

IN THE MATTER OF:)
)
)
THOMAS T. RIQUEIR &)
UNITED PLANNERS' FINANCIAL)
SERVICES OF AMERICA)
A LIMITED PARTNER,)
)
RESPONDENTS.)

Docket No. E-2017-0105

I. INTRODUCTION

On February 14, 2019 and February 15, 2019, Respondents Riquier and United Planners respectively submitted the signed Offer of Settlement (the “Offer”) to the Division. Respondent United Planners admits the Statement of Facts set forth in Section VI and neither admits nor denies the Violations of Law set forth in Section VIII.

Respondent Riquier admits the Statement of Facts set forth in Section VI, identified in paragraphs 9-59, 65-104, 117-150 and neither admits nor denies the Statement of Facts set forth VI, identified in paragraphs 60-64, 105-116, and 151-153 and neither admits nor denies the Violations of Law set forth in Section VII. Respondents consent to the entry of this Consent Order (“Order”) by the Division, consistent with the Offer, settling the claims brought in the Complaint with prejudice.

II. JURISDICTION AND AUTHORITY

1. The Division has jurisdiction over matters relating to securities, as provided for by the Act. In part, the Act authorizes the Division to regulate: 1) the offers, sales, and purchases of securities; 2) those individuals offering and/or selling securities; and 3) those individuals transacting business as investment advisers within the Commonwealth.
2. The Division brought its action pursuant to the enforcement authority conferred upon it by § 407A of the Act, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and Regulations.
3. The Offer was made and this Order is entered in accordance with MASS. GEN. LAWS ch. 110A. Specifically, the acts and practices investigated by the Division took place in Massachusetts and were directed toward Massachusetts residents while Riquier was registered in Massachusetts as a broker-dealer agent and investment adviser representative and United Planners was registered as a broker-dealer and investment adviser.

III. RELEVANT TIME PERIOD

4. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of December 20, 1990 to the present (the “Relevant Time Period”).

IV. RESPONDENTS

5. Thomas Riquier (“Riquier”) is a resident of Massachusetts and a former broker-dealer agent and former investment adviser representative of United Planners’ Financial Services of America A Limited Partner. Riquier has a Financial Industry Regulatory Authority (“FINRA”) Central Registration Depository (“CRD”) number of 400088. Riquier was first registered as a broker-dealer agent in Massachusetts on September 11, 1985. Riquier was registered as a broker-dealer agent of United Planners’ Financial Services of America A Limited Partner from April 27, 1992, and as an investment adviser representative from April 3, 2006, until the termination of his registration on March 30, 2018.
6. United Planners’ Financial Services of America A Limited Partner (“United Planners”) is a broker-dealer and investment adviser with headquarters in Arizona. United Planners has a FINRA CRD number of 20804. United Planners has been registered with Massachusetts as a broker-dealer since 1988 and noticed filed as an investment adviser since 2006. United Planners has five branch offices in Massachusetts.

V. RELATED ENTITIES

7. Rowley Land Appreciation Fund Limited Partnership (the “Rowley Fund”) is a Massachusetts limited partnership with a principal place of business located at 1891 Professional Building, Liberty Square Danvers, Massachusetts 01923. Riquier filed with the Corporations Division of the Office of the Secretary of the Commonwealth to organize this partnership on December 20, 1990. Riquier is the general partner of the Rowley Fund.
8. TTR Realty Trust (the “TTR Trust”) is a Massachusetts trust formed by a Trust Agreement on August 7, 1980 and recorded with the Essex County Registry of Deeds for the purpose of holding approximately 90 acres of land in the town of Rowley (the “Rowley Property”). Riquier serves as the Trustee of the TTR Trust and is currently a 53.4 % beneficiary of the TTR Trust. The Rowley Fund is a 46.6% beneficiary of the TTR Trust.

VI. STATEMENT OF FACTS

A. Thomas T. Riquier

9. Riquier was a registered broker dealer agent of United Planners since April 4, 1992, and investment adviser representative since 2006. He was registered as a broker-dealer agent since 1985.
10. Riquier did business as the Retirement Financial Center (the “Retirement Center”) located at 10 Liberty Street, Danvers, Massachusetts.
11. Riquier was a certified financial planner, as well as being a member of multiple professional organizations.
12. Riquier was responsible for 1,771 accounts for approximately 400 clients.

13. Riquier produced over \$1,200,000 annually for United Planners, of which more than \$500,000 consists of advisory fees.

B. The TTR Realty Trust

14. Riquier formed the TTR Realty Trust (the “TTR Trust”) by filing a Deed of Trust with the Essex Registry of Deeds, Book 6724 page 705, on August 7, 1980, and was the trustee and sole beneficiary at that time.
15. Throughout the Relevant Time Period, Riquier has remained the trustee and a beneficiary of the TTR Trust.
16. On August 7, 1980, Riquier was given a deed to the Rowley Property, from the original owners of the property in exchange for \$104,000 to be paid up front and another \$450,000 to be paid over the next 15 years.¹
17. Between July 1985 and February 1989, Riquier took out loans from two local banks totaling over \$200,000 secured by mortgages on the Rowley Property.
18. On February 18, 1986, Riquier borrowed \$100,000 from two of his clients and that loan was secured by a mortgage on the Rowley Property. This mortgage was later disclosed to Rowley Fund investors via the Schedule of Mortgages in the Rowley Fund Private Placement Memorandum (“Rowley Fund PPM”).
19. As of 1990, Riquier had borrowed over \$300,000 secured by mortgages on the Rowley Property.

