
*
IN THE MATTER OF: *
*
BURNS CAPITAL INVESTMENTS LLC *
*
THOMAS ZACHARY BURNS *
*
(collectively “Respondents”) *
*

**FINDINGS OF FACT,
CONCLUSIONS OF LAW
AND ORDER**

MATTER NO. CRF-23-202246-S

I. INTRODUCTION

This final decision concludes the above-captioned contested case in which the Department alleged that Burns Capital Investments LLC (“BCI”) and Thomas Zachary Burns (“Burns”) (collectively, “Respondents”) violated certain provisions of the Connecticut General Statutes, the Connecticut Uniform Securities Act (“Act”) including Section 36b-16; Offer and Sale of Unregistered Securities, Section 36b-4(a); Fraud in Connection with the Offer and Sale of any Security, Section 36b-4(b); Engaging in Dishonest or Unethical Practices in Connection with the Offer and Sale of any Security, Section 36b-6(c)(1); Unregistered Investment Adviser Activity, Section 36b-5(a); Fraudulent Investment Adviser Activity, Section 36b-5(f); Dishonest or Unethical Practice in Connection with Investment Adviser Activity, and Section 36b-23; Materially False or Misleading Statements in Connection with an Investigation. Based on the evidence in the record and the relevant statutory provisions, Respondents violated each of these statutes as described more fully in the Factual Findings and Legal Conclusions sections below.

II. PROCEDURAL HISTORY

The Banking Commissioner (“Commissioner”) is charged with the administration of

Chapter 672a of the Connecticut General Statutes, the Act, and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act.

This matter was initiated after an investigation was conducted by the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”). On September 18, 2023, the Commissioner issued an Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively “Notice”) against Respondents. The Notice is incorporated by reference and attached herein as HO Ex. 1A and Tr. at 40.¹

The Notice alleged the following:

1. Respondents committed at least one violation of Section 36b-16, Section 36b-4(a), Section 36b-4(b), Section 36b-6(c)(1), Section 36b-5(a), Section 36b-5(f), and Section 36b-23.
2. A basis exists to issue an order against Respondents to cease and desist pursuant to Section 36b-27(a) of the Act.
3. A basis exists to issue an order against Respondents to make restitution of any sum obtained as a result of Respondents’ violations of Section 36b-16, Section 36b-4(a), Section 36b-4(b), Section 36b-6(c)(1), Section 36b-5(a), Section 36b-5(f), and Section 36b-23 of the Act, plus interest at the legal rate set forth in Section 37-1 of the Connecticut General Statutes pursuant to Section 36b-27(b) of the Act.
4. A basis exists to impose a fine against Respondents not to exceed One Hundred Thousand Dollars (\$100,000) *per* violation pursuant to Section 36b-27(d) of the Act and Section 36a-50(a).

On September 18, 2023, the Department sent the Notice by certified mail, return receipt requested to Respondents. The Department issued Notice to BCI at 16A Windsor Street, Enfield, Connecticut

¹ Parenthetical references relate to exhibits entered into the hearing record by the Hearing Officer (“HO Ex.”). Transcript (“Tr.”) pages reflect where an exhibit was entered into the record or where relevant testimony was given.

06082 and 1401 Windsor Station Drive, Windsor, Connecticut 06095. The Department issued Notice to Burns at 1401 Windsor Station Drive, Windsor, Connecticut 06095.

On October 11, 2023, Respondent Burns filed an Appearance and Request for Hearing on behalf of himself and BCI. (HO Ex. 2; Tr. at 40.). On October 19, 2023, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer electronically to Hearing Officer, Eric Beckenstein, Esq., eric.beckenstein@ct.gov, prosecuting staff attorney for the Department, Paul Bobruff, paul.bobruff@ct.gov, and the Respondent, Burns, thomaszburns2002@gmail.com. The Commissioner also issued the original Notification of Hearing and Designation of Hearing Officer by first class mail to Respondents at 1401 Windsor Station Drive, Windsor, Connecticut 06095 setting November 15, 2023, as the hearing date. (HO Ex. 1; Tr. at 40.).

Present at the hearing on November 15, 2023, were Hearing Officer, Eric Beckenstein, support Paralegal, Sabrina Crispim, Division Staff Attorney, Attorney Paul Bobruff, and witnesses for the Department, Associate Financial Examiner, Heidi Lawrence, and Banking Department Manager, Salvatore Cannata. Witness and former investor Charles Dixon, Jr. testified during the hearing as well. Two unannounced individuals appeared at the back of the hearing room and left investment documents for the Division to consider in this matter.² Certified Court Reporter, Robert G. Dixon, was also present, participated, and subsequently furnished a certified hearing transcript to the parties.

Just prior to the start of the hearing, the Department (Hearing Officer, Eric Beckenstein, his support Paralegal, Sabrina Crispim, and Attorney Paul Bobruff, representing the Department) received an email from Burns at 8:22 a.m. saying, “I have reviewed the Proposed Order of Restitution, and I am willing to abide by it, providing names and investment amounts for the investors within the timeframe of the order becoming final. I no longer see a need for the hearing. Thank you.”

(DOB Ex. A at 2).

² On Behalf of the Department, Division Staff Attorney Bobruff and Banking Department Manager Cannata explained on the record that two individuals were briefly in attendance at the back of the hearing room during a portion of the hearing. Before departing the individuals left investment documents reflecting at least one previously unknown investor. This information may impact the list of investors and amounts Respondents owe through restitution within the 45-day window described below in the Order. (Tr. at 110-113).

On November 15, 2023, at 8:48 a.m. Attorney Bobruff replied to Burns via email as follows:

Dear Mr. Burns, Thank you for your e-mail. The Division is proceeding with the hearing today regarding the Notice that you requested, since you have not withdrawn your request for a hearing. You still have the right to appear at the hearing if you choose. From your e-mail it appears that you are choosing not to appear at the hearing today and that you intend to comply with a decision that orders restitution to the investors, including providing the names and investment amounts for the investors within the time frames of the order for restitution provided in the Notice becoming final. To reiterate, notwithstanding your e-mail, the Division is proceeding with the hearing today.

(*Id.* at 1).

Burns then replied just to Attorney Bobruff with, “I, Thomas Burns, on behalf of Myself and Burns Capital Investments, would like to officially withdraw my request for a hearing as I intend to comply with the order of restitution.” (*Id.*; HO Ex. 1A at 13-14).

