

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

IN THE MATTER OF:)

BRUCE C. WORTHINGTON,)

RESPONDENT.)

) Docket No. E-2018-0119
)
)
)

ADMINISTRATIVE COMPLAINT

I. PRELIMINARY STATEMENT

The Enforcement Section of the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth (the “Enforcement Section” and the “Division,” respectively) files this Administrative Complaint (the “Complaint”) to commence an adjudicatory proceeding against Respondent Bruce C. Worthington (“Respondent”) for violations of MASS. GEN. LAWS ch. 110A, the Massachusetts Uniform Securities Act (the “Act”), and the regulations promulgated thereunder at 950 MASS. CODE REGS. 10.00 – 14.413 (the “Regulations”). The Enforcement Section alleges that Respondent engaged in acts and practices in violation of Sections 101, 102, and 204 of the Act.

The Enforcement Section seeks an order: 1) finding as fact the allegations set forth below; 2) finding that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors; 3) requiring Respondent to permanently cease and desist from further conduct in violation of the Act and the Regulations in the Commonwealth; 4) censuring Respondent; 5) requiring Respondent to provide an accounting of those losses attributable to the alleged wrongdoing; 6) requiring

Respondent to provide restitution to fairly compensate investors for those losses attributable to the alleged wrongdoing; 7) requiring Respondent to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing; 8) imposing an administrative fine on Respondent in such amount and upon such terms and conditions as the Director or Presiding Officer may determine; 9) permanently barring Respondent from associating with or registering in the Commonwealth as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or as a partner, officer, director, or control person of a broker-dealer or investment adviser; and 10) taking any such further action which may be necessary or appropriate in the public interest and for the protection of Massachusetts investors.

II. SUMMARY

From 2006 to 2018, Bruce Colin Worthington (“Worthington”) fraudulently misappropriated the investment funds of at least one Massachusetts customer for his own personal use and benefit. The scheme commenced when Worthington, then a registered representative at Commonwealth Financial Network (“CFN”), diverted funds from the account of one Massachusetts retiree (“Retired Investor”) by representing, falsely, that Retired Investor’s funds were being placed in legitimate alternative investments.

Retired Investor was a client of Worthington’s for more than 15 years, during which time Retired Investor trusted Worthington to safely and securely manage his investment accounts. Due to his lack of investment experience, Retired Investor heavily relied on Worthington’s advice and expertise in planning for retirement. From 2006 to 2008, Retired Investor’s individual brokerage account (“Brokerage Account”) with CFN experienced a significant number of withdrawals totaling \$97,054.59 (“Diverted Funds”).

Under the advice of Worthington, Retired Investor was lulled into believing that Worthington used these Diverted Funds for legitimate investments when in fact, Worthington used certain Diverted Funds from Retired Investor's Brokerage Account for his own personal use and benefit.

From 2008 through 2011, in order to conceal his scheme, Worthington produced false documents whereby Retired Investor believed that his Diverted Funds were in laddered bonds and a structured note ("Structured Note"). From 2008 through 2009, Worthington presented Retired Investor with at least three fixed income portfolios containing laddered bonds (the "Laddered Portfolios") showing that certain Diverted Funds had been invested and re-invested into these laddered bonds. In 2011, Worthington kept this scheme going by presenting Retired Investor with a portfolio summary of his account ("Portfolio Summary") showing a Structured Note held in a separate account away from CFN in the amount of \$113,439.00. Contrary to Worthington's representations that he placed the Diverted Funds in legitimate securities that were generating substantial profit, there were never laddered bonds or a Structured Note in Retired Investor's account during this time. Worthington falsified documents presented to Retired Investor in an effort to cover up the fact that he took certain Diverted Funds from Retired Investor to use for his own personal benefit.