¹ Riquier acquired two more areas of property for \$10,000 and nominal consideration in 1981.

C. Riquier Created the Rowley Fund to Purchase an Interest in the TTR Realty Trust and Generate Personal Funds

20. On December 20, 1990, Riquier created the Rowley Fund to purchase and hold real property in the town of Rowley to be sold at a later date to profit the investors.
21. To accomplish this investment objective, the Rowley Fund was to purchase a 75% interest in the TTR Trust, which already owned the Rowley Property.
22. Throughout the Relevant Time Period, Riquier served as the General Partner of the Rowley Fund and was the sole individual responsible for the day to day oversight and management of the property.
23. Throughout the Relevant Time Period, Riquier was the sole individual responsible for overseeing the marketing and sales efforts of the underlying Rowley Property.
24. The investors of the Rowley Fund have not participated in the management or decision making of the fund, excepting a single vote to determine whether or not the Rowley Fund would dissolve in December of 2010.
25. Riquier represented to investors that the purpose of the Rowley Fund was to sell the Rowley Property within 8 years for a profit.
26. An appraisal paid for by Riquier prior to the creation of the Rowley Fund valued the property at approximately \$1,435,000, and the town of Rowley assessed the Rowley Property at approximately \$700,000.

D. The Rowley Fund Pooled \$730,000 from Investors

27. Between April of 1991 and December of 1992, Riquier solicited 30 clients and other individuals to invest in the Rowley Fund.
28. Each investor received units of ownership at the price of \$5,000 per unit.

29. A resident of Walpole, Massachusetts invested \$25,000 in the Rowley Fund on April 27, 1991.
30. A resident of Lynn, Massachusetts invested \$15,000 in the Rowley Fund on April 29, 1991 and was a client of Riquier.
31. A resident of Beverly, Massachusetts invested \$25,000 in the Rowley Fund on April 30, 1991 and was a client of Riquier.
32. A resident of Concord, New Hampshire invested \$25,000 in the Rowley Fund on April 30, 1991 and was a client of Riquier.
33. A resident of Danvers, Massachusetts invested a total of \$100,000 in the Rowley Fund on two separate occasions, April 30, 1991 and February 2, 1992, and was a client of Riquier.
34. A resident of Beverly, Massachusetts invested \$25,000 in the Rowley Fund on April 30, 1991.
35. A resident of Beverly, Massachusetts invested \$25,000 in the Rowley Fund during the week of April 30, 1991.
36. A resident of Gloucester, Massachusetts invested \$25,000 in the Rowley Fund on May 8, 1991 and was a client of Riquier.
37. A resident of Danvers, Massachusetts invested \$15,000 in the Rowley Fund on May 16, 1991 and was a client of Riquier.
38. A resident of South Hamilton, Massachusetts invested \$25,000 in the Rowley Fund on June 24, 1991 and was a client of Riquier.
39. A resident of Georgetown, Massachusetts invested \$25,000 in the Rowley Fund on June 27, 1991.

40. A resident of Lynn, Massachusetts invested \$30,000 in the Rowley Fund on June 27, 1991 and was a client of Riquier.
41. A resident of Milford, Massachusetts invested \$25,000 in the Rowley Fund on June 27, 1991 and was a client of Riquier.
42. A resident of Nahant, Massachusetts invested \$25,000 in the Rowley Fund on June 27, 1991 and was a client of Riquier.
43. A resident of Watertown, Massachusetts invested \$25,000 in the Rowley Fund on June 28, 1991 and was a client of Riquier.
44. A resident of Peabody, Massachusetts invested \$25,000 in the Rowley Fund on August 1, 1991 and was a client of Riquier.
45. A resident of Saugus, Massachusetts invested \$25,000 in the Rowley Fund on August 6, 1991 and was a client of Riquier, but has passed away.
46. A resident of Lynn, Massachusetts invested \$25,000 in the Rowley Fund on May 8, 1992 and was a client of Riquier.
47. A resident of Watertown, Massachusetts invested \$15,000 in the Rowley Fund on May 29, 1992.
48. Two residents of Peabody, Massachusetts invested \$15,000 in the Rowley Fund on June 3, 1992.
49. A resident of Danvers, Massachusetts inherited a \$20,000 investment in the Rowley Fund on December 12, 1992 from the original investor.
50. Eight other investors, some residents of Massachusetts, invested another \$195,000 in the Rowley Fund between 1990 and 1994.
51. At least one of the investors identified in paragraphs 29-50 are now deceased.

