
IN THE MATTER OF:

ARO EQUITY, LLC
(“ARO”)

THOMAS DAVID RENISON
CRD NO. 1863759
(“TDR”)

THOMAS JAMES RENISON
CRD NO. 6039707
(“TJR”)

(Collectively, “Respondents”)

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ORDER TO CEASE AND DESIST
ORDER TO MAKE RESTITUTION

NOTICE OF INTENT TO FINE

AND

NOTICE OF RIGHT TO HEARING

DOCKET NO. CRF-19-8426-S

I. PRELIMINARY STATEMENT

1. 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.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of Respondents to determine if Respondents have violated, are violating or are about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the Investigation, the Commissioner has reason to believe that Respondents have violated certain provisions of the Act and Regulations.

4. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to issue a cease and desist order against Respondents pursuant to Section 36b-27(a) of the Act.

5. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to order that Respondents make restitution pursuant to Section 36b-27(b) of the Act.

6. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to impose a fine upon Respondents pursuant to Section 36b-27(d) of the Act.

II. RESPONDENTS

7. ARO is a Massachusetts limited liability company that was formed on July 6, 2015. ARO's address last known to the Commissioner is 41 Pine Street #17, Peabody, Massachusetts 01960. ARO is a self-described "private investment fund", which claims to invest in various business ventures throughout Massachusetts and New England. ARO is not and has never been registered in any capacity under the Act.

8. TDR is an individual whose address last known to the Commissioner is 58 Old Farms Road, South Glastonbury, Connecticut 06073. TDR is an undisclosed principal of ARO. TDR was registered as a broker-dealer agent and as an investment adviser agent under the Act during various times from October 26, 1990 through May 13, 2010.

9. TJR is an individual whose address last known to the Commissioner is 58 Old Farms Road, South Glastonbury, Connecticut 06073. TJR is the son of TDR. TJR is purportedly a member of ARO in lieu of and as nominee for his father TDR and has a 5% ownership stake in ARO. TJR was registered as a broker-dealer agent under the Act during various times from October 28, 2013 through March 6, 2018. On February 11, 2019, TJR was barred from association with any FINRA member in any capacity (Docket/Case Number 2018057688801).

III. STATEMENT OF FACTS

Prior Disciplinary History of TDR

State of Maine Office of Securities

10. On October 22, 2012, the State of Maine Office of Securities entered a Consent Order with respect to TDR (*In re Thomas D. Renison*, No. COR-11-7846). The Consent Order was based on allegations that TDR traveled to Maine to solicit an elderly Maine investor to invest \$600,000 in a resort in Hungary. TDR promised the Maine resident that if he invested in the resort, he would receive a return of his principal investment plus an additional \$400,000 within 6 months. To induce the Maine resident to invest, TDR provided the Maine resident with a prospectus that contained allegedly false information regarding TDR's experience, TDR's role in the project, and the involvement of prominent people in the resort. The Maine resident received back only \$60,000 of his \$600,000 principal, and he received no return on his investment. The Consent Order found that TDR committed at least five violations of the Maine Uniform Securities Act, including provisions that, among other things, prohibit fraudulent and deceptive conduct. The Consent Order permanently barred TDR from associating with any issuer, broker-dealer or investment adviser in Maine; and ordered TDR to make restitution of \$25,000 to the Maine resident pursuant to a payment plan of \$1,000 per month until the obligation was fulfilled.

11. In connection with the same transaction, on June 2, 2011, TDR had been charged by criminal complaint with conspiring to commit mail/wire fraud in violation of 18 U.S.C. § 1349 (*United States v. Renison*, No. 3:11MJ128 TPS (D. Conn. filed June 2, 2011)). The United States later moved to dismiss TDR's criminal charge without prejudice, and TDR subsequently testified against his co-conspirator under a grant of immunity.

