
IN THE MATTER OF:

RICHARD LOUIS BONNANZIO

NORTHONE CAPITAL PARTNERS, LLC

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CONSENT ORDER

NO. CO-21-10632-S

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, Richard Louis Bonnanzio (“Bonnanzio”) is an individual whose address last known to the Commissioner is 93 Devonshire Lane, Madison, Connecticut 06443. Bonnanzio is not and has not been registered in any capacity under the Act;

WHEREAS, NorthOne Capital Partners, LLC (“NorthOne”), is a Utah limited liability company cofounded by Bonnanzio in August 2013 with a Connecticut address of 224 Cornfield Road, Milford, Connecticut. NorthOne, a commercial lending company, ceased doing business in 2018 when it failed to renew its registration with the State of Utah. NorthOne has never been registered in any capacity under the Act. Bonnanzio was the control person of NorthOne;

WHEREAS, Bonnanzio and NorthOne are collectively referred to herein as “Respondents”;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an investigation of Respondents

pursuant to Section 36b-26(a) of the Act to determine if they had violated, were violating or were about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, Investor A, a resident of Canada, designed solar laptops and was seeking to expand his laptop business to mass-produce and deliver solar laptops to children in Africa. Investor A was initially introduced to Bonnanzio in 2015 through a business group in Canada;

WHEREAS, as a result of the Investigation, the Division obtained evidence that from 2015 to 2017, Bonnanzio and Investor A maintained communication about the possibility of Investor A investing in NorthOne. In November 2017 Bonnanzio approached Investor A and solicited him to enter a “General Services Agreement,” which provided that Investor A would wire NorthOne \$125,000 in exchange for two standby letters of credit in the amount of \$50,000,000. It was Investor A’s understanding, based on Bonnanzio’s representations, that Investor A could use the standby letters of credit to obtain bank financing to fund his solar laptop project. The General Services Agreement (and representations by Bonnanzio) provided that if Investor A did not receive the two standby letters of credit within 30 days of wiring the \$125,000, Investor A’s \$125,000 would be returned to him. To date, Investor A has neither received the standby letters of credit nor the return of his \$125,000. The General Services Agreement constitutes a security within the meaning of Section 36b-3(19) of the Act, which security was not registered in Connecticut under Section 36b-16 of the Act, nor was it the subject of a filed exemption claim or claim of covered security status;

WHEREAS, in connection with Respondents’ offer and sale of the General Services Agreement, Bonnanzio individually and on behalf of NorthOne made misleading statements of material fact to Investor A, in particular that Investor A’s investment of \$125,000 would be returned to him if he was not provided with the two standby letters of credit;

WHEREAS, during on the record testimony provided to the Division on November 21, 2020, Bonnanzio made several misstatements of material fact regarding his efforts to return the \$125,000 to Investor A;

WHEREAS, the Commissioner has reason to believe that the foregoing conduct violates certain provisions of the Act, and would support administrative proceedings against Respondents under Section 36b-27 of the Act;

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 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, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondents have reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, Respondents expressly consent to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

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, Bonnanzio and NorthOne has provided the Commissioner with a sworn financial affidavit, respectively, demonstrating that they are financially unable to repay Investor A \$125,000 in

restitution or pay the administrative fine of \$100,000 and that such restitution and fine will be stayed for a period of three years (as set forth in Section IV below);

WHEREAS, Respondents acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and execute this Consent Order freely;

AND WHEREAS, Respondents, through their execution of this Consent Order, specifically represent and agree that none of the violations alleged in this Consent Order 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 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 themselves of Section 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. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondents, through their execution of this Consent Order, acknowledge the following allegations of the Commissioner:

1. Respondents violated Section 36b-16 of the Act by offering and selling a security that was not registered under Section 36b-16 of the Act nor was it the subject of a filed exemption claim or claim of covered security status;
2. Respondents violated Section 36b-4 of the Act by, in connection with the offer, sale or purchase of any security, directly or indirectly making an untrue statement of a material fact;
and

3. Respondent Bonnanzio violated Section 36b-23 by making statements to the Commissioner during an investigation that are, at the time and in light of the circumstances under which they are made, false or misleading in any material respect.

