a financial planner.

81. Nilosek stated the following in his testimony before the Enforcement Section:

And, you know, the advisors around the country who do 10, 20 million [dollars] a month in this, that’s a lot of business in my opinion. Again, I’m not a massive financial institution, but, you know, I come from a background of conservative financial planning and risk avoidance, and so the people that I deal with, it’s extensive to us.

(Emphasis added.)

vii. Other instances of Nilosek and Position Benefits holding themselves out as investment advisers.

82. Position Benefits advertises to individuals with retirement accounts.

83. Position Benefits encourages individuals to whom it advertises to convert their individual retirement accounts (“IRAs”) to self-directed IRAs in order to enable those individuals to purchase Woodbridge Investments.

84. Position Benefits’ electronic and mailed marketing materials state:

If you will be using IRA Funds you MUST have the Self Direct Application completed before the end of the 25th to lock in your 6%. This process could be lengthy and if not done in time could result in the lower rate.

(Emphasis added.).

161. Position Benefits’ electronic and mailed marketing materials state:

This opportunity EXCLUDES Qualified money such as IRA or 401K funds. If you would like to use those funds in any of our deals, then please call us ASAP to get the easy SELF DIRECT IRA instructions.

85. Position Benefits advertises to individuals holding certificates of deposit.

86. Position Benefits encourages individuals to whom it advertises to sell their existing certificates of deposit in order to enable those individuals to purchase Woodbridge Investments.

87. Nilosek markets himself as a financial advisor by offering no-fee “professional consultations” as a “financial advisor” to the Plymouth Council on Aging.

88. Position Benefits has held online webinars, such as the webinar advertised on Position Benefits’ Facebook page where interested persons can learn “how to get 5% on [their] money, guaranteed.” (Emphasis added.)

89. Position Benefits has held client appreciation events in Massachusetts, such as an event at the Boston Winery in January 2014.

D. Position Benefits’ representations that Woodbridge Investments are completely safe.

90. Position Benefits' electronic and mailed marketing materials uniformly fail to disclose any risks of Woodbridge Investments.

91. Instead, Position Benefits repeatedly describes Woodbridge Investments in its marketing materials as "safe" and "guaranteed."

i. Radio advertisements.

92. Position Benefits advertises Woodbridge Investments over the radio on multiple Massachusetts radio stations, including WBZ at FM 98.5.

93. Nilosek hosted a radio program called "Money Matters" until 2013, during which he interviewed guests to discuss financial and other topics.

94. Nilosek testified before the Enforcement Section that he hosts other radio shows on financial and other topics.

95. Money Matters and Life is Great New England aired on WBZ.

96. Position Benefits did not pay WBZ for airing most or all of its advertisements.

97. On information and belief, Position Benefits was not required to pay for several of its advertisements on WBZ because of Nilosek's radio program, "Life is Great New England."

98. Position Benefits' radio advertisements contain the following statements:

Here's an urgent message to those of you earning less than 2 percent at commercial banks!

Currently the national average for a one year CD is less than 1 percent, and that is unacceptable for those looking to preserve and protect their savings. If little risk, short one year terms, and a five percent guaranteed rate of return sounds appealing, then call [*phone number redacted*] to learn more and get your specialized, free information packet!

(Emphasis added.)

99. Position Benefits' radio advertisements contain the following statements:

I've interviewed many celebrities and hardworking New Englanders and one common theme is that people are worried about their retirement, and fear that they cannot retire on low interest rates that the banks offer.

Look, if little risk and a short, one year commitment with a 5% guaranteed rate of return sounds appealing to you, call me now. Lose that unacceptable 1% you're getting and give us a ring for your free information packet. Call [*phone number redacted*], or visit us at positionbenefits.com.

(Emphasis added.)

ii. Electronic and mailed marketing materials.

100. From October 2013 to March 2015, Position Benefits mailed and emailed marketing materials to Massachusetts residents.

101. Position Benefits' electronic and mailed marketing materials state the following:

Fall is also a time for scary costumes and Trick or Treating. However, what is happening in Washington seems to be more TRICK than TREAT!

