

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

IN THE MATTER OF:	)	
	)	
JOHN SILVIA, JR.	)	Docket No. E-2012-0018
RICHARDSON CONSULTING LLC	)	
FAIRWAY REALTY LLC	)	
	)	
RESPONDENTS.	)	
	)	

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SECURITIES DIVISION

**NOTICE OF ADJUDICATORY PROCEEDING**

Please take notice that William Francis Galvin, Secretary of the Commonwealth, by his Enforcement Section of the Securities Division (respectively, the "Enforcement Section" and "Division") seeks an Order: Specifically, the Enforcement Section seeks an order: (1) finding as fact the allegations and facts set forth below; (2) requiring Respondents, after notice and opportunity for hearing, to permanently cease and desist from acting as unregistered broker-dealers and/or investment advisers and investment adviser representatives; (3) requiring Respondents, after notice and opportunity for hearing, to permanently cease and desist from effectuating the offer and sale of unregistered securities in the Commonwealth; (4) requiring Respondents, after notice and opportunity for hearing, to permanently cease and desist from fraudulent activity in violation of the Act and Regulations; (5) requiring Respondents to provide an accounting of all proceeds that were received as a result of the alleged wrongdoing, and to offer rescission to and fairly compensate victims for those losses attributable to the alleged wrongdoing; (6) requiring Respondents to disgorge all proceeds and other direct or indirect remuneration received from the alleged wrongdoing; (7) requiring Respondents to pay an

administrative fine in an amount and upon such terms and conditions as the Director or Hearing Officer may determine; (8) permanently barring the association or registration of Respondents with any broker-dealer, issuer of securities, or investment adviser in the Commonwealth (9) requiring Respondents to (a) provide an accounting of all proceeds received as a result of the alleged wrongdoing, (b) disgorge all proceeds and other direct or indirect remuneration received a result of alleged wrongdoing, and (c) requiring Respondents to offer remuneration to fairly compensate all investors who suffered losses attributable to the alleged wrongdoing; (10) the Enforcement Section requests that the Director or Hearing Officer take any other necessary action which may be in the public interest and appropriate for the protection of Massachusetts investors.

Respondents have the right to request an adjudicatory hearing at which they may show good cause why such an order and sanctions should not be entered. The adjudicatory proceeding is governed by Massachusetts General Laws, Chapter 110A and by the Rules set forth in Title 950 of the Code of Massachusetts Regulations beginning at Section 10.00.

The matters of fact and law in the proceeding are set forth in the Administrative Complaint, a copy of which is filed and served herewith.

In accordance with 950 MASS. CODE REGS. 10.06(e), Respondents must file an answer to each allegation set forth in the Administrative Complaint within twenty-one (21) days after service upon Respondents. A Respondent who fails to file a timely answer may be deemed to be in default, and the allegations of the Administrative Complaint may thereupon be accepted as true and the proceedings determined against the defaulting party by issuance of a final order.

**WILLIAM FRANCIS GALVIN  
SECRETARY OF THE COMMONWEALTH**

A handwritten signature in black ink, appearing to read "Bryan J. Lantagne", written over a horizontal line.

Bryan J. Lantagne, Esq.  
First Deputy – Secretary of State  
Director  
Massachusetts Securities Division  
One Ashburton Place, Room 1701  
Boston, Massachusetts 02108

Dated: February 7, 2014

**COMMONWEALTH OF MASSACHUSETTS  
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SECURITIES DIVISION  
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Docket No. E-2012-0018

MASSACHUSETTS  
SECURITIES DIVISION  
OFFICE OF THE SECRETARY  
ONE ASHBURTON PLACE  
BOSTON, MA 02108  
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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 complaint (the “Complaint”) in order to commence an adjudicatory proceeding against Respondents John Silvia, Jr., Richardson Consulting LLC and Fairway Realty LLC for violations of MASS. GEN. LAWS ch. 110A, the Massachusetts Uniform Securities Act (“Act”), and 950 MASS. CODE REGS. 10.00 *et seq.* (“Regulations”). The Enforcement Section alleges that John Silvia, Jr., acting individually and through Richardson Consulting LLC, Fairway Realty LLC and various other organizations, fraudulently offered and sold unregistered and non-exempt securities in the Commonwealth without being registered as a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative. The Enforcement Section further alleges that the offers and sales were part of a scheme to defraud Massachusetts investors.

