
*
IN THE MATTER OF: *
*
GREAT HERITAGE INVESTMENTS, LLC *
CRD NO. 288521 *
*
GEORGE HENRY MESSIER *
CRD NO. 1005894 *
*
(Collectively, “Respondents”) *
*

CONSENT ORDER
DOCKET NO. CO-20-8436-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 examination (“Exam”) and investigation (“Investigation”) pursuant to Sections 36b-14(d) and 36b-26(a) of the Act into the activities of the Respondents to determine whether they have violated, are violating or are about to violate provisions of the Act;

WHEREAS, as a result of the Exam and Investigation, on December 19, 2019, the Commissioner acting pursuant to Sections 36b-15 and 36b-27 of the Act and Section 4-182(c) of the General Statutes of Connecticut, issued an Order to Cease and Desist, Notice of Intent to Restrict or Impose Conditions on

Securities or Investment Advisory Activities, Notice of Intent to Fine and Notice of Right to Hearing (collectively “Notice”) (Docket No. CRNDF-19-8436-S) against Respondents Great Heritage Investments, LLC (“Great Heritage”) and George Henry Messier (“Messier”), which Notice is incorporated by reference herein;

WHEREAS, on December 30, 2019, Respondents requested a hearing on the matters alleged in the Notice;

WHEREAS, on January 21, 2020, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer appointing Attorney Jeffrey Schuyler as Hearing Officer, wherein the Commissioner scheduled the hearing on the matters alleged in the Notice for March 18, 2020 (“Hearing”);

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 and 36b-15 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) . . . 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, Respondents 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, Respondents expressly consent to the Commissioner's jurisdiction under the Act and the terms of this Consent Order;

AND WHEREAS, Respondents, through their execution of this Consent Order, specifically assure the Commissioner that none of the violations alleged in the Notice shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondents, through their execution of this Consent Order, voluntarily waive the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-15(f) and 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 themselves of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present their position in a hearing in which they are 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. ACKNOWLEDGMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondents, through their execution of this Consent Order, acknowledge the allegations of the Commissioner in the Notice, without admitting or denying them;

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

AND WHEREAS, Respondents acknowledge 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, Respondents, through their execution of this Consent Order, consent to the Commissioner's entry of an order imposing on them the following sanctions:

1. Great Heritage, its representatives, agents, and employees shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including, without limitation, engaging in any activity in or from Connecticut that violates Sections 36b-5, 36b-14(a)(1), and 36b-23 of the Act and Sections 36b-31-14b, 36b-31-5a, and 36b-31-14e of the Regulations;
2. Messier shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including, without limitation, engaging in any activity in or from Connecticut that violates Section 36b-23 of the Act and Section 36b-31-14e of the Regulations;
3. Respondents consent to an administrative fine in the amount of \$20,000, to be paid in accordance with the following:

No later than the date this Consent Order is entered by the Commissioner, Respondents shall jointly and severally 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), representing half of the \$20,000 administrative fine. Thereafter, Respondents shall jointly and severally remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut," the balance in accordance with the following schedule:

- \$2,000 on or before June 1, 2020;
- \$2,000 on or before July 1, 2020;
- \$2,000 on or before August 1, 2020;
- \$2,000 on or before September 1, 2020; and
- \$2,000 on or before October 1, 2020.