In accordance with Chapter 54 of the Connecticut General Statutes, the Act, and the Department’s contested case Regulations, an administrative hearing was conducted at the Department on November 15, 2023, despite that Burns did not appear at the hearing. (Tr. 1-2 and 12).

Section 36a-1-31(b) of the Regulations provides as follows:

When a party fails to appear at a scheduled hearing, the allegations against the party may be deemed admitted. Without further proceedings or notice to the party, the presiding officer shall submit to the commissioner a proposed final decision containing the relief sought in the notice,

The Department submitted documentary and testimonial evidence, including Department Exhibits (“DOB Ex.’s”) A and 1-33 concerning the allegations made against Respondents in the Order and Notice, requesting that the Commissioner issue an order to cease and desist, along with an order to make restitution and impose a fine against Respondents in an amount not to exceed One Hundred Thousand Dollars (\$100,000) *per* violation.

III. FINDINGS OF FACT

1. BCI is a Connecticut limited liability company that was formed on March 31, 2021. BCI’s principal place of business and addresses last known to the Commissioner include 16A Windsor Street, Enfield, Connecticut 06082 and 1401 Windsor Station Drive, Windsor, Connecticut 06095.

(DOB Ex. 10). BCI had an office located at 174 South Road, Suite 100, Enfield, Connecticut 06082, but it has been closed. (DOB Ex. 32 at 47). BCI is not and has never been registered in any capacity under the Act.

2. Burns is an individual whose address last known to the Commissioner is 1401 Windsor Station Drive, Windsor, Connecticut 06095. (DOB Ex. 30 at 9; DOB Ex. 33 #18). Burns is the founding member and manager of BCI. (DOB Ex. 32 at 9). Burns is not and has never been registered in any capacity under the Act. (DOB Ex. 13).
3. Burns engages or has engaged in the securities and/or investment advisory business individually and through BCI.
4. From approximately December 2021 through August 2022, Burns, on behalf of himself and BCI, raised at least One Hundred Forty-Eight Thousand Dollars (\$148,000) from at least nine (9) investors (“Investors”), at least five of whom were Connecticut residents, for the purported purpose of pooling and investing in cryptocurrency on behalf of the Investors (“BCI Cryptocurrency Fund”). (DOB Ex.’s 1-9, 17 at 13 and 21; DOB Ex. 32 at 43-44).
5. The interests in the BCI Cryptocurrency Fund were not registered under the Act. (DOB Ex. 14).
6. Burns, directly and through BCI, controlled all investment decisions and the Investors lacked input into how the money they invested with Respondents was going to be managed. (DOB Ex. 32 at 14-15). Respondents received compensation, directly or indirectly, for purportedly investing, pooling, and managing Investor funds in the BCI Cryptocurrency Fund. (DOB Ex. 21).
7. Respondents falsely represented to Investors that BCI was a cryptocurrency investment firm that used patented artificial intelligence software to trade around the clock on Investors’ behalf using what Burns described as “the signals on the I-bot.” (DOB Ex. 32 at 14, 25, 27 and 41). Respondents falsely claimed to execute BCI trades on a Coinbase cryptocurrency exchange and that most BCI cryptocurrency was stored offline in cold storage when it was not being traded. (DOB Ex. 7 at 9; *Id.* at 14).

8. Respondents provided at least one Investor with a document entitled “Burns Capital Investment LLC Client Agreement: Plain and Simple Edition” (“Client Agreement”). (DOB Ex. 7 at 9). The Client Agreement stated that:

Burns Capital Investments LLC trades crypto on behalf of clients using the latest in AI and Emotional Intelligence technology to maximize gains and minimize losses. Using this, the crypto market is monitored 24/7/365. Your crypto is stored in cold wallets and is only sent to exchanges when being actively traded. This ensures that your crypto is safe even in cases where our servers are down (Power outages, Technical error, etc.). Your crypto is insured by Gemini, a leading crypto custodian, up to \$10 million dollars per client. They provide protection from hacking along failed trades, staking errors, along with DeFi protocol insurance. Their terms are available upon request. **Burns Capital Investments LLC is licensed and regulated by the State of Connecticut Money Transmitter Licensing Division as well as FinCEN, a bureau of the US Treasury.** (Emphasis added.).

The Client Agreement also stated that “Burns Capital Investments provides securities accounts in partnership with Apex Clearing. Securities accounts are eligible for \$500,000 in SIPC insurance. SIPC protects against the loss of cash and securities.” (*Id.*).

9. The State of Connecticut does not have a “Money Transmitter Licensing Division.” Rather, persons engaged in money transmission are regulated by the Consumer Credit Division of the Department pursuant to Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of Connecticut General Statutes, “Money Transmission Act.” (DOB Ex.’s 12 and 15).
10. The Client Agreement offered several different ways to fund the account with BCI and explained that:

We have two different account types available (*Please Choose One*)

No Commitment Option: Funds can be withdrawn at any time. There is no cooldown period once your initial deposit is processed. Capital Gains are reported with each executed trade. 1099 forms are issued before January 31st. Your 1099 will be delivered electronically in the message center on your account, unless you request a mailed copy. **SPECIAL lowered fee of 3% on PROFIT only.**

Crypto Fund Option: Your initial deposit is locked for 12 months from the date it is credited to your account. After 6 months, you are eligible to withdraw any profit made from your investments (minus a **SPECIAL lowered fee of 1%** respectively on PROFIT only). The highest fee applies to accounts with deposits <= 1k, the moderate fee applies to accounts with deposits >=5k, and the lowest fee applies to accounts with deposits >=10k. Your initial investment plus any subsequent deposits are held until the 12 month maturity date, which occurs 12 months after your

initial deposit is deposited to your account. Your deposits will be converted to USDT and used to purchase shares of the BCI Cryptocurrency Fund. The proceeds are used to purchase crypto in a Master Account. The shares go up in value in accordance with the amount held in the pool. Capital Gains are only reported upon selling shares. Your 1099 will be delivered electronically in the message center on your account, unless you request a mailed copy.

(DOB Ex. 8 at 17).