Specifically, The Enforcement Section seeks an order: (1) finding as fact the allegations and facts set forth below; (2) requiring Respondents, after notice and opportunity for hearing, to

permanently cease and desist from acting as unregistered broker-dealers and/or investment advisers and investment adviser representatives; (3) requiring Respondents, after notice and opportunity for hearing, to permanently cease and desist from effectuating the offer and sale of unregistered securities in the Commonwealth; (4) requiring Respondents, after notice and opportunity for hearing, to permanently cease and desist from fraudulent activity in violation of the Act and Regulations; (5) permanently barring the association or registration of Respondents with any broker-dealer, issuer of securities, or investment adviser in the Commonwealth (6) requiring Respondents to (a) provide an accounting of all proceeds received as a result of the alleged wrongdoing, (b) disgorge all proceeds and other direct or indirect remuneration received as a result of alleged wrongdoing, and (c) requiring Respondents to offer remuneration to fairly compensate all investors who suffered losses attributable to the alleged wrongdoing; (7) the Enforcement Section requests that the Director or Hearing Officer take any other necessary action which may be in the public interest and appropriate for the protection of Massachusetts investors.

## II. SUMMARY

The Enforcement Section of the Division brings this action as a result of the alleged misconduct by Respondent Silvia carried out through the businesses under his control, Richardson Consulting LLC and Fairway Realty LLC. On December 27, 1995, the Enforcement Section of the Division filed an Administrative Complaint against Silvia, an attorney who was later disbarred, and others for violations of securities laws including offering and selling unregistered and non-exempt securities while being an unregistered person. On July 17, 1997, a Final Order was entered in that matter and was subsequently appealed by Silvia. On June 21, 2004, the Massachusetts Appeals Court entered a final decision affirming the Superior

Court's decision upholding the Division's Final Order. (*Silvia v. Secy. of the Commonwealth*, 810 N.E.2d 825 (Jun. 21, 2004).

In 2008, Silvia, under the aegis of Richardson Consulting LLC, became a consultant to a company called Advance Space Monitor, Inc. ("ASM") based in Fall River, Massachusetts. As partial payment for his services, Silvia obtained the right to purchase 500,000 shares of ASM. From February of 2009 through July 6, 2011, Silvia induced Investor One to make eight (8) investments in ASM by assigning Investor One stock purchase agreements that contained the right to purchase 300,000 of his 500,000 shares of ASM. By the time Investor One died on July 25, 2011, he had paid \$240,000.00 directly to Silvia for his right to purchase ASM shares.

Not only was Silvia not registered to offer or sell securities in Massachusetts, he also failed to invest the money he received from Investor One as he had promised. Silvia used part of the money to buy shares of ASM, but the remaining funds were used for personal expenses and to pay himself \$15,000.00 in "commission" for selling ASM shares to Investor One. These personal expenses included payments of life insurance premiums for Silvia and his wife, numerous cash gifts to family members, and the purchase of Red Sox season tickets. Investor One's estate and his widow have not received any ASM shares and none of the funds given under the assignment of interest and stock purchase agreements have been repaid.

In February of 2013, Silvia met Investor Two while accompanying a family member who was being treated at a Boston hospital. Investor Two was employed as a nurse by this hospital and frequently attended to Silvia's family member. During one of these visits, Silvia approached Investor Two to invest in a real estate venture which he claimed would return 20% percent interest on the principal amount. Silvia assured Investor Two that he would not have to do anything but invest his money and that the principal plus 20% interest were guaranteed to be

returned to him by May 15, 2013. Silvia executed two Promissory Notes stating that for a total investment of \$60,000.00, Investor Two would see a return of \$10,000.00 to be paid within three (3) months. On February 27, 2013, Investor Two wire-transferred \$35,000.00 to Richardson Consulting LLC and on March 15, 2013, Investor Two wire-transferred another \$25,000 Richardson Consulting LLC.

