
*
IN THE MATTER OF: *
*
FORTIS GROUP ADVISORS, LLC *
*
CRD NO. 290427 *
*

STIPULATION AND AGREEMENT
MATTER NO. ST-22-202142-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, Fortis Group Advisors, LLC (“FGA”), located at 345 Kinderkamack Road, Westwood, New Jersey 07675, has been an investment adviser registered with the Securities and Exchange Commission (SEC No. 801-112236) from January 2, 2018 to the present, and has filed the notice required by Section 36b-6(e) of the Act since March 16, 2018;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, conducted an investigation of FGA pursuant to Section 36b-26 of the Act to determine whether FGA had violated, was violating or was about to violate any provision of the Act or any regulation or order under the Act (“Investigation”);

WHEREAS, in connection with the Investigation, Division staff ascertained that from approximately February 2018 through approximately November 2021, FGA engaged an unregistered investment adviser agent (the “Agent”) in contravention of Section 36b-6(c)(3) of the Act;

WHEREAS, on November 12, 2021, FGA submitted an application for the registration of the Agent as an investment adviser agent of FGA under the Act, which application is currently pending with the Division, and FGA has been cooperative throughout all communications with the Division;

WHEREAS, although FGA filed an application to register the Agent as an investment adviser agent in March 2018, the Agent was already a registered agent of a different firm in Connecticut. Accordingly, the Division staff notified FGA that it would need to comply with the multiple registration requirements of Section 36b-31-6g(c) of the Regulations prior to the Agent conducting business in Connecticut if the Agent was going to continue as a registered agent of both FGA and a different firm. Due to FGA's inaction, its March 2018 application to register the Agent was subsequently purged by FINRA on June 22, 2018 after 90 days. As of February 2019, the Agent was no longer a registered agent of the different firm and had not been registered as an investment adviser agent with FGA.

WHEREAS, FGA maintains that its failure to comply with the investment adviser agent registration requirements was attributable to the Agent's transition to FGA from a different firm and oversights by its former chief compliance officer;

WHEREAS, Section 36b-6(c)(3) of the Act provides, in part, that “[n]o investment adviser shall engage an investment adviser agent unless such investment adviser agent is registered under . . . [the Act]”;

WHEREAS, the Commissioner believes that a violation of Section 36b-6(c)(3) of the Act would support the initiation of administrative proceedings against FGA pursuant to Section 36b-27 of the Act;

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 stipulation or agreed settlement, unless precluded by law;

WHEREAS, FGA desires to settle the matters described herein and voluntarily enters into this Stipulation and Agreement;

WHEREAS, the Commissioner and FGA acknowledge that this Stipulation and Agreement is in lieu of any court action or administrative proceeding against FGA, its members, officers, employees, agents or representatives adjudicating any issue of fact or law on the matters described herein and is being made to settle only the matters described herein;

WHEREAS, without admitting or denying the allegations contained herein, FGA expressly consents to the Commissioner's jurisdiction under the Act and to the terms of this Stipulation and Agreement;

WHEREAS, FGA, through its execution of this Stipulation and Agreement, voluntarily waives any rights FGA may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Stipulation and Agreement;

AND WHEREAS, FGA specifically assures the Commissioner that the violation alleged in this Stipulation and Agreement shall not occur in the future.

NOW THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. No later than the date this Stipulation and Agreement is executed by the Commissioner, FGA shall remit to the Department by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut" the sum of five thousand five hundred dollars (\$5,500) of which five thousand dollars (\$5,000) shall constitute an administrative fine, and five hundred dollars (\$500) of which shall represent reimbursement for past investment adviser agent registration fees;
2. FGA, its members, officers, representatives, agents, employees, affiliates, and successors in interest shall refrain from engaging, directly or indirectly, in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act;
3. Execution of this Stipulation and Agreement by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against FGA or its successors in interest based upon a violation of this Stipulation and Agreement or the basis for its entry if the Commissioner determines that compliance is not being observed with the terms hereof; and
4. This Stipulation and Agreement shall become binding when executed by FGA and the Commissioner.

IN WITNESS WHEREOF, the undersigned have executed this Stipulation and Agreement on the dates indicated.

Dated at Hartford, Connecticut,
this 30th day of June 2022.

_____/s/_____
Jorge L. Perez
Banking Commissioner

I, Austin Sweerus, state on behalf of Fortis Group Advisors, LLC, that I have read the foregoing Stipulation and Agreement; that I know and fully understand its contents; that I am authorized to execute this Stipulation and Agreement on behalf of Fortis Group Advisors, LLC; and that Fortis Group Advisors, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein.

Fortis Group Advisors, LLC

By:

_____/s/_____
Austin Sweerus
Chief Compliance Officer

State of: New Jersey

County of: Monmouth

On this the 29th day of June 2022, before me, the undersigned officer, personally appeared Austin Sweerus, who acknowledged himself to be the Chief Compliance Officer of Fortis Group Advisors, LLC, a limited liability company, 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: June 19, 2025