Worthington preyed upon the trust placed in him by Retired Investor, who had very limited knowledge regarding his investments. Instead of providing legitimate financial information on the status of Retired Investor's Diverted Funds, Worthington repeatedly told Retired Investor that his funds were appreciating. From 2011 to 2018, over a series of phone conversations, Worthington continually assured Retired Investor

that his Diverted Funds were safe and secure. Retired Investor, in turn, continued to place his full trust in Worthington and believed that Worthington was looking out for the best interests of Retired Investor. Beginning in 2013, Worthington experienced multiple changes in his employment status as a registered representative and investment adviser representative. On May 6, 2013, after resigning as a representative from CFN due to concerns regarding his credit history, Worthington became a registered representative of Founders Financial Securities, LLC ("Founders Financial"). Worthington failed to inform Retired Investor of his resignation and change in employment from CFN to Founders Financial.

During this time, Worthington experienced a number of financial difficulties, including two substantial tax liens and a foreclosure on his house. On April 27, 2009, the Internal Revenue Service ("IRS") filed a tax lien in the amount of \$210,507.98 against Worthington. Five years later, on April 30, 2014, the IRS filed another tax lien against Worthington in the amount of \$70,845.36. Just over one year later, on June 14, 2015, the mortgage holder on Worthington's house foreclosed and took ownership of the property after Worthington failed to make payments on a mortgage in the amount of \$400,324.00.

In 2017, Retired Investor looked into the whereabouts of his Diverted Funds after he was made aware that no investments from the Diverted Funds were ever accounted for in any of the accounts he owned. Over a series of conversations spanning months, where Retired Investor would ask for a withdrawal of funds in preparation for his retirement, Worthington used stall tactics to convince Retired Investor that these funds were not available for withdrawal yet. On April 18, 2018, Worthington generated a document which showed that Retired Investor's Diverted Funds had accrued a return of

approximately \$140,000.00. Despite multiple attempts to contact Worthington since that time to withdraw these funds, Retired Investor has been unable to get any response from Worthington. On September 20, 2018, Founders Financial terminated Worthington after concerns arose regarding his receipt and disposition of customer funds prior to his association with the firm.

The Enforcement Section takes this action to provide relief to those investors impacted by Worthington's conduct and prevent further violations of the Act by Worthington.

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 Act. 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 Enforcement Section brings this action pursuant to the authority conferred upon the Division by Section 407A of the Act, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act.
3. This proceeding is brought in accordance with Sections 101, 102, 204, and 407A of the Act.
4. The Enforcement Section reserves the right to amend this Complaint and/or bring additional administrative complaints to reflect information developed during the current and ongoing investigation.

IV. RELEVANT TIME PERIOD

5. Except as otherwise expressly stated, the conduct described herein occurred during the approximate time period of September 1, 2006 to present (“Relevant Time Period”).

V. RESPONDENT

6. Bruce Colin Worthington (“Worthington”) is a natural person with a last known address in Tewksbury, Massachusetts. Worthington has a Financial Industry Regulatory Authority (“FINRA”) Central Registration Depository (“CRD”) number of 2193895. Worthington first became registered in the securities industry in 1992. Worthington was registered as a broker dealer-agent and investment adviser representative of Founders Financial Securities, LLC (“Founders Financial”) from June 14, 2013 to September 20, 2018. Worthington was previously a registered representative of Commonwealth Financial Network (“CFN”) from February 24, 1999 to May 6, 2013, and PFS Investments Inc. (“PFS”) from January 7, 1992 to February 24, 1999. Worthington is currently not registered in any capacity in the securities industry in Massachusetts; however, he still maintains an insurance license in Massachusetts.

VI. RELATED PARTY

7. Commonwealth Financial Network (“CFN”) is a Massachusetts limited liability company with a principal place of business located at 29 Sawyer Road, Waltham, Massachusetts 02453. CFN has a FINRA CRD number of 8032. CFN has been registered in Massachusetts as a broker-dealer since 1981 and has been notice filed as an investment adviser in Massachusetts since 1994.

VII. STATEMENT OF FACTS

A. Bruce C. Worthington and LifeHouse Financial Group

8. Worthington was a registered representative of CFN from February 1999 until May 2013.

9. In February 2011, Worthington established LifeHouse Financial Group (“LifeHouse”), located in Rowley, Massachusetts, and continued to provide investment and insurance related services to clients using the LifeHouse name.