Not only was Silvia not registered to sell securities in Massachusetts, he also failed to invest the money he received from Investor Two as he had promised. Instead Silvia used the proceeds for personal expenses such as cash gifts to family members and Red Sox season tickets. Even though he repeatedly inquired about the Promissory Notes, Investor Two has never received any return on his investment.

Silvia's illegal and unregistered activity in offering and selling securities to the two investors is particularly egregious in light of the Massachusetts Appeals Court ruling which had previously found that he had violated Massachusetts securities laws for offering and selling unregistered securities without being registered. With this action, the Enforcement Section of the Division seeks to stop Silvia from continuing to engage in acts and practices that violate Massachusetts securities laws.

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

1. The Massachusetts Securities Division is a Division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities as provided for by the Massachusetts Uniform Securities Act, MASS. GEN. LAWS ch. 110A (the "Act") and the regulations promulgated there under. The Act authorizes the Division to regulate: (a) the offers and/or sales of securities; (b) those individuals offering and/or selling securities within the

Commonwealth; and (c) those individuals transacting business as broker-dealer agents within the Commonwealth.

2. The Division brings this action pursuant to the enforcement authority conferred upon it by Section 407A of the Act and MASS. GEN. LAWS ch. 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all regulations and rules promulgated thereunder.

3. This proceeding is brought in accordance with §§ 101, 201, 301 and 407A of the Act and its Regulations. Specifically, the acts and practices constituting violations originated from and/or occurred within the Commonwealth of Massachusetts.

4. The Division specifically 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 period from January 2008 up to and including the present.

#### **V. RESPONDENTS**

6. John Silvia, Jr. (“Silvia”) is an individual with a last known address of 305 Foley Avenue, Somerset, Massachusetts 02726. Silvia is not registered to sell securities with the Division, the Securities and Exchange Commission, or the Financial Industry Regulatory Authority. Silvia was previously the subject of a Massachusetts Securities Division Final Order dated July 17, 1997 that required him to permanently cease and desist from violations MASS. GEN. LAWS ch. 110A, provide a full accounting of investor funds, and offer rescission to all investors in connection with the fraudulent sale of unregistered none-exempt securities without



being registered to do so. In addition, on December 5, 2003, Silvia was barred from the practice of law in Massachusetts and that decision was subsequently upheld by the United States Supreme Court. (*See In re Discipline of Silvia*, 545 U.S. 1125 (Feb. 22, 2005)).

7. Richardson Consulting LLC (“RC”) is a Delaware limited liability company that was formed on June 21, 2002. On November 7, 2002, RC was registered to do business in the state of New Jersey. According to a Certificate of Amendment filed on December 20, 2002 with the state of Delaware, Silvia is the sole member of RC. Silvia is the signatory on at least three (3) bank accounts held at different state and federally chartered banks under the name “Richardson Consulting.”

8. Fairway Realty LLC “Fairway” is a Delaware limited liability company that was formed on October 11, 2005. Members of Fairway include Silvia’s three sons. Fairway also owns real property located in South Carolina. Fairway is also a business name used by Silvia. Silvia is the signatory on at least three (3) bank accounts held at different state and federally chartered banks under the name “Fairway Realty.”

## **VI. PROCEDURAL HISTORY**

1. On December 27, 1995, the Enforcement Section of the Division filed an Administrative Complaint and Notice of Adjudicatory Proceeding In the Matter of John Silvia, Jr.

2. On May 6, 1997, May 8, 1997 and May 9, 1997, the Division conducted a civil administrative Hearing.

3. On July 17, 1997, the Hearing Officer filed a Final Order finding that Silvia violated Massachusetts securities laws by offering and selling unregistered and non-exempt securities to Massachusetts residents without being registered to do so.

4. On August 15, 1997, Silvia appealed the Division's decision to the Massachusetts Superior Court. Subsequently, the Superior Court affirmed the Division's decision.

