

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

	)	
IN THE MATTER OF:	)	
	)	
MML INVESTORS SERVICES, LLC	)	Docket No. E-2022-0027
	)	
	)	

**CONSENT ORDER**

**I. PRELIMINARY STATEMENT**

This Consent Order (“Order”) is entered into by the Massachusetts Securities Division (the “Division”) and MML Investors Services, LLC (“MMLIS”) with respect to the investigation by the Division into whether MMLIS’s activities and conduct violated the Massachusetts Uniform Securities Act, MASS. GEN. LAWS ch. 110A (the “Act”), and the corresponding regulations promulgated thereunder at 950 MASS. CODE REGS. 10.00 – 14.413 (the “Regulations”).

On August 5, 2022, MMLIS submitted an Offer of Settlement (the “Offer”) to the Division. MMLIS neither admits nor denies the Statement of Facts set forth in Section VI and the Violations of Law set forth in Section VII below, and consents to the entry of this Order by the Division, consistent with the language and terms of the Offer, hereby settling the above-captioned matter with prejudice.

## **II. JURISDICTION**

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. This Order is entered in accordance with the Act. Specifically, the acts and practices investigated by the Enforcement Section took place in Massachusetts while MMLIS was registered as a broker-dealer in the Commonwealth.

## **III. RELEVANT TIME PERIOD**

3. Except as otherwise expressly stated, the conduct described herein occurred during the period of January 1, 2010, to October 28, 2019 (the "Relevant Time Period").

## **IV. RESPONDENT**

4. MML Investors Services, LLC ("MMLIS") is a limited liability company and broker-dealer with a principal place of business located at 1295 State Street, Springfield, Massachusetts 01111. MMLIS has a Financial Industry Regulatory Authority ("FINRA") Central Registration Depository ("CRD") number of 10409 and has been registered as a broker-dealer and notice-filed as an SEC-registered investment adviser in Massachusetts since March 31, 1982. Massachusetts Mutual Life Insurance Company ("MassMutual") is the parent company of MMLIS.

## **V. OTHER RELEVANT INDIVIDUALS AND ENTITIES**

5. Charles J. Evan ("Evan") is an individual with a last known address in Newton, Massachusetts. Evan has a FINRA CRD number of 836083. Evan was registered with multiple firms as a broker-dealer agent in Massachusetts from 1999 to 2019. Most recently, Evan was registered as a broker-dealer agent with MML Investors Services, LLC in Massachusetts from March 25, 2017, until his discharge on or around October 28, 2019. Evan was an agent with Baystate Financial ("Baystate") from at least 2002 until his

termination on or around October 28, 2019, an investment adviser representative of Baystate Wealth Management LLC from 2011 to 2018, and an investment adviser representative of Capital Planning Group of Massachusetts, Inc. from at least April 30, 2002, until December 31, 2019.

6. Capital Planning Group of Massachusetts, Inc. ("Capital Planning") was a corporation organized under the laws of Massachusetts with a principal place of business at 100 William Street, Suite 300, Wellesley, Massachusetts 02481. Evan was the sole owner and operator of Capital Planning from at least April 29, 2002, until its failure to renew its registration on December 31, 2019.

7. New England Securities Corporation ("NES") was a Massachusetts corporation and broker-dealer with a principal address located at 1095 Avenue of the Americas, New York, New York 10036. NES was a subsidiary of MetLife Securities, Inc. Evan was registered as a broker-dealer agent with NES from April 30, 2002, until January 2015.

8. MetLife Securities, Inc. ("MetLife Securities") was a New York corporation and broker-dealer with a principal address located at 1295 State Street, Springfield, Massachusetts 01111. MetLife Securities merged NES into MetLife Securities in January 2015. In July 2016, Massachusetts Mutual Life Insurance Company ("MassMutual") acquired MetLife Securities and changed the name to MSI Financial Services, Inc. ("MSI"). In March 2017, MassMutual merged MSI with its existing broker-dealer, MML Investors Services, LLC, to create the current MMLIS entity.

## **VI. STATEMENT OF FACTS**

### **A. Background**

9. Evan was a broker-dealer agent of MMLIS from March 25, 2017, and agent of Baystate, a financial services agency, throughout the Relevant Time Period until his termination for cause on or around October 28, 2019.

10. Evan was also an investment adviser representative, as well as the President and direct owner, of Capital Planning throughout the Relevant Time Period.

11. Prior to his registration with MMLIS, Evan was registered with NES from April 30, 2002, until its acquisition by MetLife Securities on January 2, 2015.