We at Position Benefits strongly encourage you to reach out NOW to safely protect your precious NEST EGGS from what is to come over the next few weeks. CALL [*phone number redacted*] and we will connect with you ASAP to make sure you will be protected during these uncertain and dramatic times.

8%!!!

CALL NOW to receive 8% for 1 year on what people are calling the greatest short term, safe investment available today! These "Too Good To Be True" investments are not only TRUE but have been around for many many years. Earn 8% while you can and call now!

(Emphasis added.)

102. Position Benefits' electronic and mailed marketing materials state the following:

As CD rates still continue to disappoint the conservative investor, 1st Position Mortgage Investments offered through Woodbridge Mtg Fund LLC and Position Benefits LLC have now become the clear cut answer to keeping your hard earned money safe for a VERY SHORT period of time. (8% for 12 months)

Although 7% for 12 months is STILL an unbelievable opportunity for your safe money, we want to encourage ALL OF YOU TO GET 8%...

(Emphasis added.)

103. Position Benefits' electronic and mailed marketing materials state the following: "Thank you for allowing us to have another record month of protecting your safe money with high rates of return!" (Emphasis added.)

104. Position Benefits' electronic and mailed marketing materials state the following:

This limited opportunity is available for accredited investors who want the highest rate of return on the market, for extremely low risk, interest paid monthly and for only a 5 year period of time.

(Emphasis added.)

105. Position Benefits' electronic and mailed marketing materials state the following:

For those people who struggle with wondering how this works; just Google CD's on the Internet and get those questions answered...

...

For those wondering how 10% is possible; just Google interest rates from 1979 to get that answered.

...

Let Position Benefits be your SAFE MONEY SAVIOR this holiday season.

(Emphasis added.)

106. As of May 4, 2015, researching certificates of deposit on the internet does not explain "how this [Woodbridge Investments] works."

107. Position Benefits' electronic and mailed marketing materials state the following:

...Position Benefits is anxious to get qualified people into our 1 year, %7 [sic] CD Like INVESTMENTS. Be Safe and not sorry by securing your nest egg with 7% rates of return.

Also PLEASE ask about our 12%, 5 year opportunity that is available for only a limited group of qualified investors who are looking to expand their security until 2018.

(Emphasis added.)

108. Position Benefits' electronic and mailed marketing materials state the following:

Want more information regarding SAFE options with a yield of 6-8%? Learn more about First Position Mortgages!

Click here to download a brochure about Position Benefits and learn how to keep your money safe today!

First Position Commercial Mortgage Lending with Position Benefits has clear advantages that can't be outdone!:

SECURITY
MONTHLY INTEREST PAYMENTS
SHORT-TERM, HIGH YIELD GAINS

(Emphasis added.)

109. Position Benefits' electronic and mailed marketing materials state the following:

GET OUR NEW BROCHURE DETAILING ALL THE IMPORTANT FACTS ABOUT 1st Position Investments and how they can be an invaluable part to your SAFE portfolio.

110. Position Benefits' electronic and mailed marketing materials state the following:

CD rates continue to remain LOW forcing people to look elsewhere for SAFE/NO RISK places to secure your money. A LEADING New England Bank is offering a 15 month CD at 1%!!!

Surprisingly they have had a RECORD response.

Position Benefits and Woodbridge has a 12 month equivalent deal paying 6%!!!!

Example- \$100,000 investment

Client Receives \$500 per month, each month for 12 months.

At the conclusion of the year duration, client receives their ENTIRE PRINCIPLE [*sic*] of 100K back!

NO FEES

NO RISK (* Ask about the Woodbridge Promise.)

(Emphasis added.)

111. The “Woodbridge Promise” referenced in paragraph 110 above refers to the fact that Woodbridge agrees to pay investors interest and principal even if its own borrowers fail to pay Woodbridge.

112. Position Benefits’ electronic and mailed marketing materials state the following:

Many have asked how Position Benefits is able to offer a safe and reliable investment similar to CD’s for 6% for a 1 year duration.