E. Riquier Personally Received the \$730,000 that He Raised From the Rowley Fund Investors

52. The total amount raised from the Rowley Fund investors was \$730,000 which was to be used for the purpose of purchasing an interest in the TTR Trust.
53. On June 13, 1994, at 3:32 pm, Riquier recorded a deed conveying a 46.6% undivided interest in the Rowley Property to the Rowley Fund with quitclaim covenants.
54. Riquier, as the 100% beneficiary of the TTR Trust at the time of transfer, received 100% of the \$730,000 raised by the Rowley Fund offering.
55. After receiving the funds, Riquier changed the beneficiaries of the TTR Trust; instead of Riquier being the sole beneficiary, the beneficiaries became the Rowley Fund (46.6%) and Riquier (53.4%).
56. At least 14 of the investors in the Rowley Fund were clients of Riquier, although information suggests all were Riquier's clients at one point and time.
57. All 14 clients identified in paragraph 56 are now between the ages of 64 and 94 years old.
58. At least two investors in the Rowley Fund have died without ever seeing a return on their investment.
59. The remaining investors of the Rowley Fund have collectively seen no return on their 1992 investment.

F. The Rowley Fund was not Registered or Exempt from Registration

60. The Rowley Fund PPM was given to investors in the Rowley Fund at some point between 1990 and 1991.

61. The Rowley Fund PPM claims a federal exemption from registration under Securities and Exchange Commission (the “SEC”) Rule 505 or 506 of Regulation D, which would have required a filing of a Form D with the SEC.
62. The Rowley Fund PPM also claims an exemption from registration under 950 CMR 14.402(b)(13)(i).
63. Among other things, this exemption requires the filing of a copy of the Form D filed with SEC or a statement signed by the issuer designating compliance with all sections of the claimed exemption.
64. A review of the publically available SEC records has not revealed a Form D filing for the Rowley Fund.

G. Riquier Borrowed Over \$800,000 From Clients

65. At the same time that Riquier granted an interest in the TTR Trust and the Rowley Property to the Investors, Riquier granted 23 mortgages to clients to secure personal loans.
66. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$5,000 for the purpose of securing payment of a personal loan dated June 1, 1978, given to a resident of Yarmouth Port, Massachusetts, who was a client of Riquier.
67. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$5,000 for the purpose of securing payment of a personal loan dated November 6, 1978, given to the same resident of Yarmouth Port, Massachusetts identified in paragraph 66.

68. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$50,000 for the purpose of securing payment of a personal loan dated May 15, 1986, given to a resident of Danvers, Massachusetts, who was a client of Riquier.
69. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated October 31, 1989, given to a resident of Beverly, Massachusetts, who was a client of Riquier.
70. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$25,000 for the purpose of securing payment of a personal loan dated November 1, 1989, given to two residents of Lynnfield, Massachusetts, who was a client of Riquier.
71. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$25,000 for the purpose of securing payment of a personal loan dated November 1, 1989, given to a resident of Lynn, Massachusetts, who was a client of Riquier.
72. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$25,000 for the purpose of securing payment of a personal loan dated November 14, 1989, given a second resident of Lynn, Massachusetts, who was a client of Riquier.
73. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$25,000 for the purpose of

securing payment of a personal loan dated January 6, 1990, given to two more resident of Danvers, Massachusetts, who was a client of Riquier.

74. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$20,000 for the purpose of securing payment of a personal loan dated January 16, 1990, given to a resident of Somerville, Massachusetts, who was a client of Riquier.
75. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$50,000 for the purpose of securing payment of a personal loan dated March 2, 1990, given to two Massachusetts residents, who were clients of Riquier.
76. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated April 23, 1990, given to two residents of Watertown, Massachusetts, who were clients of Riquier.
77. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$50,000 for the purpose of securing payment of a personal loan dated June 12, 1990, given to a resident of Lynn, Massachusetts, who was a client of Riquier.
78. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated November 13, 1990, given to a resident of Manchester, Massachusetts, who was a client of Riquier.

79. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated November 14, 1990, given to two residents of Somerville, Massachusetts, who were clients of Riquier.
80. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated November 17, 1990, given to two residents of Watertown, Massachusetts, who were clients of Riquier.
81. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$25,000 for the purpose of securing payment of a personal loan dated December 4, 1990, given to two residents of Lynn, Massachusetts, who were clients of Riquier.
82. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$20,000 for the purpose of securing payment of a personal loan dated December 19, 1990, given to two residents of Lynnfield, Massachusetts, who were clients of Riquier.
83. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$10,000 for the purpose of securing payment of a personal loan dated July 2, 1991, given to two residents of Rowley, Massachusetts, who were clients of Riquier.
84. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$15,000 for the purpose of

securing payment of a personal loan dated January 8, 1992, given to two residents of Danvers, Massachusetts, who were clients of Riquier.

85. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$70,000 for the purpose of securing payment of a personal loan dated April 3, 1992, given to two residents of Danvers, Massachusetts, who were clients of Riquier.
86. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$20,000 for the purpose of securing payment of a personal loan dated July 15, 1993, given to a resident of Lynn, Massachusetts, who was a client of Riquier.
87. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$300,000 for the purpose of securing payment of a personal loan dated July 29, 1993, given to a resident of Swampscott, Massachusetts, who was a client of Riquier. This individual has since passed away.
88. On June 13, 1994, at 3:32 pm, Riquier, as trustee of the TTR Trust, recorded a mortgage on the Rowley Property in the amount of \$45,000 for the purpose of securing payment of a personal loan dated June 8, 1994, given to a resident of Beverly Farms, Massachusetts, who was a client of Riquier.

H. The 23 Mortgages on the Rowley Property Were Not Recorded as Discharged for Years

89. None of the mortgages described in Section VI(G) were recorded as discharged until the summer and fall of 2018.

90. For all of the mortgages described in Section VI (G), Riquier was to pay out interest of between 8% and 10%, and each mortgage was to last in perpetuity or until paid in full.
91. All of the holders of the mortgages described in Section VI (G) were clients of Riquier.
92. Riquier presented the loans underlying the mortgages described in Section VI (G) as an investment opportunity to his clients, the mortgage holders.
93. As of the date of this Agreement, Riquier has provided supporting documentation to show that all of the clients he borrowed money from have been paid back in full.
94. As of the date of this Agreement, 22 of the 23 mortgages have been discharged and the final mortgage is expected to be discharged within sixty (60) days from the date of this Agreement.

I. Riquier Recorded 23 Mortgages on the Rowley Property on the Same Day

95. On November 8, 1990, Riquier was involved in a divorce proceeding in the Probate Court of Essex County.
96. On June 13, 1994, the Probate Court issued a writ of attachment in the amount of \$500,000, commanding Riquier to produce goods or estate in that amount.
97. Riquier recorded a deed to the Rowley Fund (the “Rowley Fund Deed”)for a 46.6% undivided interest in the Rowley Property on June 13, 1994 at 3:32 pm.
98. After recording the Rowley Fund Deed, Riquier recorded 23 mortgages, securing personal loans from clients, on the Rowley Property on June 13, 1994 at 3:32 pm.

99. The Probate Court issued writ of attachment was recorded on June 14, 1994 at 8:35 am, the day after Riquier recorded the 23 mortgages on the Rowley Property.

J. Riquier Was A Fiduciary with Respect to the Investors of the Rowley Fund

100. The Rowley Fund PPM states that any conflict Riquier had with respect to his various business entities would be resolved through his fiduciary duties to the Rowley Fund.
101. The pertinent section of the Rowley Fund PPM reads:
- “The General Partner [Riquier] is accountable to the Partnership [the Rowley Fund] and to the Limited Partners as a fiduciary and consequently must exercise good faith and integrity in handling Partnership affairs...”
102. Riquier stated that to his own understanding, this meant “to do the best job possible to market the property and make as much money as possible for the investors.”
103. As a fiduciary, Riquier is obligated to place the interests of the Rowley Fund investors above his own interests.
104. In the 26 years that the Rowley Fund has existed, the property as not been sold, has not been improved, and has not provided any returns on the money invested.

K. Riquier Failed to Fully Disclose the Extent of his Relationship with the TTR Trust and Rowley Fund to the Investors

105. The relevant conflicts of interest sections read in part:
- “The General Partner [Riquier] will be subject to various conflicts of interest in connection with the operation of the Partnership [Rowley Fund]. The General Partner intends to purchase property for the Partnership from a trust to which the General Partner is related.”
- and

“The Partnership [Rowley Fund] is subject to various conflicts of interest arising out of its relationship with the General Partner [Riquier]. These conflicts will not be resolved through arms'-length negotiations but rather through the exercise of the General Partner's judgment consistent with his fiduciary responsibilities to the Limited Partners.”

L. Riquier Failed to Disclose His Intent to Encumber the Rowley Property to Investors in the Rowley Fund

106. The Rowley Fund PPM contains a Schedule of Mortgages which lists the following mortgages on the Rowley Property:

<u>Schedule of Mortgages</u>		
<u>Date</u>	<u>Mortgagee</u>	<u>Principal Balance</u>
08/08/80	Sellers	\$115,000
07/15/85	Bank 1	\$126,000
02/20/86	Bank 1	\$25,000
04/07/86	Two Clients of Riquier	\$35,000
02/24/89	Bank 2	\$50,555

107. The following mortgages were recorded the same day as an interest in the Rowley Property was conveyed to the Rowley Fund.

<u>Mortgage Amounts Undisclosed to Rowley Fund Limited Partners</u>	
<u>Date</u>	<u>Amount</u>
June 13, 1994	\$20,000
June 13, 1994	\$25,000
June 13, 1994	\$20,000
June 13, 1994	\$300,000
June 13, 1994	\$25,000
June 13, 1994	\$25,000
June 13, 1994	\$25,000
June 13, 1994	\$50,000
June 13, 1994	\$25,000
June 13, 1994	\$10,000
June 13, 1994	\$10,000
June 13, 1994	\$10,000
June 13, 1994	\$20,000
June 13, 1994	\$45,000
June 13, 1994	\$10,000
June 13, 1994	\$50,000

June 13, 1994	\$50,000
June 13, 1994	\$5,000
June 13, 1994	\$5,000
June 13, 1994	\$10,000
June 13, 1994	\$10,000
June 13, 1994	\$15,000
June 13, 1994	\$70,000
<u>TOTAL AMOUNT</u>	<u>\$835,000</u>

108. None of these mortgages identified in paragraph 107 were disclosed to investors in the Schedule of Mortgages contained in the Rowley Fund PPM or at any time after during the 26 year existence of the Rowley Fund.