10. On May 6, 2013, after concerns arose regarding Worthington’s credit history, Worthington resigned from his position as a registered representative of CFN.

11. Subsequently, Worthington was a registered representative of Founders Financial from June 2013 until September 2018.

12. On September 20, 2018, Worthington was terminated from Founders Financial after concerns arose regarding his receipt and disposition of customer funds prior to his association with the firm.

B. Retired Massachusetts Investor

13. Retired Investor is a 65 year old resident of Peabody, Massachusetts.

14. Retired Investor worked as a landscaper and groundskeeper in Massachusetts until retiring in approximately 2016.

15. In 1999, Worthington, then a registered representative of CFN, approached Retired Investor at his place of work to discuss investments and retirement plans.

16. In that same year, Retired Investor opened an individual retirement account (“IRA Account”) and individual brokerage account (“Brokerage Account”) with CFN.

17. Retired Investor's accounts had an overall risk tolerance of "moderate" and an overall investment objective of "capital appreciation," which provided a typical allocation for this account of 40% fixed income/bonds and 60% equities and stocks.

18. Retired Investor, who had very limited investment experience, relied heavily on Worthington to keep him apprised of his financial circumstances and to make investment decisions in both his IRA and Brokerage Accounts.

19. In 2005, Worthington advised Retired Investor to convert his commission-based IRA and Brokerage Accounts into fee-based advisory accounts at CFN. Worthington then began to actively manage Retired Investor's accounts in a fiduciary capacity.

20. Shortly after these account conversions, Worthington devised a scheme to take advantage of Retired Investor.

21. Beginning in or about September 2006 and continuing until April 2018, Worthington fraudulently misappropriated the investment funds of at least one Massachusetts customer for his own personal use and benefit.

22. The scheme consisted of Worthington diverting investment funds from one Massachusetts retiree's accounts by representing, falsely, that Retired Investor's financial investments were appreciating. Worthington continued this scheme for years by taking advantage of his customer's trust and limited knowledge of his own investments.

C. Worthington Misappropriated Client Assets while Managing Retired Investor's Brokerage Account

a. Brokerage Account – Worthington Misappropriated \$97,054.59 of Retired Investor's Funds

23. On August 26, 2005, Retired Investor's Brokerage Account converted into an advisory account. Worthington actively managed the Brokerage Account on an advisory basis and owed Retired Investor a fiduciary duty.

24. Worthington exercised discretionary authority in the Brokerage Account and executed trades on Retired Investor's behalf.

25. From 2006 to 2008, there were multiple withdrawals¹ of investment funds from Retired Investor's Brokerage Account.

26. CFN had no banking information on file for Retired Investor's Brokerage Account at this time.

27. As displayed in the following table,² funds in the amount of \$97,054.59 ("Diverted Funds") were withdrawn from Retired Investor's Brokerage Account on the following dates:

Date	Amount	Description	Running Balance of Withdrawals
9/11/2006	2,000.00	Check Paid	2,000.00
11/7/2006	2,000.00	Check Paid	4,000.00
12/28/2006	2,500.00	Check Paid	6,500.00
2/15/2007	3,000.00	Check Paid	9,500.00
3/9/2007	1,500.00	Check Paid	11,000.00
3/22/2007	2,500.00	Check Paid	13,500.00
5/22/2007	3,000.00	Check Paid	16,500.00
6/25/2007	20,000.00	Check Paid	36,500.00
7/13/2007	20,000.00	Check Paid	56,500.00
11/14/2007	15,000.00	Check Paid	71,500.00
1/22/2008	15,000.00	Check Paid	86,500.00
11/11/2008	10,554.59	Check Paid	97,054.59

28. Retired Investor did not receive all the withdrawals of Diverted Funds from his Brokerage Account.

¹ Funds issued from Retired Investor's Brokerage Account were in the form of checks and noted on Retired Investor's Brokerage Account statements as "CHECK PAID."

² The numbers in the table are based on Retired Investor's Brokerage Account Periodic Statements for the years 2006, 2007, and 2008.