...

This limited opportunity is turning the conservative marketplace on its ear with its tremendous SAFETY, trusted RELIABILITY and better than average rates.

(Emphasis added.)

113. Position Benefits’ electronic and mailed marketing materials state the following:

Looking for ways to keep your money safe?

Contact one of our representatives, Monday – Friday 9am – 5pm, to ask your questions about a First Position Commercial Mortgage Investment, or to have information sent to you on a Mortgage Fund – A 5 year Investment with a 10% return

First Position Commercial Mortgage Investments offer short-term high yield gains, security, and monthly interest payments.

(Emphasis added.)

114. Position Benefits’ electronic and mailed marketing materials state the following:

We are excited to be able to offer this deal below to our clients. This will fill fast so DON’T miss out and wait! 30% LTV [loan-to-value ratio] protects your hard earned money even more than ever!

(Emphasis added.)

115. Position Benefits’ electronic and mailed marketing materials state the following:

We would also like to say thank you to all the people across the country who have allowed us to be their safe harbor for all of their hard earned assets and precious nest eggs.

(Emphasis added.)

116. Position Benefits' electronic and mailed marketing materials state the following:

Position Benefits offers a 1 year, air tight investment, paying a 6% rate of return. We have been nationally recognized by some of the country's top financial experts and media figures in the industry of safety. It's obvious that the demand for this opportunity will be staggering. As bank CD's continue to flounder, Bridge Loan/1st Position Investments have quickly erased the unsettling feeling of low interest rate choices dominating our culture. However this IS NOT available to everyone. There is a LIMITED supply to the overwhelming demand and the time to act is NOW!

(Emphasis added.)

117. Position Benefits' electronic and mailed marketing materials contain the following statement:

We pride ourselves on having a huge stable of clients who speak of the pleasure they receive knowing that their money is SAFE, that they are earning every second of every day and that their money will never run out when they are at their most vulnerable.

(Emphasis added.)

118. Position Benefits' electronic and mailed marketing materials contain the following statement:

While the team at Position Benefits will continue to stress that EACH deal presented at ANY LTV Ratio is a safe, secured and guaranteed opportunity, a low loan-to-value case will still go very quick.

(Emphasis added.)

119. Position Benefits' electronic and mailed marketing materials state the following:

“Position Benefits always stresses that each and every deal, regardless of the LTV, is a safe, secured, and guaranteed opportunity.” (Emphasis added.)

120. Position Benefits' electronic and mailed marketing materials state the following: “As most of you know, we offer an Alternative Investment with little to no risk!” (Emphasis added.)

121. Position Benefits' electronic and mailed marketing materials state the following:

Call it a FATHERS DAY WEEKEND SPECIAL, we don't care... We just want you to know that your money will be safe and sound for the next 12 months (Or more) earning 8%!!

Sound too good to be true? Fine. There is ALWAYS a limited supply and we rely on many of you feeling this way. It makes more room for the winners to thrive!!!

(Emphasis added.)

122. Position Benefits' electronic and mailed marketing materials state the following:

Those of you suffering through low CD or Bank rates, this is FREE money for you! How about getting a peaceful nights sleep? For the rest of you who toil in the stock market, unsure of what tomorrow brings, this will give you that comfort you richly deserve!

(Emphasis added.)

123. Position Benefits' electronic and mailed marketing materials state the following:

If you have \$100,000 in a CD, you probably have only earned about 800 over the last 12 months! By calling today, you will increase that to over \$6,000 without losing the security you desperately desire. Think of how much easier the holiday season will be for you and your family with that added interest.

(Emphasis added.)

124. Position Benefits' electronic and mailed marketing materials state the following:

Slow and steady wins the race. The stock markets wild and unpredictable behavior make it less than ideal for the person just looking to preserve and protect their hard earned nest eggs.

(Emphasis added.)

iii. Facebook page.

125. Position Benefits' Facebook page contains the following statements:

Who would be interested in attending an online webinar on how you can get 5% on your money; guaranteed, for only 12 months? If you would like to learn more click "like" and we will schedule it asap!

