

Return Date: June 1, 2021

JORGE L. PEREZ, BANKING	:	SUPERIOR COURT
COMMISSIONER OF THE STATE OF	:	
CONNECTICUT	:	
v.	:	JUDICIAL DISTRICT OF
	:	HARTFORD
	:	
ADAM WESTPHALEN	:	MAY 4, 2021

VERIFIED COMPLAINT

COUNT ONE: (Enforcement of the Commissioner's Administrative Orders)

1. The Plaintiff is Jorge L. Perez, Banking Commissioner of the State of Connecticut (the "Commissioner").
2. The Commissioner is charged with the administration of Title 36b of the Connecticut General Statutes, the Connecticut Securities Law and Business Opportunity Investment Act, including Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act ("CUSA"), and the regulations promulgated thereunder, Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies ("Securities Regulations").
3. Subject to procedural rights to notice and hearing conducted in accordance with CUSA, Chapter 54 of the Connecticut General Statutes, the Uniform Administrative Procedures Act ("UAPA") and the Department of Banking's contested case regulations, Sections 36b-1-19 to 36b-1-57, inclusive, of the Regulations of Connecticut State Agencies, the Commissioner's authority includes the power to issue an order to cease and desist pursuant to Section 36b-27(a) of CUSA, issue an

order to make restitution pursuant to Section 36b-27(b) of CUSA, deny investment adviser and investment adviser agent registrations pursuant to Section 36b-15 of CUSA, and impose fines pursuant to Section 36b-27(d) of CUSA.

4. The Defendant is Adam Westphalen ("Westphalen"), who is a respondent identified in an administrative CUSA action conducted by the Commissioner under docket number CRNDF-19-8408-S.
5. After holding a contested case hearing, on July 27, 2020, the Commissioner issued an order in docket number CRNDF-19-8408-S ("Order").
6. The Order was mailed by certified mail, return receipt requested, to Westphalen on July 27, 2020.
7. The Order states the Commissioner imposed on Westphalen a fine of Nine Hundred Thousand and 00/100 Dollars (\$900,000) to be paid no later than 45 days after the date the Order was mailed to Westphalen.
8. The Order states the Commissioner ordered Westphalen to make restitution to an investor in the amount of Sixty Thousand and 00/100 Dollars (\$60,000) plus interest at 6% per annum, no later than 45 days after the date the Order was mailed to Westphalen.
9. The Order states the Commissioner ordered Westphalen to make restitution to a second investor in the amount of Sixty-Three Thousand and 00/100 Dollars (\$63,000) plus interest at 6% per annum, no later than 45 days after the date the Order was mailed to Westphalen.
10. The Order states the Commissioner ordered Westphalen to make restitution to a

third investor in the amount of Three Hundred Sixty-Seven Thousand and 00/100 Dollars (\$367,000) plus interest at 6% per annum, no later than 45 days after the date the Order was mailed to Westphalen.

11. The Order states the Commissioner ordered Westphalen to provide proof of the ordered restitution payments in the form of copies of checks and return receipts, within 90 days after the date the Order was mailed to Westphalen.
12. To date, Westphalen has not paid the fine ordered, in whole or in part.
13. To date, upon information and belief, Westphalen has not paid restitution, in whole or in part, to any of the three investors.
14. To date, Westphalen has not provided the Commissioner proof of the ordered restitution payments.
15. The Commissioner brings this action to enforce his orders against Westphalen.
16. This action is authorized under §§ 36a-50(b)(1) and (2) of the Connecticut General Statutes.
17. This Court has jurisdiction over this matter pursuant to §§ 36a-50(b), 51-164s and 52-1 of the Connecticut General Statutes.

COUNT TWO: (Imposition of Fines for Violation of Commissioner's Orders)

1. The allegations in paragraphs 1 through 17 of Count One are hereby made paragraphs 1 through 17 of this Count Two.
18. Under § 36a-50(b)(2) of the Connecticut General Statutes, the Commissioner may seek a court order imposing a penalty not to exceed one hundred thousand dollars (\$100,000) per violation against any person found to have violated any order of the Commissioner.
19. Westphalen has violated at least five (5) orders of the Commissioner pursuant to the Order by his failure to:
 - a. pay the fine of \$900,000 within 45 days of the Order;
 - b. make restitution to the first investor within 45 days of the Order;
 - c. make restitution to the second investor within 45 days of the Order;
 - d. make restitution to the third investor within 45 days of the Order; and
 - e. provide the Commissioner, within 90 days of the Order, with proof of payment of restitution pursuant to the Order.

DEMAND FOR RELIEF

Wherefore, the Plaintiff requests the following relief:

1. A Money Judgment in the amount of Nine Hundred Thousand Dollars (\$900,000) representing the fine imposed under the Commissioner's Order.
2. An Order to Make Restitution, reducing the Commissioner's three orders to make restitution to a court order, providing each of the three investors the amount of funds the Commissioner ordered, including interest the Commissioner ordered. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to each investor. Proof of restitution shall be sent to the Commissioner.
3. A Money Judgment imposing a penalty for failure to comply with each of five (5) of the Commissioner's orders, in the total amount of Five Hundred Thousand Dollars (\$500,000) pursuant to § 36a-50(b)(2) of the General Statutes.
4. Post-judgment interest on the entire restitution owed investors at 8%, the legal rate pursuant to § 37-1 of the General Statutes, as compensation for forbearance of such debt to such investors.
5. Post-judgment interest on the entire Money Judgment at 10%, the legal rate pursuant to § 37-3a of the General Statutes, as damages for the detention of money after it becomes payable.
6. Costs of this proceeding.
7. Such other relief as the Court deems appropriate.
8. Satisfaction of this claim out of any debt accruing by reasons of the personal services of Westphalen.

9. The amount in demand is Fifteen Thousand Dollars (\$15,000), or more, exclusive of interest and costs.

Dated at Hartford, Connecticut this 4th day of May, 2021.

PLAINTIFF
JORGE L. PEREZ,
BANKING COMMISSIONER, STATE
OF CONNECTICUT

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Please enter my appearance for the plaintiff in the above-captioned action.

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