12. Also in connection with the transaction underlying the Consent Order, TDR was sued by the Maine resident. A jury trial was held in York County Maine Superior Court, in which TDR invoked his Fifth Amendment rights against self-incrimination. On December 1, 2011 the state court entered judgment against TDR on all counts, including the common law fraud claim, and determined the Maine resident's damages as follows: "the \$600,000.00 loan payment; the \$400,000.00 'fee for use of loan

funds'; tax liability and penalty for withdrawal of retirement funds of \$52,301.87; and lost annuity income of \$253,500.00, for a total damages of \$1,445,801.80." The Maine Judgment was affirmed on appeal (*Frank M. Jablonski Jr. v. Thomas D. Renison et al.*, No. Yor-13-570, 2014 Me. Unpub. LEXIS 119 (Me. Sept. 25, 2014)).

13. On April 10, 2015, the Maine resident filed suit against TDR in Connecticut Superior Court, seeking to collect on the Maine judgment by garnishing TDR's financial accounts (Docket No. HHD-CV15-4077742-S).

14. On October 20, 2015, TDR filed for Chapter 7 bankruptcy in United States Bankruptcy Court in the District of Connecticut. On December 16, 2015, the Maine resident filed a Nondischargeability Complaint with the court asserting claims under 11 U.S.C. § 523(a)(2)(A), (B) and (a)(19)(B). On July 15, 2016, the Plaintiff moved for summary judgment on all claims under the three-count Nondischargeability Complaint. Despite requesting and receiving numerous extensions, TDR, a *pro se* defendant, never filed a response to the motion, never secured legal counsel to appear on his behalf, and otherwise never advanced a cognizable defense. On March 3, 2017, the court entered a summary judgment in favor of the Maine resident on the 11 U.S.C. § 523(a)(2)(A) claim and TDR's debt to the Maine resident in the amount of \$1,445,801.80 was adjudged and decreed nondischargeable (Case No. 15-21813 (JJT) Bankr. D. Conn. (2017)). To date, the judgment remains unsatisfied in the amount of \$1,420,230.59, not including interest or post judgment costs.

15. On April 17, 2018, the Executor for the Estate of the Maine resident filed suit against TDR and TJR, *inter alia*, in Connecticut Superior Court alleging fraudulent conveyances of funds that deprived the Maine resident from collecting the unsatisfied judgment, in violation of Sections 52-552e and 52-552f of the General Statutes of Connecticut (Docket No. HHD-CV18-6092983-S). The action remains pending.

State of Connecticut Insurance Department

16. On May 19, 2013, TDR and the State of Connecticut Insurance Department entered into a Stipulation and Consent Order (Docket No. FC 14-05). The Stipulation and Consent Order alleged that

TDR engaged in acts of conduct in the course of his insurance business that violated Sections 38a-702k, 38a-769 and 38a-816 of the General Statutes of Connecticut in that he contacted several insurance companies in an improper manner for the purpose of obtaining policyholders' information, which constitutes cause pursuant to Sections 38a-702k, 38a-774 and 38a-817 of the General Statutes of Connecticut for the suspension or revocation of TDR's insurance licenses, and/or for the imposition of a fine. TDR agreed to pay a fine in the amount of \$20,000, observe a period of probation ending on October 31, 2016, and provide the State of Connecticut Insurance Department with semi-annual reports about his general insurance activities for the period of probation, with the first of such reports due not later than six months from the date of execution of the Stipulation and Consent Order and the remaining reports due at six month intervals thereafter.