US Banks average less than 1%! You deserve to know what else is out there!

(Emphasis added.)

126. Position Benefits' Facebook page contains the following statements:

How does an air tight, safe spot to keep your money sound, ALL THE WHILE Wall Street falters. By the way, did we mention you earn 5% for a short term of 12 months!

(Emphasis added.)

127. Position Benefits' Facebook page contains the following statements:

Blizzard special! ONLY TOMORROW-earn 7% for the next 12 months on a secured bridge loan-

AIR TIGHT SAFE....GUARANTEED....SHORT TERM....supply is limited, call [phone number redacted] beginning at 7:30 am EST

(Emphasis added.)

128. Position Benefits' Facebook page contains the following statements:

To all of my friends...We have short term safe opportunities for your CD/Bank money. 4% for 12 months. A 1 year CD at the bank averages less than 1%. Call us or email me for details now.

We also have 6% and 12% investments no longer than 5years. Alternative, safe and limited. Contact us ASAP

(Emphasis added.)

129. Position Benefits' website states:

When it comes to mortgage loan notes, you need to work with a company that is honest and reliable. Transparency in dealings is one of our top priorities, as thousands of our customers testify.

130. As of October 22, 2014, Position Benefits had only twenty-eight customers from Massachusetts.

131. Position Benefits has never had "thousands of customers."

132. Moreover, "thousands" of customers have not "testified" that transparency in dealings is one of Position Benefits' top priorities.

E. Woodbridge Mortgage Investment Funds.

133. On May 4, 2015, the Massachusetts Securities Division accepted an offer of settlement submitted to it by the Woodbridge Mortgage Investment Funds, the purpose of which was to settle the Division's ongoing investigation of Woodbridge Investments.
134. Nilosek is personally acquainted with Woodbridge's CEO and testified before the Enforcement Section that he frequently communicates with him via cell phone.
135. Woodbridge's CEO is also the president and owner of Woodbridge Structured Funding, as well as at least ten other affiliated business entities sharing addresses with Woodbridge Mortgage Investment Funds and Woodbridge Structured Funding.
136. Woodbridge Mortgage Investment Funds raise money from individuals in states across the United States, including Massachusetts, using entities like Position Benefits to identify potential investors.

F. Woodbridge Investments.

137. Position Benefits offered and sold Woodbridge Investments in the Commonwealth of Massachusetts to Massachusetts residents and residents of other states during the Relevant Time Period.
138. Woodbridge Investments are not and have not been registered as securities in Massachusetts.
139. Woodbridge Investments are not and have not been exempt from registration as securities in Massachusetts.
140. Woodbridge Investments are not and have not been registered as federally-covered securities in Massachusetts.

141. Woodbridge has never filed a notice of exemption from securities registration in Massachusetts.
142. In response to a Division subpoena, Woodbridge identified 144 Massachusetts investors who invested in Woodbridge Investments via Position Benefits and other entities from January 1, 2012 to March 20, 2015 (hereinafter "Massachusetts Investors"). The 144 Massachusetts Investors reside in towns and cities across Massachusetts, including Springfield, Worcester, Gloucester, Truro, Plymouth, Dorchester, and Boston.
143. Woodbridge Investments are structured such that each Massachusetts Investor provides a principal sum to Woodbridge in exchange for a promissory note.
144. The loan agreements made in connection with these promissory notes assign each Massachusetts investor a first-lien position against a tract of real property, which property also serves as Woodbridge's collateral for the loan to the third-party borrower.
145. The promissory notes also set forth a monthly interest rate payment that Woodbridge must pay to the Massachusetts investor.
146. As noted above, Position Benefits routinely describes in its advertising materials a uniform rate of interest for Woodbridge Investments.
147. As of April 29, 2015, Position Benefits continues to advertise Woodbridge Investments, specifically with a rate of 6% return for new investors.
148. The promissory notes further provide that Woodbridge must pay the Massachusetts Investor his or her principal back by the end of the promissory note term.
149. Woodbridge pays Massachusetts Investors found by Position Benefits a portion of the interest paid to Woodbridge by third-party borrowers, typically five to twelve percent of the Massachusetts Investor's investment in Woodbridge, per annum.