M. Riquier Failed to Provide the Rowley Fund Investors With Material Information and Time to Consider Extending the Rowley Fund

109. The Rowley Fund PPM reads in pertinent part:
- “The Partnership [Rowley Fund] was formed in Massachusetts on December 20, 1990 and will terminate on December 31, 2010 or earlier upon disposition of assets or certain other events.”
110. On September 24, 2010, the appraisal which Riquier paid to be conducted valued the Rowley Property at \$667,000.
111. On December 9, 2010, 76 days after obtaining the appraisal report, Riquier sent a letter to investors that provided three options to investors: 1) vote to extend the life of the partnership, 2) sell their interest back to the Rowley Fund, or 3) dissolve the partnership.
112. In the letter sent on December 9, 2010, Riquier represented that the value of the Rowley Fund’s interest had decreased to \$336,723.

113. Notwithstanding the representations made by Riquier to investors as described in paragraph 112, the tax returns filed by the Rowley Fund in 2010 and 2011, claim that the fund held assets in excess of \$690,000 for both years.
114. The Rowley Fund's termination date was extended to 2020 shortly after the December 9th, 2010 letter was sent.
115. Riquier's son-in-law and supervisor knew that the investors in the Rowley Fund were being sent a letter requesting that the Rowley Fund be extended for another 10 years and that some of the investors were Riquier's clients.
116. While no investor has yet received any return from their investment with the Rowley Fund the Rowley Fund still exists and the Rowley Property as a whole has an assessed tax value, according to the Town of Rowley, of over \$1,100,000.

N. Riquier Borrowed Money From His Clients Secured by Mortgages on his Personal Property

117. On June 3, 1994, Riquier, in his personal capacity, recorded a mortgage on a prior personal residence at 37 Boyles Street, Beverly, Massachusetts ("37 Boyles Street") in the amount of \$300,000 for the purpose of securing payment of a promissory note dated July 29, 1993, given to a resident of Swampscott, Massachusetts. This individual has since passed away.
118. Riquier identified 37 Boyles Street as his personal address.
119. The mortgage on 37 Boyles Street was recorded as discharged on September 12, 1994.
120. On October 29, 1996, Riquier, in his personal capacity, recorded a mortgage on his current personal residence in the amount of \$200,000 for the purpose of

securing payment of a promissory note dated October 24, 1996, given to the resident of Swampscott, Massachusetts, identified in paragraph 117.

121. The mortgage on Riquier's personal residence identified in paragraph 120 was recorded as discharged on February 3, 1999.
122. On October 29, 1996, Riquier, in his personal capacity, recorded a mortgage on his personal residence in the amount of \$100,000 for the purpose of securing payment on a promissory note dated October 24, 1996, given to a resident of Lynn, Massachusetts, and a client of Riquier.
123. The mortgage on Riquier's personal residence identified in paragraph 122 was recorded as discharged on February 18, 2004.
124. On February 3, 1999, Riquier, in his personal capacity, recorded a mortgage on his personal residence in the amount of \$80,000 for the purpose of securing payment on a promissory note dated December 8, 1999, given to a resident of Lynn, Massachusetts, and a client of Riquier.
125. The mortgage on Riquier's personal residence identified in paragraph 124 was recorded as discharged on February 18, 2004.
126. On February 3, 1999, Riquier, in his personal capacity, recorded a mortgage on his personal residence in the amount of \$150,000 for the purpose of securing payment on a promissory note dated December 21, 1998, given to two residents of Magnolia, Massachusetts, and a client of Riquier.
127. The mortgage on Riquier's personal residence identified in paragraph 126 was recorded as discharged on February 17, 2004.

128. United Planners has identified the resident identified in paragraph 126 as a client of Riquier.

129. Riquier satisfied all of the foregoing obligations and discharged all mortgages on his personal residence between 2004 and 2005.

O. Riquier Has Incurred and Settled Multiple State, Federal and Municipal Tax Liens on Properties

130. Riquier incurred a Massachusetts Tax Lien of \$219,644.92 which was settled on February 17, 2004. This lien was not disclosed on the U-4 filed with FINRA.

131. Riquier incurred a Federal Tax Lien of \$255,768.21 which was settled on September 28, 2005.

132. The TTR Trust incurred a Town of Rowley Tax Lien in the amount of \$35,556.70 which was settled on December 11, 2000. This lien was not disclosed on the U-4 filed with FINRA.

P. United Planners Failed in its Duty to Supervise Riquier

133. Riquier was first employed by United Planners in April 1992.

134. United Planners has an ongoing duty to monitor and supervise all outside business activity and client relations that its representatives, including Riquier, engage in.