4. For a period of three (3) years after entry of this Consent Order, Great Heritage shall retain a regulatory consultant (“Consultant”) sufficiently experienced in state and federal investment advisory legal and compliance issues and not unacceptable to the Division Director to perform on-site compliance reviews of Great Heritage and its investment advisory personnel, including Messier. Great Heritage shall not retain as the Consultant a person who is or was ever engaged by Great Heritage in an advocacy capacity, either directly or through the person’s employing firm. Messier shall identify such Consultant in writing to the Division Director within sixty (60) days of the entry of this Consent Order and confirm to the Division Director that such Consultant has been engaged to perform the on-site compliance reviews. The Consultant’s on-site reviews shall include a comprehensive evaluation of the securities and/or investment advisory activities of Great Heritage, Messier and any other investment advisory personnel, to ensure that they are in compliance with the Act and the Regulations thereunder, including, without limitation, a review of a) whether all reportable items have been disclosed on Great Heritage’s Form ADV and the Form U4 filings of all investment advisory personnel, including Messier; and b) all advertising (including all social media posts) to ensure compliance with the Act and the Regulations. The Consultant shall perform the on-site reviews quarterly or more frequently should the Consultant deem additional reviews necessary. The first of the on-site reviews shall occur within ninety (90) days following the entry of this Consent Order. No later than thirty (30) days following each on-site review, Messier shall file with the Division Director a sworn affidavit, signed by Messier, verifying compliance with the provisions of this paragraph and with this Consent Order and verifying that the Consultant’s recommendations were implemented. All written communications, evaluations, and reports made by the Consultant shall be retained by Great Heritage and shall be open to inspection by the Division;
5. For a period of three (3) years after the entry of this Consent Order, Great Heritage and Messier shall notify the Division Director, through timely amendments to the CRD and IARD systems and by letter to the Division Director, of any (a) securities-related complaints, actions or proceedings, including arbitrations, involving Great Heritage and/or Messier; (b) any updates to such complaints, actions or proceedings; and (c) dispositional information concerning such complaints, actions or proceedings;
6. Respondents shall pay the cost of one or more examinations to be conducted by the Division within fifteen (15) months following the entry of this Consent Order. Such expenses shall be in accordance with state travel regulations, and shall not exceed the reasonable and customary costs of an examination;
7. For three (3) years following the entry of this Consent Order, neither Great Heritage nor Messier shall have custody or control of client funds or securities;
8. For three (3) years following the entry of this Consent Order, all advertising in any medium (print, internet, social media) is subject to the prior review of the Division before it may be disseminated to clients or posted on any forum and Respondents shall refrain from disseminating or posting such material until the Division has communicated to Respondents that it has no present objection to the material as filed. Nothing in this paragraph shall preclude the Division from pursuing enforcement proceedings against Respondents should Respondents use advertising that has been materially altered from the versions filed with the Division or that is materially false or misleading; and

9. For three (3) years following the entry of this Consent Order, Great Heritage and Messier shall limit their respective investment advisory activity to securities listed on the New York Stock Exchange, the NYSE MKT, the NASDAQ Global Select Market or the NASDAQ Global Market, securities issued by investment companies regulated under the Investment Company Act of 1940, commercial paper, certificates of deposit, corporate debt securities, municipal securities, United States government securities, and insurance products subject to regulation by the Connecticut Insurance Commissioner.

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 Respondents 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 or if any representation made by Respondents and reflected herein is subsequently determined to be untrue or misleading;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondents 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;
4. Respondents 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. Respondents 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 Respondents' 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;
6. In the event that Respondents fail to abide by the terms and conditions of this Consent Order, including, but not limited to, Respondents' obligation to make each of the five (5) monthly fine payments of \$2,000 on or before the dates scheduled in paragraph 3 of Section IV of this Consent Order, Respondents consent to the immediate revocation of their investment adviser and investment adviser agent registrations, respectively, the imposition of a fine of forty thousand dollars (\$40,000), and entry of an order that all allegations in the Notice are deemed admitted by Respondents. Respondents knowingly, willfully and voluntarily waive their right to notice and opportunity for an administrative hearing in connection with the immediate revocation, fine, and admission described above. Prior to invoking the provisions of this paragraph, the Commissioner, through the Division Director, shall provide the Respondents with written notice giving Respondents an informal opportunity to demonstrate their

compliance with this Consent Order within ten business days following Respondents' receipt of such written notice. Respondents may, but are not required, to provide evidence to the Division Director concerning their compliance with this Consent Order. If, once Respondents have responded in writing to such written notice, the Division Director believes that the Respondents have provided satisfactory evidence of a reasonable attempt to comply with the terms and conditions of this Consent Order, the Division Director may elect not to invoke the provisions of this paragraph. In any event, the Division Director will advise Respondents as to whether such determination was favorable or unfavorable. Nothing in this paragraph shall preclude the Division Director from pursuing enforcement measures against Respondents in the future should circumstances change; and

7. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 27th day of April 2020.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, George Henry Messier, state on behalf of Great Heritage Investments, LLC, that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Great Heritage Investments, LLC; that Great Heritage Investments, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that Great Heritage Investments, LLC consents to the entry of this Consent Order.

Great Heritage Investments, LLC

By: _____/s/_____
George Henry Messier
Principal and Chief Compliance Officer

State of: CT

County of: Litchfield

On this 15 day of April 2020, before me, the undersigned officer, personally appeared George Henry Messier, who acknowledged himself to be the Chief Compliance Officer of Great Heritage Investments, LLC, and that he, as such Chief Compliance Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Chief Compliance Officer.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: January 2, 2021

CONSENT TO ENTRY OF ORDER

I, George Henry Messier, 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/_____
George Messier

State of: CT

County of: Litchfield

On this 15 day of April 2020, before me, the undersigned officer, personally appeared George Henry Messier, 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.

_____/s/_____
Notary Public
Date Commission Expires: January 2, 2021