11. The end of the Client Agreement provided a place to sign the Client Agreement and stated that “By Signing here, you agree to all terms of this contract, and understand that cryptocurrency is an investment and returns are NOT guaranteed. All stats provided in the initial call were based on the average performance since November 2020.” (DOB Ex. 33 #8 at 6).
12. There were similar versions of the Client Agreement that other Investors received that stated different percentages of fees that applied to any profits withdrawn from the Investors’ accounts.
(DOB Ex. 2 at 6; DOB Ex. 3 at 7).
13. BCI has never been licensed and regulated by the Commissioner under Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes governing money transmitters. Likewise, BCI has never been licensed and regulated by the Financial Crimes Enforcement Network (“FinCEN”), a bureau of the United States Department of the Treasury. (DOB Ex.’s 13 and 15).
14. Burns on behalf of BCI gave financial advice to at least one Investor who resided in Connecticut. Respondents told the Investor that they would purchase stocks on the Investor’s behalf and exercise discretion over the account. (DOB Ex. 8 at 6-11).
15. Burns established a Bank of America business checking account x9811 in the name of BCI in September 2021 (“BCI Bank Account”). (DOB Ex. 21). Burns was the sole signatory on the BCI Bank Account. (DOB Ex. 20).
16. Burns used the BCI Bank Account for business such as BCI payroll and personal expenses, such as Zelle transfers, and personal rent payments. (DOB Ex. 21 at 3, 7, 15-16, 21, 25, 29-30, 37, 43-48, 55-56, 57-58, 63-64, 69-72, and 77). Respondents deposited Investor funds into the BCI Bank Account, including numerous Investor deposits of Ten Thousand Dollars (\$10,000) or more during

2022. (*Id.*; DOB Ex. 33 #13). Burns bounced checks from the BCI Bank Account including check #1029 “for payroll” dated May 18, 2022, for Six Hundred and Four Dollars and Fifteen Cents (\$604.15). (DOB Ex. 16 at 5). Check#1029 bounced on May 19, 2022, and was posted for return. (DOB Ex. 21 at 43).

17. Cryptocurrency exchanges such as Coinbase allow anyone with an account to buy, sell and exchange cryptocurrency. Unlike traditional brokerage firms, cryptocurrency exchanges are not members of the Securities Investor Protection Corp. (SIPC). Therefore, unless user terms specify otherwise, investors with cryptocurrency assets commingled on a custodial cryptocurrency exchange could potentially lose their funds as unsecured creditors. (*Terms of Service* at Disclaimers; No Warranties, 12.1, *See e.g.*, DOB Ex. 1 at 6 Item #12.1).
18. Burns falsely claimed that he established an account at Coinbase in the name of BCI and that Respondents used the Coinbase account to pool and invest the Investors’ funds. (DOB Ex. 32 at 14-15). Rather, Burns established two accounts in his name at Coinbase, only one of which had any trading history. As of December 14, 2022, the account with no trading history had a zero balance and the other account had a negative balance due to returned payments. (DOB Ex. 26).
19. BCI did not have a cryptocurrency account at Coinbase and never purchased Cryptocurrency in the name of BCI. (*Id.*).
20. The Investors believed, because of Respondents’ misrepresentations, that; BCI was a cryptocurrency investment firm that Burns would use to pool their investments, Respondents used artificial intelligence to trade on the Investors’ behalf, that Burns had a patent for his artificial intelligence, and that BCI was licensed and regulated by the “State of Connecticut Money Transmitter Licensing Division” and by FinCEN. (DOB Ex. 28 at 1; DOB Ex. 32 at 14, and 41-42).
21. Burns commingled some of the Investors’ money with his own money and diverted some of the Investors’ money for his personal use. (DOB Ex. 21 at 3, 16, 21, 29-30, 37, 43-48, 56-58, 64, 70-72, and 77).

22. Respondents did not have a patent for artificial intelligence, and BCI was not licensed and regulated by the Commissioner under Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes governing money transmitters, or by FinCEN. (DOB Ex's. 12-15).
23. Respondents failed to pay some of the Investors any purported profits and failed to return some of the Investors' principal investment. (DOB Ex. 7).
24. In September 2022, Burns signed a check from the BCI Bank Account in the amount of Forty-Eight Thousand Five Hundred Dollars (\$48,500) payable to one of the Investors. This check was returned for insufficient funds. (DOB Ex. 16 at 11; DOB Ex. 33 #12 at 77).
25. To hide their conduct, including failure to invest client funds, Respondents provided at least one Investor with falsified monthly account statements. (DOB Ex. 33 #10-11).
26. From approximately December 2021 to August 2022, in connection with the offers and sales of the interests in the BCI Cryptocurrency Fund, Burns, directly and through BCI (a) accepted approximately One Hundred Forty-Eight Thousand Dollars (\$148,000) from Investors, representing to the Investors that such money would be used for the purpose of investing their funds when only a portion of such investments were ever made and (b) failed to inform Investors that Respondents would use part of the Investors' money and investment gains for Burn's personal expenses. (DOB Ex. 17 and 18 at 1-36; and DOB Ex. 21).
27. Respondents failed to disclose to purchasers and prospective purchasers of interests in the BCI Cryptocurrency Fund, *inter alia*, risk factors related to the investment, including, without limitation, any financial or employment information on Burns or BCI, or that that Burns would use part of the Investors' money for personal expenses. Each of these omitted items was material to the Investors and prospective Investors.
28. In late February or early March 2022 Charles Dixon initially met Burns through a mutual friend named Damon Swift who had already invested in the BCI Cryptocurrency Fund. (Tr. at 88-89). Over breakfast, Burns explained to Dixon that he had created a system for using artificial intelligence to trade cryptocurrency. "It operates 24 hours a day, so you never lose money." (*Id.* at 89).