12. Prior to January 2015, Baystate was an independent general agency of New England Financial (“NEF”), whose broker-dealer was NES, a subsidiary of MetLife. Baystate ceased to be a separate legal entity and became a branch office of MetLife and its broker-dealer.

13. On or about July 1, 2016, MassMutual acquired MetLife Securities and MetLife’s retail distribution business and rebranded MetLife Securities as MSI. At that time, Baystate became an independent agency again and its registered representatives were affiliated with MSI.

14. Evan remained registered with MetLife Securities until MassMutual dissolved MSI and merged MSI’s operations into MMLIS. Following the merger, registered representatives in the Baystate agency became affiliated with MMLIS.

15. In his capacity as a broker-dealer agent in Massachusetts, Evan maintained outside business activities servicing Massachusetts investors through his registered investment adviser firm, Capital Planning, by providing fee-based investment advice, financial planning, and consulting services to clients.

16. Investors One and Two are a married couple and were Massachusetts residents and clients of Evan and Capital Planning throughout the Relevant Time Period.

17. Investors One and Two purchased a Jackson National Life Insurance Company (“Jackson”) Perspective II Variable and Fixed Annuity on September 21, 2016. The initial premium was \$100,000 and Evan earned \$5,600 in commissions in connection with their initial purchase.

18. Similarly, on October 20, 2018, Investors One and Two invested an additional \$265,000 in premiums into two of their pre-existing Jackson Perspective II Variable Annuities.

19. MMLIS written supervisory procedures failed to ensure that Evan made accurate disclosures concerning his compensation for providing investment advice.

20. In fact, Evan solicited and received “consulting” fees and misrepresented that he received no commissions in connection with the variable annuity purchases and subsequent contributions that he recommended while he actually received approximately \$15,270 in commissions in connection with the investors’ premium contributions.

21. Further, by failing to meaningfully enforce its written supervisory procedures, MMLIS failed to prevent Evan from pressuring clients to purchase additional high-commission products and pay additional premiums into existing variable annuities.

22. MMLIS written supervisory policies thus did not prevent Evan from recommending clients to purchase high commission products through his broker-dealer as investment advice made in the sole interests of his clients.

23. Evan, in his capacity as a life insurance agent, approached Investors One and Two in 2015 to ask them to purchase a MassMutual Universal Life Insurance policy insuring Evan's own life (the "Evan Policy").

24. Investors One and Two purchased the Evan Policy on November 23, 2015. The policy insured Evan's life at a face amount of \$1,000,000 and required annual premium payments of approximately \$29,000. Evan advised Investors One and Two that they would be able to sell the Evan Policy in the future for a profit.

25. In 2015, Investors One and Two paid approximately \$58,000 to purchase the Evan Policy. Investors One and Two paid the annual premium of \$29,176 for the Evan Policy for approximately two years.

26. After approximately two years, Investors One and Two told Evan that they could not continue the payments. Despite their insistence, Evan attempted to convince them to keep the policy and continue paying the annual premiums.

27. Evan received approximately \$24,021.35 in commissions in connection with the initial purchase and annual premiums that Investors One and Two paid into the Evan Policy.

28. On March 31, 2017, Evan personally purchased the Evan Policy from Investors One and Two for \$8,504.

29. Investors Three and Four are a married couple who are residents of Massachusetts and were clients of Evan and Capital Planning for a majority of the Relevant Time Period.

30. In March 2017, Evan approached Investors Three and Four and persuaded them to purchase and assume premium payments for the Evan Policy insuring Evan's own life, the same policy that Investor One and Investor Two had owned for approximately two years.

31. On March 24, 2017, Investors Three and Four paid \$29,176 to Evan directly via personal check in order for Evan to pay the premium on the Evan Policy.
32. At the time that Investors Three and Four purchased the Evan Policy, Evan was already 72 years old. The Evan Policy, however, only provided a guaranteed payout until Evan was 77 years old.
33. Investors Three and Four made annual premium payments of approximately \$29,000 into the Evan Policy, but fell behind on the premium payments by late 2017.
34. Investors Three and Four also purchased at least four Jackson Perspective II Variable Annuities in connection with Evan's recommendations for initial premiums of approximately \$78,000.
35. Since 2015, Investors Three and Four have contributed approximately \$167,000 in additional premiums into their Jackson Perspective II Variable Annuities and stemming from Evan's recommendations.
36. MMLIS failed to ensure that Evan disclosed to his clients that he earned thousands of dollars in commissions in connection with his recommendations that clients invest additional premiums into their variable annuities.
37. Further, Evan set artificial time restrictions and pressured Investors Three and Four to make quick decisions regarding investing additional premiums into their variable annuities.
38. In 2017, Investors Three and Four reached out to Evan with the goal of purchasing a term life insurance policy.
39. Evan strongly urged Investors Three and Four to purchase a MassMutual Whole Life 10 policy that was not in line with their goals.

