
*
IN THE MATTER OF: *
*
THOMAS DAVID RENISON *
CRD NO. 1863759 *

CONSENT ORDER
DOCKET NO. CRF-19-8426-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 Thomas David Renison (“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 January 9, 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 (Docket No. CRF-19-8426-S) (collectively, “Notice”) against Respondent, which Notice is incorporated by reference herein;

WHEREAS, on January 30, 2020, Respondent requested a hearing on the matters alleged in the Notice;

WHEREAS, on February 20, 2020, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer wherein the Commissioner appointed Staff Attorney Matthew Saunig as Hearing Officer, and scheduled a hearing on the matters alleged in the Notice for March 25, 2020, at 10 a.m. (“Hearing”);

WHEREAS, Hearing Officer Saunig granted several continuances of the Hearing, with the Hearing being currently scheduled for January 14, 2021, at 10 a.m.;

WHEREAS, on June 5, 2020, Respondent entered into a plea agreement with the U.S. Attorney for the District of Massachusetts in which he agreed to plead guilty and waive Indictment to Conspiracy to Commit Wire Fraud, in violation of 18 U.S.C. Section 1349, and Filing a False Tax Return, in violation of 26 U.S.C. Section 7206(1) (*United States v. Renison*, Case No. 20-cr-10109-GAO);

WHEREAS, on October 6, 2020, Respondent plead guilty to one count of Conspiracy to Commit Wire Fraud, in violation of 18 U.S.C. Section 1349, and two counts of Filing a False Tax Return, in violation of 26 U.S.C. Section 7206(1) (*United States v. Renison*, Case No. 20-cr-10109-GAO);

WHEREAS, in connection with his guilty plea, Respondent agreed to recommend that the Court order restitution to the Internal Revenue Service in an amount not less than \$151,810, that the Court will upon acceptance of Respondent’s guilty plea enter an order of forfeiture of assets, including without limitation, \$526,120, which is equal to the amount of proceeds Respondent derived from the offenses, and incarceration and a fine within the Guidelines sentencing range as calculated by the Court;

WHEREAS, Respondent is scheduled for sentencing on February 11, 2021, and the Court is also expected to order restitution of over \$5 million to compensate the victims of ARO Equity, LLC’s and Respondent’s fraudulent activities;

WHEREAS, Respondent has provided documentation to the Division demonstrating that he is financially unable to pay either restitution to the affected investors or the administrative fine that might otherwise have been imposed against him pursuant to Section 36b-27 of the Act as a result of an administrative proceeding or as a term of this Consent Order;

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

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

WHEREAS, Respondent, through his execution of this Consent Order, specifically assures the Commissioner that the violations alleged in the Notice shall not occur in the future;

AND 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.

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 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, Respondent, through his execution of this Consent Order, acknowledges the allegations of the Commissioner in the Notice, and admits that, if the allegations were proven, the Commissioner could find facts to support the issuance of an order to cease and desist, an order to make restitution, and/or an order imposing a maximum administrative fine of One Hundred Thousand Dollars (\$100,000) per violation of the Act or any regulation, rule or order adopted or issued under 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 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 the following sanctions:

1. Respondent shall 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;

2. Based on the contents of the financial affidavit submitted to the Division, the imposition of any fine that otherwise would have been imposed against him pursuant to Section 36b-27 of the Act shall be temporarily stayed for three years from the date this Consent Order is entered by the Commissioner, provided that such stay shall no longer be in force and effect, and Respondent will be obligated to immediately pay a fine of \$100,000 by the Commissioner, if the Commissioner ascertains at any time that (i) the Respondent is able to pay an administrative fine; or (ii) 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. 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. The Respondent, through his execution of this Consent Order, knowingly, wilfully and voluntarily waives his 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 affected Respondent with an informal opportunity to demonstrate its compliance with this Consent Order. After the completion of three years from the date this Consent Order is entered, if the Division determines that the Respondent is still unable to pay an administrative fine, such fine will be waived; and
3. From the date this Consent Order is entered by the Commissioner, Respondent shall be permanently **BARRED** from: (i) 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; (ii) maintaining a direct or indirect ownership interest in a broker-dealer or investment adviser registered or required to be registered in Connecticut; and (iii) acting in any other capacity which requires a license or registration under laws administered by the 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 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 or order under the Act;

4. Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum 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. Nothing in this provision affects Respondent's (i) testimonial obligations or (ii) right to take a legal or factual position in litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 15th day of January 2021.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Thomas David Renison, 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/_____
Thomas David Renison.

Date: 1/14/21