
IN THE MATTER OF:

**BLACKSTONE WEALTH
SOLUTIONS LLC**

**PAUL BRIAN KOPMAN
(CRD No. 2482456)**

**MATTHEW CRAIG HULTS
(CRD No. 3196510)**

(Collectively, “Respondents”)

*
*
*
*
*
*
*
*
*
*
*
*

ORDER TO CEASE AND DESIST

ORDER TO MAKE RESTITUTION

NOTICE OF INTENT TO FINE

AND

NOTICE OF RIGHT TO HEARING

MATTER NO. CRF-23-202114-S

I. PRELIMINARY STATEMENT

1. 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.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of Respondents to determine if Respondents have violated, are violating or are about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the Investigation, the Commissioner has reason to believe that Respondents have violated certain provisions of the Act.

4. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to issue a cease and desist order against Respondents pursuant to Section 36b-27(a) of the Act.

5. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to order that Respondents make restitution pursuant to Section 36b-27(b) of the Act.

6. As a result of the Investigation, the Commissioner has reason to believe that a basis exists to impose a fine upon Respondents pursuant to Section 36b-27(d) of the Act.

II. RESPONDENTS

7. Blackstone Wealth Solutions LLC (“Blackstone”) is an inactive Florida limited liability company, whose principal place of business was 13750 West Colonial Drive, Suite 360, Winter Garden, Florida 34787. Blackstone was formed on February 25, 2019 and was dissolved by the Florida Division of Corporations on September 25, 2020 for failing to file an annual report. Blackstone, purportedly a precious metals dealer, is not and has never been registered in any capacity under the Act.

8. Paul Brian Kopman (“Kopman”) is a Florida resident with an address last known to the Commissioner of 13309 Roskin Lane Windermere, Florida 34786-6368. Kopman was registered under the Act as a broker-dealer agent of various firms at various times from approximately June 29, 1995 to October 31, 2006. Kopman was the Chief Executive Officer and a manager and control person of Blackstone.

9. Matthew Craig Hults (“Hults”) is a Florida resident with an address last known to the Commissioner of 5871 Covington Cove Way, Orlando, Florida 32829-8839. Hults is not and has never been registered in any capacity under the Act. Hults was the President and a manager of Blackstone.

III. STATEMENT OF FACTS

10. Investor A is a Connecticut resident who invested, among other things, in precious metals. In 2018, Investor A opened an account with U.S. Coin Bullion LLC (“U.S. Coin”) (a nonrespondent), a

precious metals company located in Orlando, Florida. Hults was Investor A's representative at U.S. Coin. Over time, Investor A began to trust Hults. Investor A was 60 years old at the time.

11. Hults stopped working at U.S. Coin sometime in 2019, and began working with Kopman at Blackstone, all while keeping in contact with Investor A and continuing to gain Investor A's trust. Over time, Hults introduced Investor A to Kopman. During the entire time period in question, it was Investor A's understanding that both Kopman and Hults were principals of and worked on behalf of Blackstone.

12. In July 2019, Kopman and Hults convinced Investor A to transfer his entire investment portfolio from Ameriprise Financial Services ("AFS") to Charles Schwab and Co. ("Schwab"), so that Kopman could manage it. Specifically, Kopman and Hults, on behalf of Investor A, opened three online accounts at Schwab, including two Individual Retirement Accounts (collectively the "Accounts") and immediately transferred approximately \$1,025,000 from AFS to Schwab, which included proceeds from an annuity Respondents liquidated in Investor A's AFS account. Kopman and Hults led Investor A to believe that Kopman would be managing and investing the money held in the Accounts at Schwab. Investor A provided Kopman with the login information for the Accounts because Investor A trusted Kopman.