United States Securities and Exchange Commission

17. On July 3, 2014, TDR consented to the entry of an Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions by the United States Securities and Exchange Commission (File No. 3-15963) ("SEC Order"). The SEC Order was based upon TDR's Consent Order with the State of Maine Office of Securities. The SEC Order permanently barred TDR from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

State of Florida, Department of Financial Services

18. On August 13, 2014, TDR and the State of Florida, Department of Financial Services ("FL DFS") entered into a Consent Order (Case No.: 156872-14-AG). The Consent Order alleged that on October 22, 2012 the State of Maine, Department of Professional and Financial Regulation, Bureau of Insurance barred TDR from associating with any issuer, broker-dealer or investment advisor in Maine and TDR failed to report administrative actions taken against him to the FL DFS within thirty (30) days of the final dispositions. TDR agreed to: (i) surrender all license(s) and eligibility for licensure and

appointment under the purview of the FL DFS, such surrender to have the same force and effect as a revocation pursuant to section 626.641, Florida Statutes, and to constitute a revocation for purposes of section 626.641 (2), Florida Statutes; (ii) not engage or attempt or profess to engage in any transaction or business for which a license or appointment was required under the Florida Insurance Code or directly or indirectly own, control, or be employed in any manner by any insurance agent or agency or adjuster or adjusting firm until the license was reinstated or, if revoked, a new license was issued; and (iii) not have the right to apply to the FL DFS for another license under the Florida Insurance Code for two (2) years from the effective date of revocation.

Related Parties

19. Timothy James Allcott (“Allcott”) is a resident of Peabody, Massachusetts, and a member of ARO. Allcott claims that he has a 60-70% ownership stake in ARO and serves as the manager of ARO. Allcott is the sole authorized signatory on ARO’s primary bank account.

20. Terrance O’Connor (“O’Connor”) is a resident of Peabody, Massachusetts, and a member of ARO.

21. Since August 2015, Allcott and O’Connor have together received over \$295,000 of payments from ARO’s primary bank account, a substantial majority of which were made using ARO investor capital.

Concealment of TDR’s Involvement with ARO

22. TDR’s involvement in the private equity fund (ARO) was barred by the SEC Order. TDR, Allcott, and O’Connor took steps to conceal TDR’s involvement in ARO due to the SEC Order, and to protect TDR’s proceeds from this venture from TDR’s creditors.

23. TDR, Allcott, and O’Connor directed TDR’s commissions and executive compensation from ARO to accounts held in the names of TDR’s wife, his son TJR, and another member of TDR’s immediate family. In total, ARO, TDR, Allcott and O’Connor transferred over \$550,000 of ARO

investor capital to a bank account held in the name of TDR's wife, and over \$155,000 to bank accounts held in the name of TJR and TDR's other adult son.

24. While TJR was purportedly responsible for "fundraising" for ARO, it was really TDR who acted as the principal solicitor of investor funds for ARO.

25. Throughout the relevant time period, TJR allowed TDR to make deposits and withdrawals from bank accounts held in the name of TJR, and for which TJR was the sole authorized signatory.

26. On July 6, 2015, ARO filed a Certificate of Organization with the Corporations Division of the Secretary of the Commonwealth of Massachusetts. TDR remitted by check half of the filing fee required to organize ARO to Allcott, the named organizer of ARO. The check for half of ARO's filing fee was drawn on an account held in the name of TJR.

The ARO Note Offering

27. From approximately August 2015, ARO was an issuer of securities in the form of "Fixed Rate Promissory Notes" ("ARO Notes"). ARO raised over \$5.8 million through the offer and sale of unregistered and unsecured ARO Notes. The various ARO Notes stated that they would pay interest ranging from 8% to 12% annually for the term of the notes which ranged from three to five years. ARO, through TDR, offered and sold the ARO Notes in and/or from Connecticut to at least fourteen investors residing in Massachusetts, Connecticut, Tennessee and New Jersey.

28. The ARO Notes constitute securities within the meaning of Section 36b-3(19) of the Act. Such securities were not registered under Section 36b-16 of the Act, nor were they the subject of a filed exemption claim or claim of covered security status.

29. TDR was not registered as an agent of the issuer (ARO) under the Act when he offered and/or sold the ARO Notes in and/or from Connecticut.

30. ARO and TDR represented to purchasers of the ARO Notes that ARO was a private equity investment firm, which sought to generate profits through investments in certain small to medium business ventures.