29. In early March of 2022 Dixon gave Burns Five Hundred Dollars (\$500) to invest. After receiving an initial false account statement 30 days later reflecting a balance of Three Thousand Dollars (\$3,000), Dixon then gave Burns another Five Hundred Dollars (\$500) to invest, totaling One Thousand Dollars (\$1,000) invested at that time. (*Id.*; DOB Ex. 25). Dixon believed the monthly statements and Burns' representations that his account was doing well. During June 2022 Dixon's statement balance went from Twenty-Six Thousand Dollars (\$26,000) to One Hundred Ninety-Six Thousand Dollars (\$196,000). (Tr. at 90-91).
30. At this time Dixon was diagnosed with lung cancer and was undergoing expensive treatments, including radiation five days a week and chemotherapy once a week. (*Id.* at 91-92 and 101-102). Burns knew that Dixon was motivated to invest in "crypto," with hopes of receiving dividends to cover his medical bills. (*Id.* at 97-98).
31. Based on misrepresentations made by the Respondents about his account and his misguided personal and financial trust in Burns, Dixon invited his fiancé, Jacqueline Organ ("Ms. Organ"), to invest with Respondents. Ms. Organ initially invested One Thousand Dollars (\$1,000). (*Id.* at 90). Dixon and Burns discussed adding Ms. Organ and Dixon's children as beneficiaries of Dixon's account. (*Id.* at 99).
32. During July 2022 Burns called Dixon to request a personal loan of Two Thousand Dollars (\$2,000). Dixon sent the funds to Burns, instructing Burns to simply invest that amount in the BCI Cryptocurrency Fund rather than repay the loan so that the additional invested funds would generate income and appreciate. (*Id.* at 92).
33. Dixon and Ms. Organ continued to receive regular "monthly statements" from the time they invested between March and September of 2022. For June 2022, Dixon received a statement purporting to show monthly growth from One Hundred Ninety-Six Thousand Dollars (\$196,000) to Three Hundred Eighty-Nine Thousand Dollars (\$389,000). (*Id.* at 90). As of September 2022 (the last statement received), Dixon's statement reflected that his initial investment of Five Hundred Dollars (\$500) had

grown to Two Million Six Hundred Twenty-Eight Thousand Eight Hundred and Eighty-Two Dollars and Fifty Cents (\$2,628,882.50). (*Id.* at 90-91; DOB Ex. 6 at 20).

34. Respondents issued a notice of withdrawal limits, of no more than Three Million Dollars (\$3,000,000) per month, and no more than Ten Thousand Dollars (\$10,000) in a day. (Tr. at 94; DOB Ex. 6 at 25). Burns informed Dixon that he was subject to a six-month waiting period before Dixon could withdraw funds from capital gains on his investment. (Tr. at 94, and 98).
35. Burns met with Dixon and Ms. Organ, purporting to have them sign documents to facilitate withdrawals from the BCI Cryptocurrency Fund via direct deposits into their respective personal bank accounts. Dixon and Ms. Organ signed the documents on August 22, 2022. (*Id.* at 95-97; DOB Ex. 6A).
36. During that same meeting over breakfast in August of 2022, Dixon informed Burns that he wanted to withdraw Forty-Eight Thousand Dollars (\$48,000) from his account to cover a medical bill that he showed Burns. (Tr. at 97-98). Burns explained that he could not obtain the funds that same day because it was a Friday, suggesting that on Tuesday of the following week the funds should be available. However, Burns did not deposit the requested funds into Dixon's account on the following Tuesday nor on any other date. (*Id.* at 95-96). Dixon testified that, "He had an authorization. He had an account number. He had the routing number. All he had to do was just write out the checks and deposit them." (*Id.* at 98; DOB Ex. 6A).
37. During September 2022, Dixon submitted a withdrawal request to Burns in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) each for himself and Ms. Organ, totaling Five Hundred Thousand Dollars (\$500,000). (Tr. at 95; DOB Ex. 6 at 44). Dixon made the withdrawal request so that he could use the funds to pay medical bills. Burns failed to respond to Dixon's withdrawal request and otherwise ceased all communications. "He never - never bothered to even attempt to wire any funds to us." (Tr. at 100).
38. Respondents intentionally misrepresented BCI to gain the trust of potential Investors and Investors, inducing initial investments while encouraging existing Investors to remain with BCI. "[U]sing the

latest in AI and Emotional Intelligence technology to maximize gains and minimize losses. Using this, the crypto market is monitored 24/7/365.” (DOB Ex. 6 at 1; *Id.* at 89; DOB Ex. 32 at 20-21).

39. Burns admitted that he does not have any state or federal registrations or licenses relating to financial services, investments, or securities. (DOB Ex. 32 at 41).
40. On October 27, 2022, the Division issued a subpoena duces tecum to Burns (“Burns Subpoena”) (DOB Ex. 33 #1). On January 4, 2023, the Division also served a custodian of records subpoena on BCI with Burns as custodian of records (“BCI Subpoena”). (*Id.* #18).
41. On December 7, 2022, Burns provided brief testimony during in investigative inquiry at the Department. Burns stated that he was unable to obtain paper records from Coinbase and characterized the firm as having “subpar” customer service. Burns testified that he was unable to log-in to Coinbase. Burns testified that he manages Two Billion Five Hundred Million Dollars (\$2,500,000,000) altogether between custodial assets and Coinbase. Further, Burns stated that BCI processed approximately One Million Dollars (\$1,000,000) in withdrawal requests from Investors. (DOB Ex. 32 at 22-23).
42. Respondents failed to produce the records required by the Burns Subpoena and BCI Subpoena, which impeded the Division’s ability to obtain relevant testimony. (DOB Ex. 30 at 25-26).
43. The Division unsuccessfully attempted to arrange for Burns to appear and testify but was repeatedly forced to reschedule as follows: November 16, 2022, December 7, 2022, December 14, 2022, December 21, 2022, April 6, 2023, May 16, 2023, and May 22, 2023. (*Id.* at 13-17). On December 7, 2022, Burns requested a continuance to obtain an attorney. On December 14, 2022, Burns appeared remotely but insisted his internet was not working properly to view records. On December 21, 2022, Burns altogether failed to appear. Burns testified under oath on April 6, 2023, before Judge Graham that he would produce subpoenaed records responsive to nine categories of documents by April 19, 2023. On that date, however, Respondents produced documents responsive to only one of the nine categories. (DOB Ex. 29 at 40-41). Burns testified on July 31, 2023, before Judge Sicilian that the data set was too large (more than 10,000 pages) for him to comply, arguing