40. In 2017, Evan sold Investors Three and Four a MassMutual Whole Life 10 policy. Investors Three and Four have contributed approximately \$133,168.18 in premiums to the policy without appreciation.

41. The investors ceased paying premiums and the cash value of the policy was approximately \$86,000 as of January 25, 2021.

42. Investor Five is a 73 year old resident of Massachusetts. She was a client of Evan throughout the Relevant Time Period and paid thousands of dollars to Evan and Capital Planning annually in connection with Evan's investment advice, financial planning, and consulting services provided through Capital Planning.

43. On July 16, 2019, Investor Five purchased a MassMutual Life Insurance Policy.

44. Investor Five's purchase of the MassMutual Life Insurance Policy resulted in commissions of \$38,446, of which Evan received approximately \$15,885.

45. Evan misinformed Investor Five that he waived his commission in connection with this purchase.

46. Moreover, Evan requested that Investor Five personally pay him half of the alleged commission directly in order to save her money on her purchase. Investor Five paid Evan \$33,500 in the form of a personal check in connection with her purchase of the MassMutual Life Insurance Policy.

47. Evan later approached Investor Five to request that she pay the remaining half of the commission that he had allegedly waived.

48. Investor Five investigated and learned that Evan actually collected the full amount of commissions from her purchase of the policy as well as the commissions he asked her to pay to him directly.



49. Following an internal investigation into allegations regarding Evan, MMLIS terminated Evan's registration on October 28, 2019.

50. Evan's conduct outlined above and other similar sales practice violations extended to clients beyond the investors specifically referenced herein.

B. MMLIS Failed to Reasonably Enforce Its Written Policies and Procedures

51. Throughout the Relevant Time Period and until his termination, Evan operated at all times as a broker-dealer agent of NES, MSI, or MMLIS.

52. NES policies and procedures in effect as early as March 2012 required representatives to know and understand products and explain specific information to clients regarding purchases. Specifically, NES required its representatives to:

[K]now and understand the products he/she recommends and to discuss key aspects of the product with the client, such as costs, fees, expense structures, restrictions, potential benefits, investment risks, and other details explained in the prospectus. In addition, representatives must make all relevant disclosures to a client including any required documents (e.g., prospectus, state replacement forms, sales illustrations, account applications, required disclosure forms) and ensure that the client understands the contents.

53. Similarly, NES policies and procedures related to suitability stated that:

[P]lacing the client's interests first and assessing the suitability of any recommendation are two of the fundamental principles under which every firm must operate in every securities transaction.

[...]

Financial objectives must be discussed with the client, and the client must indicate the particular objectives he/she desires. This can be accomplished by carefully evaluating client information and needs. This information includes, but is not limited to:

- Financial need;
- Investment objectives;
- Risk tolerance;
- Investment history;
- Liquidity needs;
- Tax bracket;
- Income level;
- Expenses;

- Age;
- Net worth;
- Time horizon;
- Number of dependents;
- Special needs dependents;
- Ability to pay and/or source of funding for product purchases;
- Familiarity with the relative advantages and/or disadvantages of various products;
- Existing insurance/annuities/mutual funds including disability and long-term care insurance;
- Retirement savings plans and pension plans; and
- Purpose for product.

Because of the complexity of variable products, additional suitability factors must be considered. These factors include, but are not limited to, the long-term nature of variable products, the lack of liquidity, the potential for surrender charges, and the investment risk.

54. NES policies and procedures failed to ensure that Evan put the interests of his clients first and adequately evaluated the liquidity needs, expenses, investment objectives, or the existing insurance products, annuities, or mutual funds of his clients.

55. By not supervising Evan reasonably, Evan was able to recommend variable annuities without considering the complexity or long term nature of the products, and their potential for surrender and tax-related charges.

56. Within NES written supervisory procedures during the Relevant Time Period, NES provided the following guidance:

Every application must be suitable with respect to the client's unique financial situation and needs – income level, net worth, tax status, investment objectives, investment experience, time horizon, risk tolerance and other potential factors.

[...]