31. Since approximately November 2015, ARO maintained a website at www.aroequity.com (“ARO Website”). Until early February 2018, the ARO Website stated that “ARO Equity is a private investment firm concentrating on acquisitions in the lower middle market.” The ARO Website further described ARO as “[a] private equity firm concentrated on investments and acquisitions in the lower middle market.”

32. Most purchasers of ARO Notes were older retirees in their 70s and 80s who were insurance or investment advisory clients of TDR.

33. Until early February 2018, the ARO Website stated “Private Investors: We are able to accept investments of ‘qualified money’, such as certain IRAs and self directed retirement accounts.” [sic]

34. Since August 2015, ARO has accepted contributions of over \$1.6 million in qualified retirement assets from investors.

ARO’s Undisclosed Losses

35. Since August 2015, ARO has “invested” less than \$2.9 million of the approximately \$5.8 million in funds raised from purchasers of its promissory notes. ARO has invested this capital principally in three business ventures: a now-defunct Massachusetts electronics manufacturing company (“Manufacturing Company”), a construction company (“Construction Company”), and the parent company (“Healthcare Company”) of a collection of affiliated entities purported to manage a network of urgent-care medical clinics in Massachusetts and Connecticut (collectively, “Healthcare Affiliates”).

36. ARO’s investments in the Manufacturing Company and the Construction Company resulted in a near total loss of investor capital. ARO and TDR failed to disclose these material losses to current and prospective investors.

The Manufacturing Company

37. The Manufacturing Company was a Massachusetts corporation and manufacturer of circuit boards and other electronic assemblies. ARO was organized in anticipation of acquiring a significant ownership share of the Manufacturing Company.

38. In or around August 2015, ARO purchased a majority ownership position in the Manufacturing Company.

39. On August 11, 2015, the Manufacturing Company filed a statement of change of supplemental information with the Corporations Division of the Secretary of the Commonwealth of Massachusetts, naming TJR as one of the directors of the Manufacturing Company.

40. Between August 2015 and January 2017 ARO contributed approximately \$1.37 million of investor funds to the Manufacturing Company.

41. Between August 2015 and January 2017, the Manufacturing Company operated at a significant loss. In or around February 2017, ARO sold its ownership position in the Manufacturing Company.

42. On February 22, 2017, the Manufacturing Company transferred \$50,000 by treasurer's check to ARO in connection with ARO's sale of its ownership interest. Bank records for both ARO and the Manufacturing Company show no further transfers of funds between the two entities.

43. On June 30, 2017, the Manufacturing Company was formally dissolved as a Massachusetts corporation. The losses from ARO's investment in the Manufacturing Company have never been disclosed to current or prospective investors.

The Construction Company

44. The Construction Company is a Massachusetts limited liability company organized in 2015. The Construction Company purported to be a service-disabled-veterans-owned business, focusing on construction management, materials, and site preparation.

45. ARO and the Construction Company entered into a purported profit-sharing agreement. Pursuant to this agreement, ARO was to receive 70% of the profits generated by the business in exchange for ARO's provision of working capital to the Construction Company.

46. Between May 2016 and June 2017, ARO provided approximately \$372,000 in investor funds to the Construction Company.

47. To date, the Construction Company has made only one payment of \$25,000 to ARO. The memo line on the accompanying check read: “Return of equity investment”.

48. The business relationship between the Construction Company and ARO has been dissolved. The loss of ARO’s investment in the Construction Company was not disclosed to current or prospective ARO investors.

The Healthcare Company

49. The Healthcare Company was a Delaware limited liability company organized by Allcott on August 25, 2016.

50. ARO was the majority owner of the Healthcare Company. Since August 2015, ARO contributed approximately \$1.1 million to the Healthcare Company and the Healthcare Affiliates. ARO received less than \$60,000 from these entities in return.

51. The Healthcare Company has failed to consistently generate profits. The Healthcare Company and the Healthcare Affiliates’ lack of profitability has not been disclosed to current or prospective investors.