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. Respondents, either directly or through any person, organization, entity or other device, shall cease and desist from directly or indirectly violating any provision of the Act or any regulation, rule or order adopted or issued under the Act, including, without limitation, Sections 36b-16, 36b-4 and 36b-23 of the Act;
2. From the date this Consent Order is entered by the Commissioner Respondents shall be **BARRED** from directly or indirectly, through any person, organization, entity or other device, (i) offering or selling securities in or from Connecticut; (ii) transacting business in or from Connecticut as a 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; and (iii) acting in any other capacity which requires a license or registration from the Commissioner;
3. (a) Based on the financial affidavit submitted to the Division by Respondents, the order of restitution in the amount of \$125,000 and imposition of a \$100,000 fine that otherwise would have been imposed against Respondents pursuant to Section 36b-27 of the Act shall be temporarily stayed for three years from the date the Commissioner enters this Consent Order. The three-year stay shall no longer be in force and effect, and the monetary sums shall be immediately due and payable, if the Commissioner ascertains at any time that (i) either Respondent is able to pay the restitution and/or administrative fine; or (ii) either Respondent failed to disclose any material asset, materially misstated the value of any asset or made any other material misstatement or omission in the financial affidavit. Where the monetary sums become immediately due and payable pursuant to this paragraph, they shall first be applied to provide restitution to Investor A, with the balance being applied to fulfill all or part of Respondents' obligation to pay the fine imposed hereunder. After the three year stay period, the order of restitution in the amount of \$125,000 will remain outstanding against Respondent;

(b) This paragraph is without prejudice to the right of the Commissioner, in his discretion, to take such further action on the matter in the future following expiration of the temporary stay as may be warranted by the then existing circumstances. Respondents, through their execution of this Consent Order, knowingly, wilfully and voluntarily waive their right to notice and an administrative hearing in conjunction with the implementation of this paragraph; provided,

however, that, prior to invoking any enforcement measures contemplated by this paragraph, the Commissioner shall provide the relevant Respondent with an informal opportunity to demonstrate its/his compliance with this Consent Order. After the expiration of three years from the date this Consent Order is entered, if the Division determines that Respondents are still unable to pay the administrative fine, such fine will be waived.

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;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondents based upon: (i) 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; or (ii) evidence indicating that Respondents withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
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, that the Commissioner had a basis to pursue the allegations set forth in Section III of 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' (i) testimonial obligations; or (ii) right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party;
6. Nothing in this Consent Order shall be construed as limiting in any way Investor A's ability to pursue restitution through private litigation; and
7. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 20th day of September 2021.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Richard Louis Bonnanzio, 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/_____
Richard Bonnanzio

State of: Connecticut

County of: Middlesex

On this the 14 day of 9 2021, before me, the undersigned officer, personally appeared Richard Louis Bonnanzio, 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: 2/28/2024

CONSENT TO ENTRY OF ORDER

I, Richard Louis Bonnanzio, state on behalf of NorthOne Capital Partners, 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 NorthOne Capital Partners, LLC; that NorthOne Capital Partners, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that NorthOne Capital Partners, LLC consents to the entry of this Consent Order.

NorthOne Capital Partners, LLC

By: _____/s/
Richard Louis Bonnanzio
Member

State of: Connecticut

County of: Middlesex

On this 14 day of 9 2021, before me, the undersigned officer, personally appeared Richard Louis Bonnanzio, who acknowledged himself to be a Member of NorthOne Capital Partners, LLC, and that he, as such Member, 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 Member.

In witness whereof I hereunto set my hand.

_____/s/
Notary Public
Date Commission Expires 2/28/2024