Providing accurate and complete information ensures client understanding and enables clients to make informed buying decisions.

- Fair, accurate and complete disclosure of all relevant facts must be made to the client and the Firm;
- The client must have a full understanding of the product;
- The product must be suitable for the client;

- Representatives must maintain and be able to produce complete documentation to support the suitability of the product; and
- All state and federal regulations and Firm policies must be followed.

A registered representative must also carefully consider the merits of placing a variable annuity contract in a tax-qualified retirement plan because the variable annuity contract does not provide any additional tax-deferred treatment of earnings beyond the treatment provided by the plan itself. The registered representative may recommend a variable annuity only when its other benefits, such as lifetime income payments, family protection through death benefit, and guaranteed fees, support the recommendation.

57. Additionally, NES written supervisory procedures outlined similar specific considerations for new purchases of Deferred Variable Annuities related to FINRA Rule 2330.

58. In spite of NES policies and procedures requiring him to do so, Evan did not correspondingly disclose the relevant facts surrounding variable annuities and insurance products that he recommended to his clients and his clients did not fully understand the long-term nature of the products, the surrender fees, the annual expenses, or the tax consequences of early withdrawals.

59. Likewise, Evan did not carefully consider the merits of placing variable annuity contracts in tax-qualified retirement plans and did not explain to clients that no additional tax-deferred treatment of earnings would occur in such accounts.

60. Moreover, NES policies and procedures required the prompt delivery of a variable annuity contract to the client upon the policy reaching the representative. However, NES did not ensure that Evan provided variable annuity contracts to multiple clients.

61. NES policies and procedures entitled Compensation Disclosure further required that representatives “provide a *Compensation Disclosure Notice* to all clients in all states

and other jurisdiction where they conduct business as a 'leave behind' document when the new insurance business application is written and submitted."

62. Similarly, NES failed to ensure that Evan provided written disclosure of his compensation to his clients. In fact, Evan assured many clients that he did not receive commissions in connection with the purchase, or that he was waiving such commissions, and instead asked the clients to sign the signature pages of contracts without providing the other pages of the contracts.

63. MSI merged NES into MSI in 2015, but did not make substantive changes to the above-referenced provisions of its policies and procedures.

64. Evan's sales practice violations continued throughout Evan's registrations with both MSI and MMLIS.

65. Section 8.13.2 of the MMLIS Compliance Manual regarding subsequent contributions to accounts states:

If a subsequent contribution to an account is submitted by the customer to a Registered Representative (rather than directly to the product sponsor) or has been recommended by the Registered Representative, the Registered Representative must submit the payment to their OSJ along with the Transaction Authorization Form. The OSJ will then be responsible for forwarding the check to the applicable carrier after conducting a suitability review. These procedures do not apply when the customer transacts business directly with the product sponsor with no Registered Representative involvement. The MMLIS Operations Supervisor is responsible for developing procedures to ensure that MMLIS retains the Transaction Authorization Form ("TAF"); and if the transaction results in the customer purchasing a product he or she does not currently own (e.g. an exchange of funds into shares of a different mutual fund), to record the transaction in the Company's administrative system. The TAF must be fully completed and signed by the Registered Representative(s) servicing the account and the appropriate reviewing principal. A Primary OSJ Principal must review the TAF and evidence approval or rejection of the transaction, retaining a copy in the designated workflow system.

66. Section 9.3.2 of the MMLIS Producer Manual requires that MMLIS agents provide product-specific disclosures to clients, including prospectuses and supplemental point-of-sale disclosures. MMLIS further requires that its agents deliver the disclosure brochure and review the Variable Annuities section with clients prior to recommending a specific variable annuity.

67. Section 10.30.4 of the MMLIS Producer Manual, in effect as of March 25, 2016, stated:

Except in specific circumstances expressly outlined in official Company memoranda, Registered Representatives should not handle or process subsequent contributions into existing variable annuity or variable life insurance contracts. Instruct your Registered Representatives not to accept, or to hold themselves out as accepting, such subsequent contributions. If a Registered Representative does handle or process a subsequent contribution into a pre-existing directly-held account, the business must be submitted to the Agency Office for your supervisory review and approval. After this review and approval, you or your Registered Representative may send the subsequent contribution directly to the Product Sponsor. In such instances, you must mail copies of checks and related documentation to MMLIS for archival purposes no later than the next business day.