Material Misrepresentations and Undisclosed Compensation

Connecticut Investor One

52. On July 24, 2017 ARO, through TDR, sold a promissory note to Connecticut Investor One, a then-86-year old retiree who resided in Connecticut, in exchange for \$100,000. Per the terms of the note, ARO was required to repay the original principal amount of \$100,000 within five years, plus an additional 12% annual interest rate.

53. Connecticut Investor One’s note contained terms restricting the use of Connecticut Investor One’s funds. Specifically, under a subsection titled “Use of Funds” the note stated: “ARO hereby confirms that these funds will be used to fund Medical Receivables on behalf of [the Healthcare Company].”

54. Notwithstanding this “Use of Funds” provision, Connecticut Investor One’s capital was used to pay scheduled monthly returns to earlier investors, as well as tens of thousands of dollars to TDR and Allcott.

55. As reflected in the terms of his note, Connecticut Investor One’s investment was funded using assets held in a Roth IRA. In anticipation of his investment, Connecticut Investor One rolled these funds over to a self-directed IRA in order to hold his ARO investment. On August 3, 2017, the custodian of this self-directed IRA wire transferred Connecticut Investor One’s \$100,000 to the ARO operating account.

56. Connecticut Investor One’s incoming wire transfer increased the balance of the ARO operating account from \$7,675.05 to \$107,676.05.

57. The ARO operating account received no additional deposits until August 10, 2017.

58. Between August 4, 2017, and August 8, 2017, ARO transferred over \$12,000 to Allcott’s personal checking account, \$7,000 to bank accounts held in the names of members of TDR’s immediate family, and \$6,349.52 to earlier ARO investors, consultants and restaurants.

Connecticut Investor Two

59. Connecticut Investor Two was a 62 year old Connecticut resident and the daughter of two of TDR’s former clients.

60. After the death of Connecticut Investor Two’s parents, TDR assisted Connecticut Investor Two in collecting the proceeds of various insurance policies and accounts. Around this time, TDR solicited Connecticut Investor Two to reinvest a portion of the policies’ proceeds in ARO.

61. In or around August 2017, TDR met with Connecticut Investor Two in her home. TDR assured Connecticut Investor Two that the investment would be safe and would eventually double in value.

62. On August 7, 2017, ARO, through TDR, sold a promissory note to Connecticut Investor Two in the original principal amount of \$1,000,000, with an approximate five-year term and an 8% annual interest rate.

63. Under the subsection titled “Use of Proceeds” Connecticut Investor Two’s note stated: “The Borrower [ARO Equity] confirms that the funds will be used in support of [the Construction Company]. A fully authorized ‘Service Disabled Veterans Owned Small Business’.” [sic]

64. Notwithstanding this “Use of Proceeds” provision, the proceeds of Connecticut Investor Two’s note were not used in support of the Construction Company.

65. On August 14, 2017, Connecticut Investor Two transferred \$1,000,000 by wire to ARO’s operating account. Connecticut Investor Two’s incoming wire transfer increased the balance of the operating account from \$153,844.41 to \$1,153,844.41.

66. Between August 14, 2017, and September 10, 2017, the ARO operating account received only \$4,022.30 in additional deposits.

67. On August 14, 2017, ARO transferred \$165,000 by wire to an account held in the name of TDR’s wife.

68. Between August 17, 2017 and August 29, 2017, ARO transferred \$12,128.44 to an account held in the name of TJR.

69. Between August 14, 2017 and August 31, 2017, ARO transferred over \$117,000 to the Healthcare Company.

70. In the weeks that followed the receipt of Connecticut Investor Two’s investment, ARO transferred a total of \$13,476.13 to previous ARO investors in small amounts, representing purported returns on their investment.

71. At no point after accepting Connecticut Investor Two’s investment did ARO provide a single dollar to the Construction Company, notwithstanding ARO’s offering representations that it would do so.