5. On June 21, 2004, the Massachusetts Appeals Court affirmed the Massachusetts Superior Court's decision affirming and upholding the Division's Final Order.

## **VII. STATEMENT OF FACTS AND ALLEGATIONS**

### **A. Advanced Space Monitor, LLC ("ASM")**

1. ASM is a Massachusetts limited liability company founded in 2003 that conducted a private placement offering in June of 2009 to raise \$2,000,000.00.

2. According to a June 30, 2009 Subscription Agreement, an option to purchase up to 500,000 shares of ASM was granted to Silvia at \$1.00 per share.

3. In 2008, RC became a consultant for ASM.

### **B. Investor One<sup>1</sup>**

4. Investor One was as "friend" of Silvia. He died on July 25, 2011 at the age of sixty-five (65).

5. On February 16, 2009, Investor One gave Silvia \$25,000.00.

6. On January 25, 2010, Silvia executed a "Partial Assignment of Interest and Stock Repurchase Agreement" ("Assignment 1") where he assigned his interest in the shares to be issued by ASM to Investor One.

7. In Assignment 1, Silvia included the February 16, 2009 payment of \$25,000.00 with an additional investment of \$50,000.00.

8. As of the date of Assignment 1, Investor One had paid \$75,000.00 for the option to purchase Silvia's ASM shares for \$1.00 per share.

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<sup>1</sup> Investor names and confidential information have been withheld to protect the privacy of Massachusetts residents.

9. On information and belief, Silvia included and rolled over the February 16, 2009 payment of \$25,000.00 in Assignment 1 because he could not repay this money.
10. On April 15, 2010, Silvia executed another “Partial Assignment of Interest and Stock Repurchase Agreement” (“Assignment 2”) where he assigned his interest in ASM shares to Investor One.
11. Under Assignment 2, Investor One invested an additional \$75,000.00. According to bank records, Silvia cashed Investor One’s check and then deposited the funds into the Fairway bank account. The April 2010 statement for the Fairway account showed that the funds were deposited as cash, \$28,120.00 was withdrawn in cash, and \$23,000.00 was transferred to another bank account.
12. On January 19, 2011, Silvia executed another “Partial Assignment of Interest and Stock Repurchase Agreement” (“Assignment 3”) where he assigned his interest in ASM shares to Investor One.
13. Under Assignment 3, Investor One invested an additional \$25,000.00. According to bank records, Silvia cashed Investor One’s check and then deposited the funds into the Fairway bank account. The January 2011 statement for the Fairway account showed that the funds were deposited as cash and \$23,428.00 was withdrawn in cash.
14. On February 2, 2011, Silvia executed another “Partial Assignment of Interest and Stock Repurchase Agreement” (“Assignment 4”) where he assigned his interest in ASM shares to Investor One.
15. On February 28, 2011, Silvia executed another “Partial Assignment of Interest and Stock Repurchase Agreement” (“Assignment 5”) where he assigned his interest in ASM shares to Investor One.

16. Under Assignment 4, Investor One invested an additional \$10,000.00 and under Assignment 5, Investor One paid an additional \$15,000.00. According to bank records, Silvia cashed Investor One's check and deposited the funds into the Fairway bank account. The February 2011 statement for the Fairway account showed that funds were deposited as cash and that \$11,500.00 was withdrawn in cash.

17. On July 1, 2011, Silvia executed another "Partial Assignment of Interest and Stock Repurchase Agreement" ("Assignment 6") where he assigned his interest in ASM shares to Investor One.

18. On July 6, 2011, Silvia executed another "Partial Assignment of Interest and Stock Repurchase Agreement" ("Assignment 7") where he assigned his interest in ASM shares to Investor One.

19. Under Assignment 6, Investor One invested an additional \$25,000.00 and under Assignment 7, Investor One paid an additional \$15,000.00. According to bank records, Silvia cashed Investor One's check and then deposited the funds into the Fairway bank account. The July 2011 statement for the Fairway account showed that the funds were deposited as cash and that credit card and mortgage payments were made, \$5,000.00 was transferred to other bank accounts, and \$12,500.00 was withdrawn in cash.

