
*
IN THE MATTER OF: *
*
J.R. BAUTISTA JR. *
CRD NO. 1859027 *
*
(“Respondent”) *
*

CONSENT ORDER
DOCKET NO. CO-20-8480A-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, conducted an investigation pursuant to Section 36b-26(a) of the Act into the activities of Respondent to determine if he violated, was violating or was about to violate provisions of the Act or Regulations (“Investigation”);

WHEREAS, as a result of the Investigation, on January 28, 2020, the Commissioner, acting pursuant to Section 36b-27 of the Act, issued an Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing against Respondent and several other non-party respondents (Native American Energy Group, Inc., Joseph Gatano D’Arrigo and Raj S. Nanvaan f/k/a

Tejbir Singh) (Docket No. CRF-20-8480-S) (collectively, “Notice”), which Notice is incorporated by reference herein;

WHEREAS, on January 29, 2020, the Notice was sent by certified mail, return receipt requested, to Respondent to his address last known to the Commissioner in Delray Beach, Florida (“Respondent Mailing”). To date, online tracking for the United States Postal Service lists the status of Respondent Mailing as “In-Transit”;

WHEREAS, on April 28, 2020, Respondent, through his counsel, informed Division staff that Respondent learned through the Internet that the Notice had been issued against Respondent and that he did not receive the Respondent Mailing;

WHEREAS, on April 29, 2020, the Division served, by e-mail, the Notice on Respondent and his counsel after confirming Respondent’s e-mail address;

WHEREAS, on May 8, 2020, Respondent requested a hearing on the matters alleged in the Notice;

WHEREAS, on May 15, 2020, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer, wherein the Commissioner appointed Department of Banking Attorney Eric Beckenstein as the Hearing Officer and scheduled a hearing on the matters alleged in the Notice for July 15, 2020 (“Hearing”);

WHEREAS, on July 8, 2020, Hearing Officer Beckenstein granted a joint continuance request sought by both parties and scheduled the Hearing for September 30, 2020;

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 Section 36b-27 of the Act 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 Act provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a), (b) . . . 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 of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, on February 16, 2020, the Order to Cease and Desist and Order to Make Restitution issued against Native American Energy Group, Inc. became permanent, and on March 13, 2020, the Commissioner entered an Order Imposing Fine against Native American Energy Group, Inc. in the amount of one hundred thousand dollars (\$100,000);

WHEREAS, on May 21, 2020, the Order to Cease and Desist and Order to Make Restitution issued against Joseph Gatano D’Arrigo became permanent, and on June 4, 2020, the Commissioner entered an Order Imposing Fine against Joseph Gatano D’Arrigo in the amount of one hundred thousand dollars (\$100,000);

WHEREAS, on February 23, 2020, the Order to Cease and Desist and Order to Make Restitution issued against Raj S. Nanvaan f/k/a Tejbir Singh became permanent and on March 13, 2020, the Commissioner entered an Order Imposing Fine against Raj S. Nanvaan f/k/a Tejbir Singh in the amount of one hundred thousand dollars (\$100,000);

WHEREAS, the Notice stated that a Connecticut resident identified as Investor A made three investments in Native American Energy Group, Inc. ("NAEG"), the third investment of \$5,000 being attributable to Respondent who recommended Investor A increase Investor A's investment in NAEG;

WHEREAS, the Respondent has provided documentation reflecting that after he became aware of the Notice and requested a hearing, he paid five thousand dollars (\$5,000) to Investor A;

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 issuance 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;

AND WHEREAS, Respondent, through his execution of this Consent Order, specifically assures the Commissioner that none of the violations alleged in the Notice or this Consent Order shall 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 an opportunity for a hearing within the meaning of Section 36b-27 of the Act 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 Act 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 ALLEGATIONS

WHEREAS, through his execution of this Consent Order, Respondent acknowledges the Commissioner's allegations in the Notice, without admitting or denying them, to wit, that Respondent violated Sections 36b-16 and 36b-4(a) of the Act;

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 agree 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 regulation, rule or order adopted or issued under the Act, including without limitation, engaging in any activity in or from Connecticut that violates Sections 36b-16 or 36b-4(a) of the Act; and
2. 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. 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, rule or order adopted or issued under the Act;

4. 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;
5. 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
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 10th day of Sept. 2020

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, J.R. Bautista Jr., 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.

_____/s/_____
J.R. Bautista, Jr.

Date: 9/4/2020