Connecticut Investor Three

72. Connecticut Investor Three was a 63 year old Connecticut resident and the daughter of one of TDR’s former clients.

73. Connecticut Investor Three initiated four separate transfers of investment funds to ARO in April 2016, totaling \$448,360.32.

74. After accepting funds from Connecticut Investor Three, ARO transferred \$56,915 to accounts held in the name of TDR's wife. ARO also transferred \$9,884.31 to previous ARO investors in small amounts, representing purported returns on their investments. ARO and TDR failed to disclose that Connecticut Investor Three's investment would be used for these purposes.

Fraud in Connection with the ARO Notes

75. In connection with the offer and sale of the ARO Notes, ARO and TDR failed to disclose, *inter alia*: (i) any financial information concerning Respondents; (ii) TDR's prior criminal and disciplinary history pertaining to securities and insurance transactions, including the SEC Order barring TDR from acting as a broker of securities; (iii) that TDR was not registered as an agent of issuer or in any other capacity to sell securities in Connecticut; (iv) any specific risk factors related to the investments; (v) the precise business and operating history of ARO and its affiliates; (vi) the remuneration to be paid to the directors, officers and/or of principals of ARO; (vii) that investors' monies would be used to pay off earlier investors; (viii) that investors' monies would be used to pay ARO's business expenses, which included excessive commissions and compensation to executives of ARO, and TDR's personal expenses; and (ix) that ARO sustained substantial losses of investor capital. Each of these omitted items was material to investors and prospective investors of ARO. In addition, ARO and TDR made untrue statements of material fact concerning the use of proceeds from the sale of at least two unsecured promissory notes.

Unregistered Agent of Issuer of EDU Holding Trust

76. From January 1, 2013 through 2014, TDR also offered and sold private placement interests in EDU Holding Trust to at least four investors for approximately \$350,000. TDR received approximately \$44,000 as compensation for the sales. EDU Holding Trust was the issuer of the private placement interests. TDR has never been registered as an agent of issuer of EDU Holding Trust under the Act.

TJR's Reporting of Outside Business Activity

77. From February 23, 2016 through March 6, 2018, TJR was registered as a broker-dealer agent of Horace Mann Investors, Inc. (Central Registration Depository ("CRD") No. 11643) ("Horace Mann") at the branch office located at 78 Beaver Road, Suite H, Wethersfield, Connecticut 06109.

78. TJR's only outside business activity disclosure on his Form U4 filing with the Commissioner was an entry for a "[m]ultiline insurance agent affiliated with Horace Mann Service Corp., offering property, casualty, and life insurance products."

79. TJR received approximately \$11,927.34 by checks from ARO while registered as a broker-dealer agent of Horace Mann.

80. TJR did not disclose his involvement with ARO as an outside business activity on his Form U4. In actuality, TJR had a 5% ownership stake in ARO, received executive compensation from ARO and was a director of the Manufacturing Company. TJR's filing was, at the time and in the light of the circumstances under which it was made, false or misleading in a material respect and contained omissions of material fact.

81. TJR acknowledged his involvement with ARO as an outside activity upon questioning by Horace Mann. TJR resigned from Horace Mann prior to Horace Mann taking action.

82. Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension and Suspension from Association letters dated November 6, 2018 and November 30, 2018, respectively, on February 11, 2019, TJR was barred from association with any FINRA member in any capacity. TJR failed to request termination of his suspension within three months of the date of the Notice of Suspension. Therefore, TJR was automatically barred from association with any FINRA member in any capacity.