- that he would need to request the records directly from Coinbase, further complicating the process. (DOB Ex. 30 at 10). Under oath Burns provided limited testimony and failed to provide the Division with requested documents. (*Id.* at 11, 15, and 27; DOB Ex. 32 at 55; DOB Ex. 33 #4 at 1 and #16).
44. The Department offered various options to Burns for submitting requested records, including production on a “rolling basis,” and using email or a USB Drive to save printing costs. Despite such offers, Burns failed to produce records responsive to the subpoena. (DOB Ex. 30 at 22-23).
45. On March 23, 2023, the Commissioner filed a verified application for enforcement of subpoenas in Superior Court for the Judicial District of Hartford (*Perez v. Burns*, No. HHDCV236167000S). The application sought an order enforcing immediate compliance with the Burns Subpoena and an order enforcing immediate compliance with the BCI Subpoena (“Subpoena Enforcement Application”). (DOB Ex. 29).
46. On April 6, 2023, the Superior Court granted the Subpoena Enforcement Application and ordered Burns and BCI to produce records responsive to the two subpoenas by April 19, 2023, and to testify via Microsoft Office Teams on April 26, 2023. (DOB Ex. 33 #17).
47. On May 25, 2023, the Commissioner moved for a court order finding the defendants, Burns and BCI, in contempt of court for failure to comply with the court’s April 6, 2023, order and judgment. (DOB Ex. 30 at 25-27).
48. The Hartford Superior Court scheduled an in-person hearing on the Department’s Motion for Contempt for Monday, July 31, 2023, at 10 a.m. (*Id.*).
49. On July 31, 2023, Burns appeared before Judge Sicilian in Superior Court and testified that Respondents had established a BCI account at Coinbase, the only cryptocurrency exchange Respondents used to trade cryptocurrency on behalf of BCI Investors. Burns also testified that he had patented artificial intelligence used to invest in cryptocurrency, that he drew a salary of One Hundred Twenty Thousand Dollars (\$120,000) per year, and that he had turned One Million Five-Hundred Thousand Dollars (\$1,500,000) into Two Billion One-Hundred Million Dollars (\$2,100,000,000) through his cryptocurrency trading. (DOB Ex. 32 at 21-22).

50. On July 31, 2023, Judge Sicilian found Burns in contempt of court for his willful refusal to produce records responsive to the Burns Subpoena and BCI Subpoena. Judge Sicilian gave Burns 30 days to produce these records and stated that if Burns failed to do so, he would be subject to fines and possible detention. The 30-day period expired on Thursday, August 31, 2023. The Department has not received any of the records that the court ordered the defendants to produce. (DOB Ex. 30 at 25-27; DOB Ex. 31).
51. In September 2023 Burns emailed all nine of the Investors, indicating that he was shutting down BCI and that he would reimburse each of them. (Tr. at 102-103; DOB Ex. 33 #20). Burns, however, reimbursed only one of the nine Investors. Burns reimbursed this Investor Four Thousand Dollars (\$4,000), but only after the Investor filed a police report. (DOB Ex. 4 at 1 and 7; DOB Ex. 19; Tr. at 108).

IV. CONCLUSIONS OF LAW

A. Jurisdiction and Procedure

1. The Commissioner is charged with the administration of the Act, and the Regulations promulgated thereunder, Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations.
2. The Commissioner's broad regulatory authority includes the power to issue an order to cease and desist against each Respondent pursuant to Section 36b-27(a) of the Act, issue an order to make restitution against each Respondent pursuant to Section 36b-27(b) of the Act, and impose a fine upon each Respondent pursuant to Section 36b-27(d) of the Act and Section 36a-50(a).
3. The Commissioner, through the Notice of September 18, 2023, provided Respondents with an opportunity for a hearing in accordance with Section 36b-27 and Section 36a-50(a) of the Connecticut General Statutes.
4. The Notice issued by the Commissioner against Respondents complies with the requirements of Section 4-177(b) of Chapter 54 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations.
5. Respondents requested a hearing on the Notice and then failed to appear at the hearing on

November 15, 2023. The Department presented evidence and arguments on all issues of fact and law to be considered by the Commissioner.

6. Section 36a-1-31(b) of the Regulations provides, in pertinent part, that:

When a party fails to appear at a scheduled hearing, the allegations against the party may be deemed admitted. Without further proceedings or notice to the party, the presiding officer shall submit to the commissioner a proposed final decision containing the relief sought in the notice, provided the presiding officer may, . . . receive evidence from the department, as part of the record, concerning the appropriateness of the amount of any . . . fine . . . sought in the notice.

B. Evidentiary Standard

The applicable standard of proof in Connecticut administrative cases, including those involving fraud and severe sanctions, is the preponderance of the evidence standard. (*Goldstar Med. Servs. v. Dep't of Soc. Servs.*, 288 Conn. 790, 819, 955 A.2d 15 (2008)). The Department in this matter bears the ultimate burden of proving the elements of the offense by a preponderance of the evidence in support of the Commissioner's findings. See *Bialowas v. Comm'r of Motor Vehicles*, 44 Conn. App. 702, 692 A.2d 834 (1997).

The applicable standard of review in an appeal from the decision of an administrative agency is governed by the UAPA, General Statutes Section 4-166 et seq. and the scope of that review is very restricted. (*New Haven v. Freedom of Info. Comm'n*, 205 Conn. 767, 773, 535 A.2d 1297 (1988)).

The substantial evidence rule governs judicial review of administrative fact-finding under the UAPA. An administrative finding is supported by substantial evidence if the record affords a substantial basis of fact from which the fact in issue can be reasonably inferred. The substantial evidence rule imposes an important limitation on the power of the courts to overturn a decision of an administrative agency . . .

. . . (*Dolgner v. Alander*, 237 Conn. 272, 281, 676 A.2d 865 (1996)). (Citations omitted; internal quotation marks omitted.) See General Statutes Section 4-183 (j) (5) and (6).

C. Legal Standards

“The comprehensive statutory scheme of CUSA, commonly known as the ‘blue sky law,’ ‘was adopted for the protection of investors in this state . . . [and they] should be **broadly and liberally**

construed so as to effectuate the purpose of protecting the investing public from fraud." (Emphasis added.). (*Conn. Nat'l Bank v. Giacomi*, 242 Conn. 17, 78, 699 A.2d 101 (1997) citing *Shulansky v. Cambridge-Newport Fin. Servs. Corp.*, 42 Conn. Supp. 439, 440-441, 623 A.2d 1078 (1992)). See *Conn. Nat'l Bank v. Giacomi*, 233 Conn. 304, 320, 659 A.2d 1166 (1995) (noting that state securities laws generally contain three basic elements; antifraud provisions, registration of brokers and sellers of securities and registration of securities themselves).