135. United Planners OBA policies also require that the First Line Supervisor “is responsible for knowing what outside business activities each registered individual within their supervisory structure engages in and ensuring that adequate disclosure is made to United Planners.”

136. United Planners’ OBA policies inform their registered agents and representatives that they can review the books and records of any outside business activity which

includes reviewing among other things, checkbooks, ledgers, tax records, and emails.

137. Riquier was responsible for producing over \$1,200,000 annually for United Planners from the Retirement Center.
138. Over \$500,000 of Riquier's annual production comes from advisory fees on the over three hundred client accounts Riquier is responsible for managing.
139. United Planners has identified 1,771 accounts which Riquier is responsible for overseeing, including but not limited to individual brokerage accounts, IRAs, and college funds.
140. Several of the underlying notes of the mortgages described in Section VI(G) were issued during the period Riquier was employed by United Planners.
141. All mortgages described in Section VI(N) along with the deed given to the Rowley Fund were recorded by Riquier while he was a broker-dealer of United Planners.
142. Multiple investors in the Rowley Fund were solicited by Riquier while he was a registered broker-dealer agent of United Planners.
143. While Riquier was a registered broker-dealer agent of United Planners, Riquier received multiple loans from clients to fund personal business ventures and personal purchases, such as homes.
144. As early as 1992, United Planners had received outside business activity reports ("OBA Reports") which identified Riquier as the general partner of both the Rowley Fund and 1891 Property Associates.

145. United Planners conducts annual audits of Riquier and other registered persons of the Retirement Center.
146. During these audits, United Planners inspectors reviewed the books and records of the Rowley Fund and the TTR Trust.
147. Information about the Rowley Property which underlies both the TTR Trust and the Rowley Fund was accessible through the publicly available Essex Registry of Deeds.
148. Mortgages relating to the Rowley Property were recorded in 1994 and later mortgages on other properties owned by Riquier were recorded in the following years.
149. Riquier's son-in-law has been affiliated with United Planners as a registered broker-dealer agent and investment advisor representative since 2006.
150. United Planners hired Riquier's son-in-law to the Office of Supervisory Jurisdiction ("OSJ") for the Retirement Center in 2009, delegating to Riquier's son-in-law the responsibility to supervise Riquier's activities.
151. Riquier's son-in-law was aware that clients of Riquier were also investors in Riquier's outside business activities.
152. Riquier's son-in-law relied on Riquier for all information relating to his outside business activities.
153. Riquier's son-in-law failed to independently verify the information provided to him by Riquier relating to Riquier's outside business activities including, but not limited to, the Rowley Fund.

VII. VIOLATIONS OF LAW WITH RESPECT TO RIQUIER

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

154. Section 101 of the Act provides, in pertinent part:

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

(2) to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or

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

MASS. GEN. LAWS. ch. 110A, § 101.

155. The conduct of Riquier, as described in Section VI, constitutes violations of
MASS. GEN. LAWS. ch. 110A, § 101.

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

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

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

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

MASS. GEN. LAWS ch. 110A, § 102.

157. The conduct of Riquier, as described in Section VI, constitutes violations of
MASS. GEN. LAWS. ch. 110A, § 102.

Count III – Violations of MASS. GEN. LAWS ch. 110A § 204(a)(2)(G)

158. Section 204 of the Act Provides in the pertinent part:

(a) the secretary may by order impose an administrative fine or

censure or deny, suspend, or revoke any registration or take any other appropriate action is he finds [...] (2) the applicant or registrant [...]:

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

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

159. Section 12.204(1)(b) of the Regulations provides in pertinent part:

Agents. Each agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of his or her business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and constitute dishonest or unethical practices in the securities industry and are thereby grounds for the imposition of an administrative fine, censure, denial, suspension or revocation of a registration or such other action as is appropriate:

(1) Engaging in the practice of lending or borrowing money or securities from a customer [...]

MASS. CODE REGS. 12.204(1)(b).

160. The conduct of Respondent Riquier as described in Section VI, constitutes violations of MASS. GEN. LAWS. ch. 110A, § 204.

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

161. Section 204 of the Act Provides in the pertinent part:

(a) the secretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action is he finds [...] (2) the applicant or registrant [...]:

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

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

162. Section 12.205(9)(c)(6) of the Regulations provides in pertinent part:

(c) The following practices are a non-exclusive list of practices by an adviser with shall be deemed “dishonest or unethical conduct or

practices in the securities business” for purposes of M.G.L. c. 110A, § 204(a)(2)(g)...

(6) Borrowing money or securities from a client unless the adviser is a broker-dealer or the client is a broker-dealer, an affiliate of the adviser, a family member or financial institution engaged in the business of loaning funds or securities [...]

MASS. CODE REGS. 12.205(9)(c)(6).

163. The conduct of Respondent Riquier, as described in Section VI, constitutes violations of 950 MASS. CODE REGS. Section 12.205(9)(6) and MASS. GEN. LAWS ch. 110A, § 204(a)(2)(G).