150. For example, in the fall of 2013, Position Benefits had an arrangement with Woodbridge whereby Woodbridge offered twelve percent interest to Position Benefits, of which eight percent was the Massachusetts Investor's portion, and four percent was retained by Position Benefits as a commission.
151. In general, either Woodbridge Mortgage Investment Funds, or another Woodbridge affiliated entity, uses some of its own money, as well as money borrowed from investors in Woodbridge Investments (including the Massachusetts Investors), to extend loans to third-party borrowers.
152. Third-party borrowers obtain loans from Woodbridge at a higher interest rate than what is available through traditional lending institutions.
153. The third-party borrowers referred to in paragraph 152 are typically unable to obtain financing from traditional lending institutions at lower interest rates.
154. Hard money lenders such as Woodbridge typically charge interest rates to third-party borrowers between ten and twenty percent per annum of the principal loan.

G. Woodbridge's Bank Records.

155. Woodbridge Mortgage Investment Funds do not place investor funds into escrow accounts or maintain separate accounts for each Massachusetts Investor.
156. Woodbridge Mortgage Investment Funds do not maintain a separate fund or pool for payment of their obligations to each Massachusetts Investor.
157. Upon information and belief, Woodbridge Mortgage Investments Funds did not put protections in place to separate or earmark investor funds for any particular purpose.
158. Rather, Woodbridge Mortgage Investment Funds typically repay Massachusetts Investors from general accounts containing their corporate assets.

159. Further, Woodbridge Mortgage Investment Funds used money invested in Woodbridge Investments to pay numerous expenses, including interest payments to investors in Woodbridge Investments.
160. Woodbridge Mortgage Investment Funds transfer money to and from other Woodbridge affiliated entities.
161. Woodbridge Structured Funding has paid back principal sums loaned to Woodbridge Mortgage Investment Funds by Massachusetts Investors upon the expiration of the Woodbridge Investment term.
162. On occasion, Massachusetts Investors' principal sums have been paid back in installments.
163. Investors in Woodbridge Mortgage Investment Funds have no contractual rights against affiliated entities of Woodbridge Mortgage Investment Funds.
164. Position Benefits does not disclose in its advertising that an entity other than Woodbridge Mortgage Investment Funds will pay an investor's money back or handle investor funds at all.
165. Additionally, Woodbridge Structured Funding paid Position Benefits for soliciting investors in Woodbridge Investments.
166. Woodbridge Structured Funding also paid other entities, such as SHP Financial, for soliciting investors in Woodbridge Investments.

H. Further undisclosed risks of Woodbridge Investments.

167. Woodbridge Investments subject Massachusetts Investors to numerous risks.
168. However, Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence (including Position Benefits' and

Nilosek's Facebook and LinkedIn pages) all of the risks to which Woodbridge Investments subject Massachusetts Investors.

169. Registered investment advisers are required by Massachusetts law to disclose risks and relevant information about investments to investors.
170. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that in the event that Woodbridge becomes bankrupt or defaults on its obligation to pay a Massachusetts investor, the Massachusetts investor could carry the burden of reclaiming his or her investment.
171. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that in the event that Woodbridge defaults on its obligation to pay a Massachusetts investor, a Massachusetts investor could have to file a lawsuit against Woodbridge in order to retrieve the principal loaned to Woodbridge.
172. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that in the event that Woodbridge files for bankruptcy protection, a Massachusetts investor could have to become a creditor in bankruptcy proceedings.
173. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that Woodbridge could overestimate the value of property serving as collateral for Woodbridge Investments, thereby rendering false the loan-to-value ratio advertised by Position Benefits.
174. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that the loan-to-value ratio on the collateral securing a

loan made by Woodbridge could lead to a higher risk for Massachusetts Investors than Position Benefits represents.