20. Silvia testified that the monies given to him by Investor One were a "personal loan" and not a security. However, Silvia took time to keep Investor One informed of his investment: including forwarding notes of ASM's progress during March through June of 2011 and writing a memorandum detailing ASM's financial situation.

21. On information and belief, Silvia turned Investor One's checks into cash and then made cash deposits into the Fairway account to hide the source of the money.

22. Further review of Fairway's bank account shows that Investor One's funds were not invested as promised; instead Silvia used the money for personal expenses including cash gifts to family members, credit card and mortgage payments, and the purchase of Red Sox season tickets.
23. The payment under Assignment 7 was made nineteen (19) days before Investor One died.
24. Investor One was induced by Silvia to make investments for future stock purchases under the seven (7) Assignments in the total amount of \$240,000.00.
25. Since Investor One's death, his widow has made numerous attempts to claim either the investment and/or funds under the seven (7) Assignments. To date, she has not received any monies or ASM shares.
26. These Assignments were not registered as securities with the Division.
27. Silvia is not registered as a broker-dealer, broker-dealer agent, investment advisor or investment adviser representative with the Division.
28. Individually and through Fairway and RC, Silvia offered and sold unregistered securities in the form of the Assignments to Investor One.

**C. Investor Two**

29. In February of 2013, Investor Two was approached by Silvia to invest in a real estate venture.
30. At the time, Investor Two was employed as a nurse by a Boston hospital. One of the patients he attended to was a family member of Silvia.
31. Silvia made Investor Two's acquaintance because he frequently accompanied this family member to appointments at the hospital.

32. During one of these visits, Silvia approached Investor Two to invest in a “profitable” real estate transaction which would require only the outlay of funds for a guaranteed return of 20% within three (3) months.
33. On February 27, 2013, Silvia as managing member of RC executed a Promissory Note stating that for an investment of \$35,000.00, Investor Two would receive a return of \$7,000.00 by May 31, 2013.
34. On February 27, 2013, Investor Two wire-transferred \$35,000.00 to RC’s bank account.
35. On March 15, 2013, Silvia as managing member of RC executed a Promissory Note stating that for an additional investment of \$25,000.00, Investor Two would receive an additional return of \$3,000.00 by June 30, 2013.
36. On March 15, 2013, Investor Two wire-transferred \$25,000.00 to RC’s bank account.
37. After June 30, 2013, when no return on his investment was forthcoming, Investor Two sent a certified letter to Silvia requesting his money back.
38. After receiving this letter, Silvia telephoned Investor Two and told him that there had been unavoidable events which had held up the real estate deal. Silvia further stated that Investor Two would receive “bonus” funds for the extra wait time.
39. In addition, Silvia wrote to Investor Two on July 12, 2013, July 31, 2013, August 5, 2013, August 7, 2013, August 21, 2013, August 31, 2013, and October 7, 2013. Each time, he apologized for delays and requested additional time for repayment under the Promissory Notes.
40. As of this date, Investor Two’s investment of \$60,000.00 under both Promissory Notes remains outstanding.

41. A review of RC's bank account shows that Investor Two's funds were not invested as promised; instead Silvia used the money for personal expenses including cash gifts to family members, credit card and mortgage payments, and the purchase of Red Sox season tickets.

42. These Promissory Notes were not registered as securities with the Division.

43. Silvia is not registered as a broker-dealer, broker-dealer agent, investment advisor or investment adviser representative with the Division.

44. Individually and through Fairway and RC, Silvia offered and sold unregistered securities in the form of the Promissory Notes to Investor Two.

**D. Additional Investors**

45. According to an affidavit provided to the Enforcement Section by Silvia, RC entered into Partial Assignment of Interests ("Partial Assignments") with Rhode Island and New Hampshire residents between 2010 and 2011 in the following amounts:

1. RI Investor 1      \$60,000.00
2. RI Investor 2      \$7,500.00
3. NH Investor 1      \$60,000.00

46. Each of these Partial Assignments assigns RC's interests in future stock purchases of ASM shares to the investor for \$1.00 per share.