Count V – Violations of MASS. GEN. LAWS ch. 110A § 301

164. Section 301 of the Act provides in the pertinent part:

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; [...]

MASS. GEN. LAWS. ch. 110A, § 301

165. The conduct of Respondent Riquier, as described in Section VI, constitutes violations of MASS. GEN. LAWS. ch. 110A, § 301.

VIII. VIOLATIONS OF LAW WITH RESPECT TO UNITED PLANNERS

Count VI – Violations of MASS. GEN. LAWS ch. 110A § 204(a)(2)(J)

166. Section 204(a)(2)(J) of the Act provides in the pertinent part:

(a) the secretary may by order impose an administrative fine or censure or deny, suspend, or revoke any registration or take any other appropriate action if he finds [...]

(2) the applicant or registrant [...]:

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

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

167. The conduct of Respondent United Planners, as described in Section VI, constitutes violations of MASS. GEN. LAWS. ch. 110A, § 204.

IX. ORDER

IT IS HEREBY ORDERED:

- A. Respondent United Planners shall permanently cease and desist from further conduct in violation of MASS. GEN. LAWS ch. 110A;
- B. Respondent Riquier shall permanently cease and desist from further conduct in violation of MASS. GEN. LAWS ch. 110A;
- C. Respondent United Planners is censured by the Division;
- D. Respondent Riquier is censured by the Division;
- E. Respondent Riquier is permanently barred from registering in the Commonwealth as, or associating with, an investment adviser, investment adviser representative, broker-dealer, broker-dealer agent, Securities and Exchange Commission registered investment adviser, investment adviser excluded from the definition of investment adviser, issuer, issuer agent, or a partner, officer, director, or control person of any of the above;
- F. Respondent Riquier shall provide an accounting of investments made relating to the Rowley Fund and Respondent United Planners and Respondent Riquier shall jointly provide offers of rescission and restitution to Rowley Fund investors for their initial investment, subject to the following terms:
 - a. Prior to making any offer of rescission and restitution pursuant to this section and within thirty (30) days of the entry of the Order, Respondent Riquier shall provide the Enforcement Section with a certified accounting

in a spreadsheet (the “Rowley Rescission and Restitution Accounting”) of all rescission offers to be made pursuant to this Section IX(F). The Accounting will include the names and addresses of all recipients of rescission and restitution, as well as the total amount owed by Respondent United Planners and Respondent Riquier under the Rowley Rescission and Restitution Accounting. The Rowley Rescission and Restitution Accounting shall not be unacceptable to the Enforcement Section;

- b. The proposed written offer to investors to provide rescission and restitution per this Section shall not be unacceptable to the Enforcement Section, and a draft of the proposed written offer shall be provided to the Enforcement Section together with the Accounting;
- c. Within thirty (30) days of receiving written or electronic notice that the Accounting, together with the proposed written offer of partial restitution, are not unacceptable to the Enforcement Section, Respondent United Planners and Respondent Riquier shall make written offers of rescission and restitution to investors, per this Section;
- d. The written offers of rescission shall remain open to Rowley Fund Investors for at least ninety (90) days (the “Offer Period”);
- e. Within ten (10) days following the expiration of the Offer Period, Respondent United Planners and Respondent Riquier shall make payments to all Rowley Fund Investors who accepted written offers of rescission and restitution;
- f. Within thirty (30) days following the date that Respondent United

Planners and Respondent Riquier make rescission and restitution payments, Respondent United Planners and Respondent Riquier shall jointly provide the Enforcement Section with a final accounting (the “Final Rowley Rescission and Restitution Accounting”) and certification of the disposition of the payments made pursuant to this Section IX(F)(e). The Final Rowley Rescission and Restitution Accounting shall be in a form not unacceptable to the Enforcement Section and include: (1) the name and address of each recipient of rescission and restitution; (2) the amount paid to each individual that accepted the offer of rescission and restitution; (3) the date of each payment; (4) evidence of all payments made; (5) the date and amount of any returned payment(s); (6) a description of any effort to locate a prospective recipient of an offer of rescission and restitution whose payment was returned, or to whom payment was not made due to factors beyond Respondent United Planners and Respondent Riquier’s control; and (7) the balance of any undistributed funds, if any. Respondent United Planners and Respondent Riquier shall cooperate with requests for information in connection with the Final Rowley Rescission and Restitution Accounting and provide supporting documentation to the Enforcement Section upon request.