29. On information and belief, Worthington unilaterally withdrew certain Diverted Funds from Retired Investor's Brokerage Account and used certain Diverted Funds for his own personal use.

30. In order to perpetuate his scheme, Worthington convinced Retired Investor to diversify his investments and to invest certain Diverted Funds in alternative investments outside of and away from his CFN Brokerage Account.

b. Worthington prepared documents showing Retired Investor's Diverted Funds were invested in laddered bonds

31. In 2008 and 2009, Worthington presented Retired Investor with documents pertaining to a fixed income investment portfolio.

32. On at least three separate occasions, Retired Investor received similar documents related to fixed income investment portfolios from Worthington.

33. Upon information and belief, Worthington used the fixed income investment portfolios to conceal that he misappropriated Retired Investor's assets.

34. The first fixed income investment portfolio, dated June 9, 2008 ("Laddered Portfolio No. 1"), contained investments in three laddered bonds with different maturity dates, the principal amount to be invested, the dates the investments would mature, and the accrued interest to be received by Retired Investor. Laddered Portfolio No. 1's precise principal amount was \$53,205.50 and net amount was \$53,756.33.

35. The second fixed income portfolio, dated April 15, 2009 ("Laddered Portfolio No. 2"), contained four laddered bonds with different maturity dates, the principal amount to be invested, the dates the investments would mature, and the accrued interest to be received by Retired Investor. Laddered Portfolio No. 2's precise principle amount was \$64,891.45 and net amount was \$65,730.56.

36. The third fixed income portfolio prepared by Worthington, dated October 5, 2009 (“Laddered Portfolio No.3”), contained investments in three laddered bonds with different maturity dates, the principal amount to be invested, the dates the investments would mature, and the accrued interest to be received by Retired Investor. Laddered Portfolio No. 3’s precise principal amount was \$93,076.60 and net amount was \$95,152.28.

37. Retired Investor believed that Laddered Portfolio No. 1, Laddered Portfolio No. 2, and Laddered Portfolio No. 3 (collectively, the “Laddered Portfolios”) were legitimate bond investments made on his behalf by Worthington.

38. Worthington also presented Retired Investor with an account breakdown of his then-current accounts from the CFN 360 Overview database (“360 Overview”), dated June 9, 2008, which referenced the approximate net amount of Laddered Portfolio No. 1.

39. The 360 Overview is an account portal utilized by CFN which allowed registered representatives to view client holdings and account details. In this case, Worthington used 360 Overview to view Retired Investor’s account holdings.

40. The 360 Overview displayed a net worth for Retired Investor in the amount of \$64,964.08 followed by the handwritten notes “\$64,964, 15,000 Che, 53,755.” The handwritten values of \$64,964 and 53,755 referenced Retired Investor’s approximate net worth and the approximate value of Laddered Portfolio No. 1.

41. Additional handwritten notes represented on the 360 Overview showed that an investment of \$160,000.00 within 5 years could generate earnings of \$200,000.00 for Retired Investor.

42. On information and belief, Worthington used the Laddered Portfolios in addition to the 360 Overview to deceive Retired Investor into believing that Worthington invested and reinvested certain Diverted Funds in the Laddered Portfolios, when Worthington instead misappropriated certain of Retired Investor's funds.

c. Worthington prepared documents showing Retired Investor's Diverted Funds were invested in a Structured Note

43. On or around October 18, 2011, Worthington met with Retired Investor at his home and presented Retired Investor with documents to sign.

44. Due to Retired Investor's lack of investment experience, and owing in part to the fiduciary duty Worthington owed to him, Retired Investor trusted Worthington to make decisions in Retirement Investor's best interest. As a result, Retired Investor signed those documents presented to him by Worthington.

45. On information and belief, this was all part of Worthington's elaborate plan to take advantage of Retired Investor.

46. In addition to signing unfamiliar documents provided to him by Worthington, Retired Investor was also presented with a portfolio summary of his account ("Portfolio Summary") showing Retired Investor's accounts and account values. The Portfolio Summary displayed Retired Investor's CFN accounts, which included a structured note ("Structured Note") held in a separate account under the section titled Additional Assets.