D. Alleged Violation of Section 36b-16 of the Act-Offer and Sale of Unregistered Securities

1. Legal Analysis

The Division alleges that Respondents offered and/or sold securities in or from Connecticut to at least nine Investors, which securities were not registered in Connecticut under the Act, nor were they subject of a filed exemption claim or claim of covered security status, in violation of Section 36b-16 of the Act.

Section 36b-16 of the Act provides that:

No person shall offer or sell any security in this state unless (1) it is registered under sections 36b-2 to 36b-34, inclusive, (2) the security or transaction is exempted under section 36b-21, or (3) the security is a covered security provided such person complies with any applicable requirements in subsections (c), (d) and (e) of section 36b-21.

Investment interests in the BCI Cryptocurrency Fund constitute "securities" within the meaning of Section 36b-3(19) of the Act. Burns through BCI marketed a security interest under CUSA to investors seeking to accomplish an investment purpose. (DOB Exhibit 33 #9, Terms of Service at 1). The BCI Cryptocurrency Fund was never registered under Section 36b-16 of the Act, nor was it the subject of a filed exemption claim or claim of covered security status. (DOB Ex. 14). From approximately December 2021 through August 2022, Burns, on behalf of himself and BCI, sold or offered unregistered securities in this state to at least nine Investors and engaged in investment advisory business activities with at least one Investor.

Respondents offered and/or sold securities that were neither registered nor exempted in violation of Section 36b-16 of the Act.

**E. Alleged Violation of Section 36b-4(a) of the Act-Fraud in Connection with the Offer
and Sale of Any Security**

1. Legal Analysis

The Division alleges that Respondents engaged in fraud in connection with the offer, sale or purchase of a security which operates or would operate as a fraud or deceit upon any person.

Section 36b-4(a) of the Act provides that:

No person shall, in connection with the offer, sale or purchase of any security, directly or indirectly: (1) Employ any device, scheme or artifice to defraud; (2) make any untrue statement of a material fact or omit 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 (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Under Section 36b-4(a), “A **material fact** is a fact that ‘a reasonable investor would have considered significant in making investment decisions.’” (Emphasis added.). (*Lehn v. Dailey*, 77 Conn. App. 621, 628, 825 A.2d 140 (2003) citing *Ganino v. Citizens Utils. Co.*, 228 F.3d 154, 161 (2d Cir. 2000)).

Neither the legislature nor case law provide firm guidance in construing the phrase, “operate as a fraud or deceit” and courts repeatedly note that when interpreting and applying CUSA Sections 36b-2 through 36b-33, it may be appropriate to consider dictionary definitions for analogous language. Black's Law Dictionary defines “fraud” as: “an intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right.” (*Black's Law Dictionary*, 660 (6th ed. 1990)). “Deceit” is defined as: “A fraudulent and deceptive misrepresentation, artifice, or device, used by one or more persons to deceive and trick another, who is ignorant of the true facts, to the prejudice and damage of the party imposed upon.” (*Id.* at 405)

Respondents withheld BCI bank statements from investors and fabricated at least two Investors balance statements. (DOB Ex. 6 at 20 and 24). By fundamentally misrepresenting the nature and capabilities of BCI (representing Burns Capital Investments LLC as licensed and regulated by the State of Connecticut Money Transmitter Licensing Division and FinCEN), BCI fabricated rates of return on

investment and omitted disclosure of risks posed to Investors. Burns' statements and lack of disclosure constitute untrue statements of material fact and omissions to state a material fact necessary in order to make the statements made not misleading. Burns encouraged investment in BCI cryptocurrency with falsehoods and omission of risks, perpetuating a fraud upon investors including Dixon and Ms. Organ in violation of subdivisions (2) and (3) of Section 36b-4(a) of the Act.

In connection with the offer, sale or purchase of any security, Respondents made untrue statements of material fact, omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in violation of Section 36b-4(a).

F. Alleged Violation of Section 36b-4(b) of the Act-Engaging in Dishonest or Unethical Practices in Connection with the Offer and Sale of any Security

1. Legal Analysis

The Department alleges that Respondents engaged in dishonest and/or unethical practices in connection with the offer, sale or purchase of a security.

Section 36b-4(b) of the Act provides that:

No person shall, in connection with the offer, sale or purchase of any security, directly or indirectly engage in any dishonest or unethical practice.

There is an absence of case law construing the phrase "dishonest or unethical practices" in the context of CUSA violations of Section 36b-4(b). When the legislature has not provided a specific definition of a word in a statute, the courts consider common understanding and usage of that word as expressed in a dictionary. (Section 1-1(a) of the Connecticut General Statutes). See *State v. Russo*, 259 Conn. 436, 449, 790 A.2d 1132 (2002), cert. denied, *State v. Russo*, 537 U.S. 879 (2002).

Black's Law Dictionary defines "dishonesty" as "disposition to lie, cheat, deceive, or defraud; untrustworthiness; lack of integrity." (*Black's Law Dictionary*, 468 (6th ed. 1990)). Black's Law Dictionary also defines "unethical" as "not ethical; hence, colloquially, not according to business or professional standards." (*Id.* at 1528).

By violating Section 36b-4(a), Respondents also violated Section 36b-4(b), which differs from the prior section in that it does not require “material” misrepresentation, fraud, or deceit. (*Lehn* at 630-633). Burns through BCI represented that investor funds would be pooled and actively invested in the BCI Cryptocurrency Fund when only a portion went to investing, failing to inform Investors of risk factors, including financial information on BCI and Burns himself. (Tr. at 90-92).

In connection with the offer and sale of BCI cryptocurrency, Burns was dishonest, untrustworthy, and unethical. Burns through BCI engaged in unethical conduct by, failing to respond to numerous withdrawal requests from Dixon and Ms. Organ and by fabricating excuses for repeated failure to withdraw funds. Burns was aware that Dixon’s cancer treatments posed a financial obstacle for Dixon, rendering Dixon vulnerable. By preying on Dixon’s condition, in flagrantly unethical fashion Burns persuaded Dixon to invest in BCI, and then add to his investments.

Respondents engaged in dishonest or unethical practices in violation of Section 36b-4(b) of the Act.