47. These Partial Assignments were not registered as securities with the Division.

48. Silvia testified that he believed these securities transactions did not violate the Division's 1997 Final Order because they took place outside of the Commonwealth of Massachusetts.

49. Silvia maintained this assertion despite being informed of that offers originating from the Commonwealth could also violate the Act. Section 414(c) of the Act states in pertinent part:

For the purposes of this section, an offer to sell or to buy is made in the commonwealth, whether or not either party is then present in the commonwealth, when the offer (1) *originates from the commonwealth*. . .

(Emphasis added)

MASS. GEN. LAWS ch. 110A, § 414(c).

50. Silvia is not registered as a broker-dealer, broker-dealer agent, investment advisor or investment adviser representative with the Division.

51. Individually and through Fairway and RC, Silvia offered and sold unregistered securities in the form of Partial Assignments to Rhode Island and New Hampshire residents.

52. On information and belief, Silvia has offered and sold unregistered and non-exempt securities to residents of multiple states including South Carolina and New Jersey without being registered to do so.

## **VIII. VIOLATIONS OF THE MASSACHUSETTS UNIFORM SECURITIES ACT**

### **A. Count 1: Violation of Section 101**

1. Section 101 of the Act states that:

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

- (1) to employ any device, scheme, or artifice to defraud,
- (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, or
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

MASS. GEN. LAWS ch. 110A, § 101.

2. The Division herein restates and re-alleges the facts and allegations set forth in paragraphs 1 through 52 above.



3. The conduct of Respondents, as described above, constitutes a violation of MASS. GEN. LAWS ch. 110A, § 101.

**B. Count 2: Violation of Section 201**

4. Section 201(a) of the Act provides, in pertinent part: “(a) It is unlawful for any person to transact business in this commonwealth as a broker-dealer or agent unless he is registered under this chapter.” MASS. GEN. LAWS ch. 110A, § 201(a).

5. The Division herein restates and re-alleges the facts and allegations set forth in paragraphs 1 through 52 above.

6. The conduct of Respondents, as described above, constitutes a violation of MASS. GEN. LAWS ch. 110A, § 201(a).

**C. Count 3: Violation of Section 301**

7. 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.

8. The Division herein restates and re-alleges the facts and allegations set forth in paragraphs 1 through 52 above.

9. The conduct of Respondents, as described above, constitutes a violation of MASS. GEN. LAWS ch. 110A, § 301.

**IX. STATUTORY BASIS FOR SECURITIES DIVISION’S ACTION**

10. Section 407A of the Act, entitled Violations; Cease and Desist Orders; Costs, 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(a).

11. The Division herein restates and re-alleges the facts and allegations set forth in paragraphs 1 through 52 above.

12. Respondents directly and indirectly engaged in the acts, practices and courses of business as set forth above in this Complaint and it is the Division's belief that Respondents will continue to engage in the acts and practices similar in subject and purpose which constitute violations if not ordered to cease and desist.

#### **X. PUBLIC INTEREST**

For any and all of the reasons set forth above, the following relief is necessary and appropriate in the public interest and for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Massachusetts Uniform Securities Act.

#### **XI. RELIEF REQUESTED**

WHEREFORE, the Enforcement Section of the Division requests that the Director or Hearing Officer take the following actions:

- A. Find as fact all the facts and allegations set forth in paragraphs 1 through 52, inclusive of the Complaint;
- B. Find that all sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors;

- C. Order Respondents to provide an accounting of all proceeds that were received as a result of the alleged wrongdoing and offer remuneration to fairly compensate all investors who suffered losses attributable to the alleged wrongdoing;
- D. Order Respondents to disgorge all proceeds and other direct or indirect remuneration received from the alleged wrongdoing;
- E. Impose an administrative fine on Respondents in an amount and upon such terms and conditions as the Director or Hearing Officer may determine; and
- F. Take such further action against Respondents as may be deemed just and appropriate for the protection of investors.

**MASSACHUSETTS SECURITIES DIVISION  
ENFORCEMENT SECTION**

By its attorney,



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Dated: February 7, 2014