68. Section 9.3.3 of the MMLIS Field Compliance Manual, in effect as of November 14, 2018, stated that:

A Transaction Authorization Form ("TAF") must be obtained and submitted for all accounts and transactions (except as noted below). The TAF captures purchase information at initial registration setup and subsequent purchases in an existing registration. The form identifies the source of investment funds, confirms delivery of a prospectus (or offering document) and discusses the need to provide identification information for anti-money laundering controls. The TAF must be fully completed and signed by the registered representative(s) servicing the account and the appropriate reviewing principal.

[...]

Use of the Transaction Authorization Form when Subsequent Contributions are made into an Account

If a subsequent contribution to an account is submitted by the customer to a Registered Representative (rather than directly to the product sponsor) or has been recommended by the Registered Representative, the registered representative must submit the payment to their OSJ along with the Transaction Authorization Form. The OSJ will then be responsible for forwarding the check to the applicable carrier after conducting a suitability review. These procedures do not apply when the customer transacts business directly with the product sponsor with no Registered Representative involvement. The TAF must be fully completed and signed by the Registered Representative(s) servicing the account and the appropriate reviewing Principal. An OSJ Principal must review the TAF and evidence approval or rejection of the transaction, retaining a copy in the designated workflow system.

69. Despite MMLIS policies and procedures, Evan did not submit the required payments and forms to his Office of Supervisory Jurisdiction (“OSJ”) for suitability review in connection with his recommendations that clients invest additional premiums into their variable annuities.

70. By failing to enforce its written supervisory procedures, MMLIS did not ensure that Evan delivered variable annuity policies and properly obtained signatures on policy receipts.

71. During his tenure as a registered broker-dealer agent with MMLIS, MMLIS also failed to ensure that Evan used only approved sales materials and made the required disclosures in connection with the variable annuity products he recommended.

72. MMLIS failed to ensure that Evan properly informed clients of the general terms of deferred variable annuities, such as the potential tax penalties for selling or redeeming prior to reaching age 59 ½ and the potential charges for and features of riders.

73. Further, Evan persuaded clients to pay advisory fees to Capital Planning by misrepresenting that he was not receiving commissions in connection with the sale of products to them and by withholding key information related to the products he

recommended to clients, such as the commissions, costs, fees, and restrictions on withdrawals. In fact, Evan often did not cover the information at all.

74. By not supervising Evan reasonably and ensuring that he made relevant disclosures to clients, MMLIS did not ensure that clients received material information that would enable them to understand and properly evaluate the products Evan recommended.

75. NES, MSI, and MMLIS thus did not reasonably supervise Evan's sales practices.

76. Subsequent to the commencement of the Enforcement Section's investigation, MMLIS has taken certain remedial actions, including the implementation of updated policies and procedures, to address its supervisory deficiencies as described above.

## **VII. VIOLATIONS OF LAW**

### **Count I - Violations of MASS. GEN. LAWS ch. 110A, § 204(a)(2)(J)**

77. Section 204 of the Act provides:

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

[...]

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

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

78. The conduct of MML Investors Services, LLC, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 204(a)(2)(J).

## **VIII. ORDER**

### **IT IS HEREBY ORDERED:**

- A. MMLIS shall permanently cease and desist from further violations of the Act and Regulations in the Commonwealth;
- B. MMLIS is censured;
- C. Within ninety (90) days of the entry this Order, MMLIS shall identify all MMLIS clients harmed by the sales practices of Evan and facilitate appropriate remediation to certain clients (the "Evan Clients") for Evan's sales practice violations while registered with MMLIS, subject to the following terms:
  - a. Within fifteen (15) days of the entry of this Order, MMLIS shall submit a report to the Enforcement Section describing its remediation efforts to date;
  - b. Within thirty (30) days of the entry of this Order, MMLIS shall make payments to each of the Evan Clients for the value of all costs that would be incurred in connection with surrendering or exiting their existing annuity contracts purchased through Evan as of the most recent date in which MMLIS was the broker-dealer of record, including any surrender charges or other penalties (the "Payments");
  - c. The form, content, and proposed method of delivery of the Payments shall not be unacceptable to the Enforcement Section, and MMLIS shall provide a description of its proposed plan to make the Payments to the Enforcement Section at least ten (10) days prior to providing the Payments to the Evan Clients;



d. Within thirty (30) days of MMLIS making the Payments, MMLIS shall provide the Enforcement Section with a final accounting (the "Final Accounting") and certification of the disposition of the payments made to the Evan Clients. The Final Accounting shall be in a form not unacceptable to the Enforcement Section and include: (1) the name and address of each Evan Client; (2) the amount of the payment made to the Evan Client; (3) the date of the payment made; and (4) evidence of all payments made. MMLIS shall cooperate with reasonable requests for information in connection with the Final Accounting and provide supporting documentation to the Enforcement Section upon request.