G. Alleged Violation of Section 36b-6(c)(1) of the Act-Unregistered Investment Adviser

Activity

1. Legal Analysis

The Division alleges that Respondents transacted business as an investment adviser in Connecticut absent registration, in violation of Section 36b-6(c)(1) of the Act.

Section 36b-6(c)(1) of the Act provides, in pertinent part, that:

No person shall transact business in this state as an investment adviser unless registered as such by the commissioner as provided in sections 36b-2 to 36b-34, inclusive, or exempted pursuant to subsection (e) of this section.

Section 36b-3(11) of the Act defines "Investment adviser" as follows:

‘Investment adviser’ means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities.

The courts have consistently found that failure to register as an investment adviser agent while transacting business in this capacity constitutes a violation of Section 36b-6(c)1. (*Papic v. Burke*, No. HHBCV054008511S, 2007 Conn. Super. LEXIS 820, 28 (Super. Ct. Mar. 22, 2007)). As Burns confirmed in limited testimony, neither Burns nor BCI was registered to engage in investment advising. Nevertheless, Burns, individually and through BCI, transacted business as an unregistered investment adviser in Connecticut for compensation. (DOB Ex. 8 at 6-11). BCI bank statements confirm that Investor “Rosa” deposited funds into the same account that Burns drew upon for personal expenses. (DOB Ex. 8 at 5). Individually and through BCI, Burns offered Rosa advice as to the value of securities and/or the advisability of investing in, purchasing or selling securities on Investor’s Rosa’s behalf, exercising discretion over the account, evidencing an investment advisor role. (DOB Ex. 8 at 6-11). Specifically, by email dated May 10, 2022, Burns provided an investment update, citing a drop in one stock value. “This is more of a long term position and I’m confident we’ll regain the loss back very soon.” (*Id.* at 8).

Burns, through BCI, violated Section 36b-6(c)(1) of the Act.

H. Alleged Violation of Section 36b-5(a) of the Act-Fraudulent Investment Adviser Activity

1. Legal Analysis

The Division alleges that Respondents each transacted business as an investment adviser in Connecticut absent registration, in violation of Section 36b-5(a) of the Act.

Section 36b-5(a) of the Act provides, in pertinent part, that:

No person who directly or indirectly receives 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, shall: (1) Employ any device, scheme or artifice to defraud the other person; (2) make any untrue statement of a material fact or omit 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; or (3) engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon such other person.

To support a violation of Section 36b-5, the Department is not required to demonstrate that a misstatement or omission of material fact was motivated by an intent to defraud. Rather, intentional or negligent material misrepresentations or material omissions may lead to civil liability under Section 36b-5(a). (*Lehn* at 631-632).

Burns, through BCI, obtained compensation in the process of falsely representing himself as a licensed investment adviser and BCI as a licensed investment agency regulated by the State of Connecticut as a money transmitter. Burns, through BCI, employed an elaborate scheme including false client agreements and BCI issued false balance statements to induce investment. In addition to such false representations among others, Burns failed to disclose BCI's actual financials, and the risks associated with investing in BCI, known as material omissions.

Within this framework, Burns through BCI provided financial advice to at least one Connecticut Investor (who Burns led to believe) invested at least Fifteen Thousand Dollars (\$15,000) into the BCI Cryptocurrency Fund. (DOB Exhibit 8 at 5). A November 14, 2022, BCI balance statement, reflects that this account rose in value to Fifty Million Seven-Hundred and Twenty-Five Thousand Four Hundred and Twenty-Four Dollars and Eleven Cents (\$50,725,424.11). (*Id.* at 11). By email on May 10, 2022, Burns stated, "Your crypto account is at \$10,264.13. FREY has taken a pretty big dip, trading at \$7.08 per share, with a total value of \$8,319.57." (*Id.* at 8).

Respondents violated Section 36b-5(a) of the Act.

I. Alleged Violation of Section 36b-5(f) of the Act-Dishonest or Unethical Practice in Connection with Investment Adviser Activity

1. Legal Analysis

The Division alleges that Respondents transacted business as an investment adviser in Connecticut absent registration and engaged in dishonest or unethical practices, in violation of Section 36b-5(f) of the Act.

Section 36b-5(f) of the Act provides, in pertinent part, that:

No person who directly or indirectly receives compensation or other remuneration for: (1) Advising another person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise; or (2) soliciting advisory business on behalf of a person subject to the prohibition contained in subsection (a) of this section shall engage in any dishonest or unethical practice in connection with the rendering of such advice or in connection with such solicitation.

As previously discussed, in the absence of Connecticut case law construing the phrase “dishonesty or unethical practice” within the securities context, we may consider the Black's Law Dictionary definition of “dishonesty” as “disposition to lie, cheat, deceive, or defraud; untrustworthiness; lack of integrity.” (*Black's Law Dictionary*, 468 (6th ed. 1990)). We may also consider the Black's Law Dictionary definition of “unethical” as “not ethical; hence, colloquially, not according to business or professional standards.” (*Id.* at 1528).

Burns, through BCI, solicited at least one Connecticut client and transacted business for compensation as an unlicensed investment adviser. (DOB Exhibit 8 at 10-11). Respondents failed to reveal to purchasers and prospective purchasers of the BCI fund of any specific risk and potential risk factors related to the investment including financial or employment information on Burns or BCI – or that Burns would use some funds for personal ends. (DOB Ex. 17; DOB Ex. 18; DOB Exhibit 21). Burns alone and through BCI, engaged in dishonest and unethical practices in connection with the rendering of investment advice, freely deducting undisclosed fees from client accounts, in violation of Section 36b-5(f) of the Act.

Respondents violated Section 36b-5(f) of the Act.

J. Alleged Violation of Section 36b-23 of the Act-Materially False or Misleading Statements in Connection with an Investigation

1. Legal Analysis

The Division alleges that Respondents violated Section 36b-23 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).

Section 36b-23 of the Act provides:

No person shall make or cause to be made orally or in any document filed with the commissioner or in any proceeding, investigation or examination under sections 36b-2 to 36b-34, inclusive, any statement that is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect or, in connection with the statement, omit to state a material fact necessary to make the statement made, in the light of the circumstances under which it was made, not false or misleading.