13. On August 5, 2019 and August 16, 2019, two wire transfers in the amounts of \$184,000 and \$176,000, respectively, were made from Investor A's traditional IRA account at Schwab to a business checking account belonging to Blackstone. Kopman and Hults were the sole signatories on the Blackstone business checking account. These wire transfers were made without Investor A's knowledge or authorization. Evidence obtained by the Division suggests that Kopman impersonated Investor A in phone conversations with Schwab in order to circumvent Schwab's attempt to confirm that Investor A initiated the wire transfers. After Connecticut taxes were withheld, a total of approximately \$335,000 was wired from Investor A's traditional IRA account at Schwab to the account belonging to Blackstone.

14. In the fall of 2019, Investor A confronted Kopman about the two wire transfers. In response, Kopman conceded that he withdrew \$335,000 from Investor A's traditional IRA account and stated he did so to invest the proceeds in silver for Investor A. However, despite his multiple requests, Investor A

neither obtained concrete evidence of the silver investment that Kopman purportedly made on Investor A's behalf nor did Investor A receive back the \$335,000 that Kopman and/or Hults transferred from the Schwab Account without authorization. Respondents have ignored Investor A's requests to have the \$335,000 returned to him.

15. Throughout 2019, Investor A made additional payments to Blackstone for the purpose of investing in precious metals, including gold coins. After an independent evaluation, several coin dealers informed Investor A that the gold coins in which Investor A invested were, in fact, counterfeit.

IV. STATUTORY BASIS FOR ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION AND ORDER IMPOSING FINE

a. Violation of Section 36b-6(c)(1) of the Act by Blackstone -
Acting as an Unregistered Investor Adviser

16. Paragraphs 1 through 15, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

17. Blackstone transacted business as an investment adviser absent registration, as more fully described in paragraphs 10 through 15. Such conduct constitutes a violation of Section 36b-6(c)(1), which forms a basis for an order to cease and desist to be issued against Blackstone under Section 36b-27(a) of the Act and for the imposition of a fine upon Blackstone under Section 36b-27(d) of the Act.

b. Violation of Section 36b-6(c)(2) of the Act by Kopman and Hults -
Unregistered Investor Adviser Agents

18. Paragraphs 1 through 17, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

19. Kopman and Hults transacted business as investment adviser agents of Blackstone in Connecticut absent registration, as more fully described in paragraphs 10 through 15, inclusive. Such conduct constitutes a violation of Section 36b-6(c)(2) of the Act, which forms a basis for an order to cease and desist to be issued against Kopman and Hults under Section 36b-27(a) of the Act and for the imposition of a fine upon Kopman and Hults under Section 36b-27(d) of the Act.

c. Violation of Section 36b-5(a) of the Act by all Respondents -
Prohibited Activities of Investment Advisory Personnel - Fraud

20. Paragraphs 1 through 19, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

21. The conduct of Respondents, as more fully described in paragraphs 10 through 15, inclusive, in connection with directly or indirectly receiving compensation or other remuneration for advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, constitutes employing any device, scheme or artifice to defraud another person, making untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and/or engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon such other person. Such conduct constitutes a violation of Section 36b-5(a) of the Act, which forms a basis for an order to cease and desist to be issued against Respondents under Section 36b-27(a) of the Act, an order that Respondents make restitution to be issued against Respondents under Section 36b-27(c) of the Act, and for the imposition of a fine against Respondents under Section 36b-27(d) of the Act.

d. Violation of Section 36b-5(f) of the Act by all Respondents -
Prohibited Activities of Investment Advisory Personnel - Dishonest or Unethical Practices

22. Paragraphs 1 through 21, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

23. The conduct of Respondents, as more fully described in paragraphs 10 through 15, inclusive, in connection with directly or indirectly receiving compensation or other remuneration for advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, constitutes engaging in a dishonest or unethical practice in connection with the rendering of such advice. Such conduct constitutes a violation of Section 36b-5(f) of the Act, which forms a basis for an order to cease and desist to be issued against Respondents under Section 36b-27(a) of

the Act, an order that Respondents make restitution to be issued against Respondents under Section 36b-27(c), and for the imposition of a fine against Respondents under Section 36b-27(d) of the Act.