- G. Within ten (10) days of the sale of the Rowley Property, Respondent Riquier shall provide written notice to the Division of such sale;
- H. Within 1095 days (36 months) of the entry of the Order, or within thirty (30) days of the sale of the Rowley Property, whichever is sooner, Respondent Riquier shall

provide restitution in the amount of \$400,000 to fairly compensate Rowley Fund Investors, subject to the following terms:

- a. Prior to making any restitution pursuant to this section and within ten (10) days of the sale of the Rowley Property, Respondent Riquier shall provide the Enforcement Section a certified accounting in a spreadsheet (the “Rowley Restitution Accounting”) of all restitution payments to be made pursuant to Section IX(H). The Rowley Restitution Accounting will include the names and addresses of all recipients of restitution, as well as the total amount owed by Respondent Riquier under the Rowley Restitution Accounting. The Rowley Restitution Accounting shall not be unacceptable to the Enforcement Section;
- b. Within thirty (30) days of receiving written or electronic notice that the Rowley Restitution Accounting is not unacceptable to the Enforcement Section, Respondent Riquier shall make payments of restitution to investors, per this Section;
- c. Within thirty (30) days following the date that Respondent Riquier makes restitution payments, Respondent Riquier shall provide the Enforcement Section with a final accounting (the “Final Rowley Restitution Accounting”) and certification of the disposition of the payments made pursuant to this Section IX(H). The Final Rowley Restitution Accounting shall be in a form not unacceptable to the Enforcement Section and include: (1) the name and address of each recipient of rescission; (2) the amount paid to each individual that accepted the offer of restitution; (3)

the date of each payment; (4) evidence of all payments made; (5) the date and amount of any returned payment(s); (6) a description of any effort to locate a prospective recipient of an offer of restitution whose payment was returned, or to whom payment was not made due to factors beyond Respondent Riquier's control; and (7) the balance of any undistributed funds, if any. Respondent Riquier shall cooperate with requests for information in connection with the Final Rowley Restitution Accounting and provide supporting documentation to the Enforcement Section upon request; and

d. United Planners shall not be liable for any payments made pursuant to this Section IX(H).

I. Respondent United Planners shall, within fifteen (15) days of the entry of the Order, employ an independent consultant to review its written supervisory policies and procedures with respect to its management of its agents' conflicts of interest and outside business activities. Said Independent Consultant shall have ninety (90) days to review United Planners written supervisory policies and procedures and make such recommendations to change, enhance or amend such policies and procedures. To the extent written supervisory policies and procedures do not include methods for enforcement and compliance oversight, Respondent United Planners must establish such policies and procedures. Within fifteen (15) days after receipt of the Independent Consultant's report, Respondent United Planners shall provide a report of its conclusions and recommendations to the Division. Respondent United Planners shall provide certification to the Division

within one-hundred and twenty (120) days of the entry of the Order, certifying that it has implemented changes and/or enhancements to its applicable policies and procedures;

- J. Respondent United Planners shall employ an independent Office of Supervisory Jurisdiction from its home office to supervise all representatives, agents, and associated persons employed at the Retirement Financial Center and provide the Enforcement Section with a complete supervisory plan within thirty (30) days of the entry of the Order. Such supervisory plan shall not be unacceptable to the Enforcement Section;
- K. Respondent United Planners shall pay an administrative fine in the amount of \$100,000 within 10 business days of the entry of the Order. Payment shall be: (1) made by United States postal money order, certified check, bank cashier's check, bank money order, or wire; (2) made payable to the Commonwealth of Massachusetts; (3) either hand-delivered, mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division's instructions; and (4) submitted under cover letter or other documentation that identifies the Respondent making the payment and the docket number of the proceedings. Additionally, Respondent United Planners shall provide the Division with notice twenty-four (24) hours prior to the payment;
- L. Respondent United Planners shall not seek or accept, directly or indirectly, reimbursement or indemnification, including but not limited to any payments made pursuant to an insurance policy, with regard to any amount it shall pay pursuant to this order. This provision shall not apply to any security interest or

other right of repayment that Respondent United Planners may have against Respondent Riquier;

- M. Respondent Riquier shall pay an administrative fine in the amount of \$50,000 in two equal installments of \$25,000 to be paid as follows: \$25,000 within 10 business days of the entry of an Order issued pursuant to this Offer and \$25,000 within thirty (30) days after the sale and closing on the Rowley Property. Payment shall be: (1) made by United States postal money order, certified check, bank cashier's check, bank money order, or wire; (2) made payable to the Commonwealth of Massachusetts; (3) either hand-delivered, mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division's instructions; and (4) submitted under cover letter or other documentation that identifies the Respondent making the payment and the docket number of the proceedings. Additionally, Respondent Riquier shall provide the Division with notice twenty-four (24) hours prior to the payment;
- N. Respondent Riquier shall not seek or accept, directly or indirectly, reimbursement or indemnification, including but not limited to any payments made pursuant to an insurance policy, with regard to any amount that he shall pay pursuant to the Order;
- O. Any agreements, if any, between Respondent United Planners and Respondent Riquier entered into for the purpose of complying with any aspect of the Order shall not in anyway, interfere or impede with Respondents' obligations under this Agreement; and
- P. Upon issuance of the Order, if Respondents fail to comply with any of the terms

set forth in the Division's Order, the Enforcement Section may take appropriate action pursuant to Sections 101, 102, 204, 301 and 407A of the Act. Additionally, after a fair hearing and the issuance of an appropriate order finding that Respondents have not complied with the Order, the Enforcement Section may move to have the Order declared null and void, in whole or in part, and reinstitute the administrative proceeding and associated investigation that had been brought against Respondents.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH



By: _____
Diane Young-Spitzer
Acting Director and General Counsel
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, MA 02108

Date: February 15, 2019