D. Within one hundred twenty (120) days of the entry of this Order, MMLIS shall conduct a comprehensive internal review of its written supervisory policies and procedures related to the disclosure of commissions in connection with the purchase and sale of variable annuities to ensure compliance with applicable state and federal laws (the "Review"). The Review shall be subject to the following terms:

a. Within one hundred and twenty days (120) of the entry of this Order, MMLIS shall submit a report to the Enforcement Section containing the findings of the comprehensive review (the "Report"). The Report shall include, but is not limited to, a description of the review performed, the conclusions reached, and the recommendations for changes in or improvements to the policies and procedures of MMLIS, as well as the process for implementing the recommended changes in or improvements to those policies and procedures;

- b. The Report's recommendations shall not be unacceptable to the Enforcement Section, provided that the Enforcement Section shall not unreasonably withhold its approval of those recommendations; and
- c. If the recommendations are not unacceptable to the Enforcement Section, MMLIS shall adopt all recommendations contained in the Report.

E. Within thirty (30) days of the entry of this Order, MMLIS shall disgorge \$12,092.39, reflecting profits and other direct or indirect remuneration received in connection with the alleged wrongdoing, subject to the following terms:

- a. Within thirty (30) days of the last disgorgement payment, MMLIS shall provide the Enforcement Section with an accounting and certification of the disgorgement payments made. The accounting shall be in a form not unacceptable to the Enforcement Section and include: (1) the name and address of each customer who received a disgorgement payment; (2) the amount of disgorgement paid to each customer; (3) the date of each payment; (4) evidence of all payments made; and (5) the date and amount of any returned payment(s). MMLIS shall cooperate with reasonable requests for information in connection with the accounting.

F. Within thirty (30) days of the entry of this Order, MMLIS shall pay an administrative fine in the amount of \$250,000 (USD) to the Commonwealth of Massachusetts. Payment shall be: (1) made by United States postal money order, certified check, bank cashier's check, bank money order, or wire transfer; (2) made payable to the Commonwealth of Massachusetts; (3) either hand-delivered or mailed to One Ashburton Place, Room 1701, Boston, Massachusetts 02108, or wired per Division instructions; and

(4) submitted under cover letter or other documentation that identifies the payor and the docket number of the proceedings. Additionally, MMLIS shall provide the Division with notice twenty-four (24) hours prior to the payment;

G. MMLIS shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any amounts that MMLIS shall pay pursuant to this Order;

H. MMLIS shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that MMLIS shall pay pursuant to the this Order;

I. If MMLIS fails to comply with any of the terms set forth above, the Enforcement Section may institute an action to have this Consent Order declared null and void. Upon issuance of an appropriate order and after a fair hearing, the Enforcement Section may re-institute an action against Respondent; and

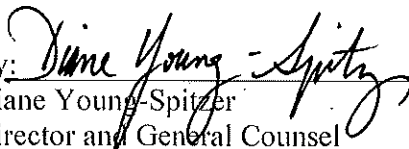
J. For good cause shown, the Enforcement Section may extend any of the procedural dates set forth above. MMLIS shall make any requests for extensions of procedural dates set forth above in writing to the Division.

#### **IX. NO DISQUALIFICATION**

This Order waives any disqualification in the Massachusetts laws, or rules or regulations thereunder, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which MMLIS may be subject. This Order is not intended to be a final order based upon violations of the Act that prohibit fraudulent, manipulative, or deceptive conduct. This Order is not intended to form the basis of any disqualifications under Section 3(a)(39) of the Securities Exchange Act of 1934; or Rules

504(b)(3) and 506(d)(1) of Regulation D, Rule 262(a) of Regulation A and Rule 503(a) of Regulation CF under the Securities Act of 1933. This Order is not intended to form the basis of disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC-400A application or disqualification under SRO rules prohibiting continuance in membership. This Order is not intended to form a basis of a disqualification under Section 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the Uniform Securities Act of 2002. Except in an action by the Division to enforce the obligations of this Order, any acts performed or documents executed in furtherance of this Order: (a) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) may not be deemed or used as an admission of, or evidence of, any such alleged fault or omission of MMLIS in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal.

**WILLIAM FRANCIS GALVIN**  
**SECRETARY OF THE COMMONWEALTH**

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

Dated: August 16, 2022