**V. ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION,
NOTICE OF INTENT TO FINE AND NOTICE OF RIGHT TO HEARING**

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Blackstone has committed at least one violation of Sections 36b-5(a), 36b-5(f) and 36b-6(c)(1) of the Act;

WHEREAS, as a result of the Investigation, the Commissioner finds that, with respect to the activity described herein, Kopman and Hults have each committed at least one violation of Sections 36b-5(a), 36b-5(f) and 36b-6(c)(2) of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist, an Order to Make Restitution and the imposition of a fine upon Respondents is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policies and provisions of the Act;

WHEREAS, notice is hereby given to Respondents that the Commissioner intends to impose a maximum fine not to exceed one hundred thousand dollars (\$100,000) per violation upon Respondents;

WHEREAS, the Commissioner **ORDERS** that **BLACKSTONE WEALTH SOLUTIONS LLC CEASE AND DESIST** from directly or indirectly violating the provisions of the Act, including without limitation, 1) in connection with directly or indirectly receiving compensation or other remuneration for advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, employing any device, scheme or artifice to defraud another person, making untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon such other person; or engaging in any dishonest or unethical practice in connection with the rendering of such advice, and 2) transacting business as an investment adviser absent registration

WHEREAS, the Commissioner **ORDERS** that **PAUL BRIAN KOPMAN CEASE AND DESIST** from directly or indirectly violating the provisions of the Act, including without limitation, 1) in connection with directly or indirectly receiving compensation or other remuneration for advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, employing any device, scheme or artifice to defraud another person, making untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon such other person; or engaging in any dishonest or unethical practice in connection with the rendering of such advice, and 2) transacting business as an investment adviser agent absent registration;

WHEREAS, the Commissioner **ORDERS** that **MATTHEW CRAIG HULTS CEASE AND DESIST** from directly or indirectly violating the provisions of the Act, including without limitation, 1) in connection with directly or indirectly receiving compensation or other remuneration for advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, employing any device, scheme or artifice to defraud another person, making untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon such other person; or engaging in any dishonest or unethical practice in connection with the rendering of such advice, and 2) transacting business as an investment adviser agent absent registration;

WHEREAS, the Commissioner **ORDERS** that **RESPONDENTS MAKE RESTITUTION** of any sums obtained as a result of Respondents' violations of Sections 36b-5(a) and 36b-5(f) of the Act, plus interest at the legal rate set forth in Section 37-1 of the General Statutes of Connecticut. Specifically, the Commissioner **ORDERS** that:

1. Within thirty (30) days from the date this Order to Make Restitution becomes permanent, Respondents shall reimburse the individual described above as "Investor A" \$335,000, plus

interest. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to Investor A; and

2. Within forty-five (45) days from the date this Order to Make Restitution becomes permanent, Respondents shall provide the Division with proof in the form of a copy of the certified check sent to the Investor A evidencing that he has been reimbursed the \$335,000 by Respondents.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-27 of the Act, Respondents will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received on behalf of each Respondent by the Department of Banking, Securities and Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondents' receipt of this Notice. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If a Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se".

Respondents may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft Teams. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on June 27, 2023 at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless a Respondent fails to appear at the requested hearing. At such hearing, each Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, as amended by Section 1 of Public Act 22-3, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If any Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against such Respondent will be deemed admitted. Accordingly, the Order to Cease and Desist and Order to Make Restitution shall remain in effect and become permanent against any such Respondent, and the Commissioner may order that the maximum fine be imposed upon any such Respondent.

Dated at Hartford, Connecticut,
this 23rd day of May 2023.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 23rd day of May 2023, I caused to be mailed by certified mail, return receipt requested, the foregoing Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing to: Blackstone Wealth Solutions LLC, 13750 West Colonial Drive, Suite 360, Winter Garden, FL 34787, certified mail no. 70211970000172097753; Paul Brian Kopman, 13309 Roskin Lane, Windermere, FL 34786, certified mail no. 70211970000172097746; and Matthew Craig Hults, 5871 Covington Cove Way, Orlando, FL 32829, certified mail no. 70211970000172097739.

_____/s/_____
Christopher Cartelli
Paralegal