47. The Additional Assets section of the Portfolio Summary indicated that Retired Investor had a separate account in the form of a Structured Note in the amount of \$113,349.00.

48. Other than presenting Retired Investor with the Portfolio Summary, Worthington did not inform or otherwise discuss the Structured Note with Retired Investor. The

Structured Note was purportedly held in a separate account away from CFN. Worthington also never explained the Structured Note to Retired Investor.

49. Retired Investor did not receive any account statements or any additional information regarding the Structured Note. Worthington made no further mention of the Structured Note during his conversations with Retired Investor and, by 2011, after so many years of working with Worthington, Retired Investor put his trust in Worthington.

50. On information and belief, Worthington used the Structured Note in the amount of \$113,349.00 to falsely show that Retired Investor's Diverted Funds had generated substantial returns.

51. On information and belief, Worthington never invested in a legitimate Structured Note on Retired Investor's behalf. Worthington falsified the Portfolio Summary presented to Retired Investor in an effort to cover up the fact that he misappropriated and used Retired Investor's funds for his own personal benefit.

d. Worthington deceived Retired Investor for years

52. From 2011 until 2013, Worthington continued to communicate with Retired Investor through phone calls, updating him on his accounts and the Diverted Funds.

53. Worthington continued to tell Retired Investor that his investments were performing well and that his accounts had generated significant returns.

54. Worthington continued his scheme to deceive Retired Investor by giving him false financial information about his investments.

55. After resigning as a registered representative of CFN when concerns arose regarding his credit history, Worthington failed to inform Retired Investor that he was no longer registered with CFN.

56. From 2013 through 2017, there was minimal conversation between Retired Investor and Worthington. However, whenever they did speak, it was always through phone conversations, whereby Worthington assured Retired Investor that his investments were safe and secure.

57. Due to their longstanding relationship, Retired Investor continued to put his trust in Worthington's assurance that he was monitoring Retired Investor's finances.

58. In 2017, while preparing to file his taxes, Retired Investor stated to his tax accountant that he accumulated substantial returns from his Diverted Funds through some type of investment³ made by Worthington on Retired Investor's behalf.

59. In or around March 2017, after discussing his investments with his tax accountant and filing his 2016 tax returns, Retired Investor was made aware by his tax accountant that no investments made from the Diverted Funds were accounted for in his tax returns for the past couple years. This prompted Retired Investor to reach out to Worthington to determine the status of his Diverted Funds.

60. In April 2017, after not meeting face-to-face with Worthington for nearly four years, Retired Investor met Worthington at his place of business, LifeHouse, where Worthington informed Retired Investor that he was no longer with CFN and was now affiliated with Founders Financial.

61. On April 10, 2017, in addition to following up on the Diverted Funds with Worthington, Retired Investor again put his trust in Worthington and transferred his IRA Account to Founders Financial.

³ Retired Investor's use of the word "investment" reflects that he did not understand how Worthington invested his Diverted Funds. Worthington deceived Retired Investor by showing him falsified financial statements indicating that Retired Investor's Diverted Funds were in laddered bonds and a Structured Note.

62. Over a series of conversations spanning months where Retired Investor would ask for a withdrawal of his Diverted Funds, Worthington used stall tactics to convince Retired Investor that his Diverted Funds were tied up and not available for withdrawal.

63. Throughout the course of his relationship with Retired Investor, Worthington experienced a number of financial difficulties. For example, on April 27, 2009, the IRS filed a tax lien against Worthington in the amount of \$210,507.98.

64. Five years later, on April 30, 2014, the IRS filed an additional tax lien against Worthington in the amount of \$70,845.36.

65. On June 14, 2015, the mortgage holder on Worthington's house foreclosed and took ownership of the property after Worthington failed to make payments on a mortgage in the amount of \$400,324.00.

66. On April 18, 2018, after Retired Investor made multiple attempts to inquire about withdrawing funds, Worthington generated a document which showed a numerical value of approximately \$140,000.00 and informed Retired Investor that this money represented the returns from Retired Investor's Diverted Funds.