**IV. STATUTORY AND REGULATORY BASIS FOR ORDER TO CEASE AND DESIST,
ORDER TO MAKE RESTITUTION AND ORDER IMPOSING FINE**

a. Violation of Section 36b-16 of the Act by ARO and TDR –
Offer and Sale of Unregistered Securities

83. Paragraphs 1 through 82, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

84. ARO and TDR offered and sold securities in and/or from Connecticut to at least one investor, as more fully described in paragraphs 7, 8, 26 through 33, inclusive, and 51 through 75, inclusive, which securities were not registered in Connecticut under the Act, as more fully described in paragraph 27. The offer and sale of such securities absent registration constitutes a violation of Section 36b-16 of the Act, which forms a basis for an order to cease and desist to be issued against ARO and TDR under Section 36b-27(a) of the Act, an order that ARO and TDR make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon ARO and TDR under Section 36b-27(d) of the Act.

b. Violation of Section 36b-4(a) of the Act by ARO and TDR –
Fraud in Connection with the Offer and Sale of any Security

85. Paragraphs 1 through 84, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

86. The conduct of ARO and TDR, as more fully described in paragraphs 7 through 75, inclusive, constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person. Such conduct constitutes a violation of Section 36b-4(a) of the Act, which forms a basis for an order to cease and desist to be issued against ARO and TDR under Section 36b-27(a) of the Act, an order that ARO and TDR make restitution under Section 36b-27(b) of the Act, and for the imposition of a fine upon ARO and TDR under Section 36b-27(d) of the Act.

c. TJR Materially Aided ARO's and TDR's Violation of Section 36b-4(a) of the Act –
Fraud in Connection with the Offer and Sale of any Security

87. Paragraphs 1 through 86, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

88. TJR materially aided ARO's and TDR's violations of Section 36b-4(a) of the Act, as more fully described in paragraphs 7 through 75 inclusive, which forms a basis for an order to cease and desist to be issued against TJR under Section 36b-27(a) of Act, and for the imposition of a fine upon TJR under Section 36b-27(d) of the Act.

d. Violation of Section 36b-6 of the Act by TDR and ARO –
Unregistered Agent Activity

89. Paragraphs 1 through 88, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

90. TDR transacted business as an agent of more than one issuer in this state absent registration under the Act, as more fully described in paragraphs 7, 8, 26 through 33, inclusive, and 51 through 76, inclusive. Such conduct constitutes a violation of Section 36b-6(a) of the Act, which forms a basis for an order to cease and desist to be issued against TDR under Section 36b-27(a) of the Act, and for the imposition of a fine upon TDR under Section 36b-27(d) of the Act.

91. ARO employed TDR as an agent of issuer in this state absent registration under the Act, as more fully described in paragraphs 7, 8, 26 through 33, inclusive, and 51 through 75, inclusive. Such conduct constitutes a violation of Section 36b-6(b) of the Act, which forms a basis for an order to cease and desist to be issued against ARO under Section 36b-27(a) of the Act, and for the imposition of a fine upon ARO under Section 36b-27(d) of the Act.

e. Violation of Section 36b-23 of the Act –
Materially False or Misleading Statements by TJR in Documents Filed with the Commissioner

92. Paragraphs 1 through 91, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

93. TJR failed to disclose his involvement with ARO as an outside business activity on his Form U4 that was filed with the Commissioner, as more fully described in paragraphs 77 through 81, inclusive. TJR's statement contained in his Form U4 was, at the time and in the light of the circumstances under which it was made, false or misleading in a material respect and contained omissions of material fact, which constitutes a violation of Section 36b-23 of the Act; and thus forms a basis for an order to cease and desist to be issued against TJR under Section 36b-27(a) of the Act, and for the imposition of a fine upon TJR under Section 36b-27(d) of the Act.