175. For example, the loan-to-value ratio on one property listed by Woodbridge in Billings, Montana in its electronic and mailed marketing materials, and offered and sold to Massachusetts Investors by Position Benefits, was 69.1%.³
176. On information and belief, Position Benefits did not disclose to its clients who invested in Woodbridge Investments secured by the Billings, Montana property that the property was sold at auction by the federal government due to asbestos problems.
177. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that, in the event of a third-party borrower filing for bankruptcy protection, Woodbridge, as a second-position lien-holder, has interests that may not be aligned with the interests of Massachusetts Investors holding collateral on the same property.
178. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence, that Massachusetts Investors rely exclusively on Woodbridge to properly file their security interest on local title records, and that, further, Woodbridge could fail to do so properly.
179. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that Woodbridge relies on law firms local to the property securing Woodbridge Investments for title work.

³ This loan-to-value ratio is considerably greater than those advertised by Position Benefits in its electronic and mailed marketing materials, such as an “LTV” of 30%.

180. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that Massachusetts Investors also rely exclusively on Woodbridge to obtain title insurance on property.
181. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that, further, title insurance is an indemnity policy, and as such, reimbursement for title insurance can take months or even years for a Massachusetts investor to obtain, and that reimbursement could only be paid to Woodbridge, the contract party with the title insurance company.
182. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that documentation of hard money loans, such as those that Woodbridge or its affiliates offer, involves compliance with numerous state and federal regulations, and that, further, failure to comply with these regulations could invalidate the security interest claimed by Woodbridge or by a Massachusetts Investor as part of a Woodbridge Investment.
183. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that Woodbridge could neglect to maintain an adequate cash reserve to handle certain problems arising with hard money lending, such as curing deficient property taxes, buying out senior lien positions, hiring counsel, or any of the costs attendant to foreclosure proceedings.
184. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that the value of the property securing a Woodbridge Investment could decrease.

185. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that in cases described in paragraph 184 above, the property would not serve to adequately collateralize the Woodbridge Investment in the event of default, even if the loan-to-value ratio is favorable at the time the loan is made.
186. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that in cases where the property fails to adequately collateralize the Woodbridge Investment, Massachusetts Investors will have to rely on Woodbridge's ability to continue making interest payments despite loss in the value of its collateral.
187. Position Benefits does not disclose in its mailed and electronic marketing materials, radio advertisements, or internet presence that when Massachusetts Investors give money to Woodbridge, they rely on the competence and stability of Woodbridge for the security of their investment.
188. Rather, Position Benefits consistently represents that Woodbridge Investments are "guaranteed."

VIII. VIOLATIONS OF LAW

A. Respondents' Violations of MASS. GEN. LAWS ch. 110A, § 201(c)

189. Section 201(c) of the Act provides:
It is unlawful for any person to transact business in this commonwealth as an investment adviser or as an investment adviser representative unless he is so registered under this chapter.
MASS. GEN. LAWS ch. 110A, § 201(c).
190. Section 401(m) of the Act defines an investment adviser as follows:
"Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to value of securities or as to the advisability of investing in, purchasing, or

selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. “Investment adviser” also includes financial planners and other persons who, as an integral component of other financially related services, provide the foregoing investment advisory services to others for compensation and as a part of a business or who hold themselves out as providing the foregoing investment advisory services to others for compensation.

MASS. GEN. LAWS ch. 110A, § 401(m) (Emphasis added).

191. Section 401(n) of the Act defines an investment adviser representative as follows:

“Investment adviser representative” means any partner, officer, director, or a person occupying a similar status or performing similar functions, or other individual, except clerical or ministerial personnel, who is employed by or associated with:

- A. an investment adviser that is registered or required to be registered under this act, and who does any of the following:
 - (i) makes any recommendations or otherwise renders advice regarding securities;
 - (ii) manages accounts or portfolios of clients;
 - (iii) determines which recommendation or advice regarding securities should be given;
 - (iv) solicits, offers or negotiates for the sale of or sells investment advisory services;
 - (v) supervises employees who perform any of the foregoing.

