

STATE OF CONNECTICUT
DEPARTMENT OF BANKING
260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800



Jorge L. Perez
Commissioner

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\*
IN THE MATTER OF: \*
\*
JOHN A. PINHEIRO \*
\*
("Respondent") \*
\*
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CONSENT ORDER
DOCKET NO. CRF-18-8250a-S

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner ("Commissioner") is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act ("Act"), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies ("Regulations") promulgated under the Act;

WHEREAS, the Commissioner, through the Securities and Business Investments Division ("Division") of the Department of Banking ("Department"), conducted an investigation pursuant to Section 36b-26(a) of the Act into the activities of the Respondent to determine if he had violated, was violating or was about to violate provisions of the Act ("Investigation");

WHEREAS, as a result of the Investigation, on June 5, 2018, the Commissioner, acting pursuant to Section 36b-27 of the 2018 Supplement to the General Statutes ("2018 Supplement"), issued an Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing (Docket No. CF-18-8250a-S) (collectively, "Notice") against Respondent, which Notice is incorporated by reference herein;

WHEREAS, on June 18, 2018, Respondent requested a hearing on the matters alleged in the Notice;

**WHEREAS**, on June 21, 2018, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer wherein the Commissioner appointed Staff Attorney Stacey Serrano as Hearing Officer, and scheduled a hearing on the matters alleged in the Notice for August 7, 2018 (“Hearing”);

**WHEREAS**, on July 30, 2018, pursuant to Respondent’s request, Hearing Officer Serrano continued the Hearing to October 23, 2018;

**WHEREAS**, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

**WHEREAS**, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the 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 sections 36b-2 to 36b-34, inclusive”;

**WHEREAS**, an administrative proceeding initiated under Sections 36b-27 of the 2018 Supplement would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

**WHEREAS**, Section 36b-27(f) of the 2018 Supplement provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a) . . . or subdivision (1) of subsection (d) of this section, the commissioner may accept an agreement by any respondent named in such order or notice to enter into a written consent order in lieu of an adjudicative hearing”;

**WHEREAS**, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, Respondent and the Commissioner now desire to resolve the matters alleged in the Notice without the need for further administrative proceedings;

**WHEREAS**, the Commissioner finds that the entry of this Consent Order 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 the Act;

**WHEREAS**, Respondent expressly consents to the Commissioner's jurisdiction under the Act and to the terms of this Consent Order;

**WHEREAS**, the Notice alleged that Respondent made a materially false or misleading statement during the Investigation in violation of Section 36b-23 of the Act;

**AND WHEREAS**, Respondent, through his execution of this Consent Order, specifically assures the Commissioner that the violation alleged in the Notice and this Consent Order shall not occur in the future.

## **II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS**

**WHEREAS**, Respondent, through his execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Section 36b-27 of the 2018 Supplement and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail himself of Section 36b-27 of the 2018 Supplement and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present his position in a hearing in which he is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

## **III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATION**

**WHEREAS**, Respondent, through his execution of this Consent Order, acknowledges the allegation of the Commissioner in the Notice, without admitting or denying it;

**WHEREAS**, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondent an opportunity for a hearing;

AND WHEREAS, Respondent acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

#### IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondent, through his execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing on him the following sanctions:

1. Respondent shall cease and desist from directly or indirectly violating the provisions of the Act or any rule, regulation or order under the Act, including, without limitation, engaging in any activity in or from Connecticut that violates Section 36b-23 of the Act;
2. For a period of seven (7) years commencing on the date this Consent Order is entered by the Commissioner, Respondent shall be **BARRED** from: (a) transacting business in or from Connecticut as an agent, broker-dealer, broker-dealer agent, investment adviser or investment adviser agent as such terms are defined in the Act, and notwithstanding any definitional exclusion that might otherwise be available under the Act; (b) maintaining a direct or indirect ownership interest in a broker-dealer or investment adviser registered or required to be registered in Connecticut; and (c) acting in any other capacity which requires a license or registration under laws administered by the Commissioner; and
3. No later than the date this Consent Order is entered by the Commissioner, Respondent shall remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut," the sum of ten thousand dollars (\$10,000) as an administrative fine.

#### V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

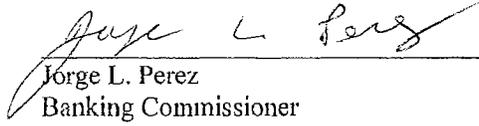
1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondent based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed;
3. After five years have elapsed from the date the Consent Order is entered, Respondent may request that the Commissioner relieve him from the bar contained in Paragraph 2 of Section IV of this Consent Order by filing a written application with the Commissioner demonstrating why good cause exists for the Commissioner to grant such relief. The Commissioner may, in the Commissioner's sole discretion, grant, deny or condition the relief sought pursuant to this paragraph;
4. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondent based upon evidence of which the Division was

unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act;

5. Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
6. Respondent shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. However, nothing in this Consent Order affects Respondent's testimonial obligations or right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party; and
7. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,  
this 18<sup>th</sup> day of ~~August~~ 2018.

September

  
\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, John A. Pinheiro, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

  
John A. Pinheiro

State of: CONNECTICUT

County of: FAIRFIELD

On this the 4<sup>th</sup> day of September ~~August~~ 2018, before me, the undersigned officer, personally appeared John A. Pinheiro, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

  
Notary Public/Commissioner of the Superior Court  
Date Commission Expires: 5-31-22