67. Worthington also informed Retired Investor that he was having problems obtaining the Diverted Funds for Retired Investor but assured Retired Investor that he would get the funds eventually.

68. Despite many attempts to contact Worthington to withdraw funds, Retired Investor has been unable to get any response from Worthington since April 18, 2018.

69. On September 20, 2018, Founders Financial terminated Worthington after concerns arose regarding his receipt and disposition of customer funds prior to his association with the firm.

70. Upon information and belief, Worthington used Retired Investor's Diverted Funds for his own personal benefit. In order to deceive Retired Investor, Worthington produced fictitious financial information and convinced Retired Investor that his funds were being placed in legitimate investments such as laddered bonds and a Structured Note that were generating profits when in fact they were not.

D. Worthington Failed to Appear for On-The-Record Testimony Pursuant to a Subpoena Issued by the Division

71. On December 12, 2018, the Division issued a subpoena commanding Worthington to appear for on-the-record testimony on December, 28, 2018 (the "Subpoena").

72. Worthington was in receipt of the Subpoena on December 14, 2018. (See Certified Mail Receipt and Return Receipt dated December 14, 2018, at Exhibit 1).

73. On December 28, 2018, Worthington failed to appear before the Division as commanded by the Subpoena. The Division received no communications from Worthington or from any attorney on Worthington's behalf.

74. On January 4, 2019, FINRA reported a regulatory action against Worthington under Form U-6 for his failure to respond to FINRA's request for information dated December 7, 2018.

75. As of December 31, 2018, Worthington is currently suspended from associating with any FINRA member firm in any capacity.

VIII. VIOLATIONS OF LAW

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

76. Section 101 of the Act provides 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.

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

78. The conduct of Respondent Worthington, as described above, constitutes violations of MASS. GEN. LAWS ch. 110A, § 101.

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

79. Section 102 of the Act provides that:

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

- (1) to employ any device, scheme, or artifice to defraud the other person, or
- (2) 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, § 102.

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

81. The conduct of Respondent Worthington, as described above, constitutes violations of Mass. GEN. LAWS ch. 110A, § 102.

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

82. Section 204(a)(2)(G) of the Act provides that:

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

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

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

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

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

IX. STATUTORY BASIS FOR RELIEF

Section 407A of the Act provides, in pertinent part:

- (a) If the secretary determines, after notice and opportunity for hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take such affirmative action, including the imposition of an administrative fine, the issuance of an order for an accounting, disgorgement or rescission

or any other such relief as in his judgment may be necessary to carry out the purposes of [the Act].

MASS. GEN. LAWS ch. 110A, § 407A.

X. PUBLIC INTEREST

For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors for the Director to enter an order finding that such “action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this chapter [MASS. GEN. LAWS ch. 110A].”

XI. RELIEF REQUESTED

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

- A. Finding as fact all allegations set forth in Section VII of the Complaint;
- B. Finding that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors;
- C. Requiring Respondent to permanently cease and desist from further conduct in violation of the Act and the Regulations in the Commonwealth;
- D. Censuring Respondent;
- E. Requiring Respondent to provide an accounting of those losses attributable to the alleged wrongdoing;
- F. Requiring Respondent to provide restitution to fairly compensate investors for those losses attributable to the alleged wrongdoing;
- G. Requiring Respondent to disgorge all profits and other direct or indirect remuneration received from the alleged wrongdoing;

- H. Imposing an administrative fine on Respondent in such amount and upon such terms and conditions as the Director or Presiding Officer may determine;
- I. Permanently barring Respondent from associating with or registering in the Commonwealth as a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative, or as a partner, officer, director, or control person of a broker-dealer or investment adviser; and
- J. Taking any such further action which may be necessary or appropriate in the public interest and for the protection of Massachusetts investors.

**MASSACHUSETTS SECURITIES DIVISION
ENFORCEMENT SECTION**

By and through its attorneys,



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Dated: February 21, 2019