MASS. GEN. LAWS ch. 110A, § 401(n).

192. The conduct of Respondents described in Sections IV to VII above constitutes a violation of MASS. GEN. LAWS ch. 110A, § 201(c).

B. Position Benefits’ Violations of Section 201(d)

193. Section 201(d)(i) of the Act provides:

It is unlawful for any investment adviser required to be registered to employ an investment adviser representative unless the investment adviser representative is registered under this chapter, but the registration of an investment adviser representative shall not be effective during any period when he is not employed by an investment adviser registered under this chapter.

MASS. GEN. LAWS ch. 110A, § 201(d).

194. The conduct of Position Benefits described in Sections IV to VII above constitutes a violation of MASS. GEN. LAWS ch. 110A, § 201(d).

C. Respondents' Violations of Section 201(a)

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

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

MASS. GEN. LAWS ch. 110A, § 201(a).

196. Section 401(c) of the Act defines a broker-dealer, in pertinent part, as follows:

“Broker-dealer” means any person engaged in the business of effecting transactions in securities for the account of others or for his own account.

MASS. GEN. LAWS ch. 110A, § 401(c).

197. Section 401(b) of the Act defines an agent, in pertinent part, as follows:

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

MASS. GEN. LAWS ch. 110A, § 401(b).

198. The conduct of Respondents described in Sections IV to VII above constitutes a violation of MASS. GEN. LAWS ch. 110A, § 201(a).

D. Position Benefits' Violations of Section 201(b)

199. Section 201(b) of the Act provides:

It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered.

MASS. GEN. LAWS ch. 110A, § 201(a).

200. The conduct of Position Benefits described in Sections IV to VII above constitutes a violation of MASS. GEN. LAWS ch. 110A, § 201(b).

E. Respondents' Violations of MASS. GEN. LAWS ch. 110A, § 301

201. Section 301 of the Act provides:

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

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

MASS. GEN. LAWS ch. 110A, § 301.

202. The conduct of Respondents described in Sections IV to VII above constitutes a violation of MASS. GEN. LAWS ch. 110A, § 301.

IX. STATUTORY BASIS FOR RELIEF

Section 407A(a) 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 could order such person to cease and desist from such unlawful act or practice and could 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 could 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 the Director enter an order:

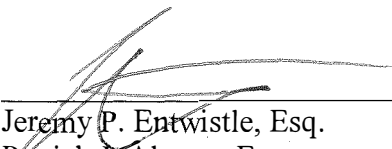
A. Finding as fact all allegations set forth in Sections IV to VII, inclusive, of the Complaint;

- 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 acting as unregistered investment advisers, and Respondent Nilosek to permanently cease and desist from acting as an unregistered investment adviser representative, in violation of Section 201 of the Act;
- D. Requiring Respondents to permanently cease and desist from acting as unregistered broker-dealers, and Respondent Nilosek to permanently cease and desist from acting as an unregistered broker-dealer agent, in violation of Section 201 of the Act;
- E. Requiring Respondents to permanently cease and desist from selling securities not registered or exempt from registration in the Commonwealth in violation of Section 301 of the Act;
- F. Barring Respondent Position Benefits from acting as or being associated with any Massachusetts-registered broker-dealer or investment adviser;
- G. Barring Respondent Nilosek from associating with or acting as a registered investment adviser, an investment adviser required to be registered, an investment adviser exempted from registration, a person relying on an exclusion from the definition of investment adviser in any capacity, a broker-dealer, a broker-dealer agent, an issuer, or an issuer-agent;
- H. Requiring Respondents to provide an accounting and to disgorge all proceeds and other direct or indirect remuneration received from the alleged wrongdoing;
- I. Barring Respondents from offering for sale and selling any security in Massachusetts until the security is properly registered or is offered for sale and sold pursuant to an exemption from registration under the Act;
- J. Imposing an administrative fine in an amount and upon such terms and conditions as the Director or Presiding Officer may determine; and

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

**MASSACHUSETTS SECURITIES DIVISION
ENFORCEMENT SECTION**

By its attorneys,



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