The record establishes numerous detailed complaints against Burns and BCI, largely spurred by failure to transparently account for *and withdraw* Investor funds as requested. When asked under oath whether Investors requested money back, Burns replied “yes.” (DOB Ex. 32 at 22). And when asked whether he complied, Burns replied, “Yes. We’ve processed about one million dollars worth of withdrawals. Of course, we have to - - we would destroy the market if we did it any other way.” (*Id.* at 22-23). The evidence establishes that Burns complied with one Investor withdrawal request of approximately eight thousand dollars (\$8,000). Judge Sicilian found Burns in contempt of court for his refusal to produce records responsive to the Burns Subpoena and BCI Subpoena served on him by the Department and the Department has not received any of the records that the court ordered the defendants to produce. (DOB Ex. 30 at 25-27; DOB Ex. 31).

Burns’ statements to the Division on behalf of himself and BCI were, at the time and in light of the circumstances under which they were made, false or misleading in a material respect, which constitutes a violation of Section 36b-23 of the Act.

K. Summary of Conclusions

1. Respondents engaged in the offer and sale of unregistered securities in violation of Section 36b-16 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 under Section 36b-27(b) of

the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).

2. Respondents, in connection with the offer, sale or purchase of a security, engaged in a scheme to defraud Investors by making false representations. Such material misrepresentations constitutes a violation of Section 36b-4(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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).
3. Respondents, in connection with the offer, sale or purchase of a security, made false representations engaging in dishonest and unethical practices including (but not limited to) asserting that investment funds would go towards investing in the BCI Cryptocurrency Fund when only a portion went to investing. Respondents conduct constitutes a violation of Section 36b-4(b) 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).
4. Respondents transacted business as an unregistered investment adviser in Connecticut, in violation of Section 36b-6(c)(1) 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).
5. Burns directly and through BCI, engaged in a scheme to defraud at least one Connecticut Investor for compensation, by making false representations including (but not limited to) claiming that Burns was a licensed investment adviser for BCI. Respondents activity 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under

Section 36b-27(d) of the Act and Section 36a-50(a).

6. Respondents engaged in fraudulent representations, including (but not limited to) claiming that investment funds would go towards investing in the BCI Cryptocurrency Fund when only a portion went to investing. Respondents engaged in dishonest and unethical practices in 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).
7. Respondents statements, at the time and in light of the circumstances under which they were made, were false and misleading in a material respect, in violation of Section 36b-23 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 under Section 36b-27(b) of the Act, and for the imposition of a fine upon Respondents under Section 36b-27(d) of the Act and Section 36a-50(a).

L. Public Interest

Section 36b-31(b) of the Act states, in pertinent part, that:

No . . . 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.

I conclude that it is in the public interest, 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, of the Act to enter the orders below.

V. ORDER

Having read the record, I hereby order, pursuant to Sections 36b-27(a), 36b-27(b), 36b-27(d) and 36a-50(a) of the Act, that:

- 1) The Order to **CEASE AND DESIST** issued against Thomas Zachary Burns on September 18, 2023, be made **PERMANENT** with respect to violations of Sections 36b-16, 36b-4(a), 36b-4(b), 36b-6(c)(1), 36b-5(a), 36b-5(f), and 36b-23;
- 2) The Order to **CEASE AND DESIST** issued against Burns Capital Investments, LLC on September 18, 2023, be made **PERMANENT** with respect to violations of Sections 36b-16, 36b-4(a), 36b-4(b), 36b-6(c)(1), 36b-5(a), 36b-5(f), and 36b-23;
- 3) The Order to **MAKE RESTITUTION** issued against Thomas Zachary Burns and Burns Capital Investments, LLC on September 18, 2023, be made **PERMANENT** and that Thomas Zachary Burns and Burns Capital Investments, LLC jointly shall make restitution³ as follows:
 - (a) **Within forty-five (45) days** from the date the Order to Make Restitution becomes permanent, Respondents shall provide the Division with a written disclosure which covers the period from November 1, 2020, to the date the Order to Make Restitution becomes permanent, and which contains (a) the name and address of each Investor, (b) the amount Respondents collected from each Investor, and (c) the amount of any refunds of principal or purported interest payments Respondents made to each Investor;
 - (b) **Within sixty (60) days** from the date the Order to Make Restitution becomes permanent, Respondents shall reimburse each Investor the amount of funds collected from the Investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments made to the Investor, with respect to all transactions effected from November 1, 2020, to the date the Order to Make Restitution becomes permanent. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to each affected Investor; and
 - (c) **Within ninety-days (90) days** from the date the Order to Make Restitution becomes permanent, Respondents shall provide the Division with proof in the form of copies of the certified checks and the return receipts required by paragraph 2 of Section V of the Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively, "Order"), that Respondents has reimbursed each Investor the amount of funds collected from each such Investor plus interest, less funds returned in the form of purported refunds of principal and purported interest payments, with respect to all transactions effected from November 1, 2020, to the date the Order to Make Restitution becomes permanent.
- 4) A **FINE** of Seven Hundred Thousand Dollars (~~\$700,000~~) shall be imposed upon Thomas Zachary Burns and Burns Capital Investments, LLC, jointly and severally, to be remitted to the Department of Banking by wire transfer, cashier's check, certified check or money order, made payable to "Treasurer, State of Connecticut," no later than forty-five days (45) days after the date this Order is mailed;
- 5) This Order shall become effective when mailed.

³ If the Order to Make Restitution is not complied with impose a maximum fine not to exceed One Hundred Thousand Dollars (\$100,000) per violation upon Respondents. (HO Ex. 1A at 12; Tr. at 9).

Dated at Hartford, Connecticut,
this 3rd day of April 2024.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 3rd day of April 2024, the foregoing Findings of Fact, Conclusions of Law and Order was sent by certified mail, return receipt requested to: Burns Capital Investments LLC and Thomas Zachary Burns, at 1401 Windsor Station Drive, Windsor, Connecticut 06095, Certified Mail No. 9589 0710 5270 0567 2699 23; a hard copy of the Findings of Fact, Conclusions of Law and Order was hand delivered to Staff Attorney, Paul Bobruff, State of Connecticut, Department of Banking, Securities Division, 260 Constitution Plaza, Hartford, Connecticut.

_____/s/_____
Sabrina Crispim
Paralegal