**V. ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION,
NOTICE OF INTENT TO FINE AND NOTICE OF RIGHT TO HEARING**

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, ARO has committed at least one violation of Section 36b-16 of the Act, at least one violation of Section 36b-4(a) of the Act, and at least one violation of Section 36b-6(b) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, TDR has committed at least one violation of Section 36b-16 of the Act, at least one violation of Section 36b-4(a) of the Act, and at least one violation of Section 36b-6(a) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, TJR has committed at least one violation of Section 36b-23 of the Act, and has materially aided in at least one violation of Section 36b-4(a) of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist, Order to Make Restitution, and the imposition of a fine upon Respondents is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policies and provisions of the Act;

WHEREAS, notice is hereby given to Respondents that the Commissioner intends to impose a maximum fine not to exceed one hundred thousand dollars (\$100,000) per violation upon Respondents;

WHEREAS, the Commissioner **ORDERS** that **ARO EQUITY, LLC**, its affiliates and successors in interest **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and

Regulations, including without limitation, (i) offering and selling unregistered securities, (ii) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (iii) employing an agent of issuer in this state absent registration under the Act;

WHEREAS, the Commissioner **ORDERS** that **THOMAS DAVID RENISON CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (i) offering and selling unregistered securities, (ii) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (iii) acting as an agent of issuer in this state absent registration under the Act;

WHEREAS, the Commissioner **ORDERS** that **THOMAS JAMES RENISON CEASE AND DESIST** from directly or indirectly violating the provisions of the Act, including without limitation, (i) filing a document with the Commissioner that contains a statement that is, at the time and in light of the circumstances under which it is made, false or misleading in any material respect or that omits to state material facts; and (ii) materially aiding violations of Section 36b-4(a) of the Act;

WHEREAS, the Commissioner **ORDERS** that **ARO and TDR MAKE RESTITUTION** of any sums obtained as a result of ARO's and TDR 's violations of Sections 36b-4(a) and 36b-16 of the Act, plus interest at the legal rate set forth in Section 37-1 of the General Statutes of Connecticut. Specifically, the Commissioner **ORDERS** that:

1. Within thirty (30) days from the date this Order to Make Restitution becomes permanent, ARO and TDR shall provide the Division with a written disclosure which covers the period from January 1, 2013 to the date this Order to Make Restitution becomes permanent and which

contains (a) the name and address of each investor, (b) the amount ARO and TDR collected from each investor, and (c) the amount of any refunds of principal or purported interest payments ARO and TDR have made to each investor;

2. Within forty-five (45) days from the date this Order to Make Restitution becomes permanent, ARO and TDR shall reimburse each investor the amount of funds collected from the investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments made to the investor, with respect to all transactions effected from January 1, 2013 to the date this Order to Make Restitution becomes permanent. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to each affected investor; and
3. Within ninety days (90) days from the date this Order to Make Restitution becomes permanent, ARO and TDR shall provide the Division with proof in the form of copies of the certified checks and the return receipts required by paragraph 2 of Section V of this Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively, "Order"), that ARO and TDR have reimbursed each investor the amount of funds collected from each such investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments, with respect to all transactions effected from January 1, 2013 to the date this Order to Make Restitution becomes permanent.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-27 of the Act, each Respondent will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following each Respondent's receipt of this Order. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If any Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". If a hearing is requested, the hearing will be held on March 3, 2020, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

The hearing will be held in accordance with the provisions of Chapter 54 of the General Statutes of Connecticut. At such hearing, each Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If any Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against any such Respondent will be deemed admitted.

Accordingly, the Order to Cease and Desist and Order to Make Restitution shall remain in effect and

become permanent against any such Respondent and the Commissioner may order that the maximum fine be imposed upon any such Respondent.

Dated at Hartford, Connecticut,
this 9th day of January 2020.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 10th day of January 2020, I caused to be mailed by certified mail, return receipt requested, the foregoing Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing to: ARO Equity, LLC, 41 Pine Street #17, Peabody, Massachusetts 01960, certified mail no. 7014 2120 0000 3701 0095; Thomas David Renison, 58 Old Farms Road, South Glastonbury, Connecticut 06073, certified mail no. 7015 1660 0000 4872 1060; and Thomas James Renison, 58 Old Farms Road, South Glastonbury, Connecticut 06073, certified mail no. 7015 1660 0000 4872 1077.

_____/s/_____
W.C. Hall
Paralegal