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IN THE MATTER OF: *
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CFIG INVESTMENT ADVISORY *
SERVICES, LLC *
f/k/a CONTINENTAL FIVE *
INVESTMENT GROUP, LLC *
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(CRD No. 148261) *
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CONSENT ORDER
MATTER NO. CO-25-202518-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, CFIG Investment Advisory Services, LLC f/k/a Continental Five Investment Group, LLC (“CFIG”), located at 1555 Post Road East, Suite 206, Westport, Connecticut 06880, has been registered as an investment adviser under the Act since February 11, 2009;

WHEREAS, on August 29, 2024 and September 10, 2024, staff of the Securities and Business Investments Division of the Connecticut Department of Banking (the “Division”) conducted an on-site examination (“Examination”) of CFIG’s books and records pursuant to Section 36b-14 of the Connecticut

Uniform Securities Act (the “Act”). As a result of that Examination, the Division conducted a follow-up investigation pursuant to Section 36b-26(a) of the Act (“Investigation”) to determine whether CFGI violated, was violating or was about to violate provisions of the Act or Regulations or any order thereunder;

WHEREAS, on July 13, 2018, the Division issued to CFGI a “Letter of Caution” (“LOC”), putting CFGI on notice that two of CFGI’s current policies could possibly result in a violation of the Act or Regulations, and should be changed. Among other things, the LOC stated that CFGI’s billing policy, that did not permit credits or refunds for the partial withdrawal of funds by a client ending the advisory relationship with CFGI, was not consistent with SEC guidance on advisory fees. Second, the LOC advised CFGI that if CFGI’s balance sheet was going to list prepaid advisory fees (taken by CFGI on the first of every month) as an asset, the Department considered that fee not fully earned until the end of the month and therefore it should have been noted as a corresponding liability on the balance sheet;

WHEREAS, during the Examination, Division staff found that neither of the issues addressed in the LOC had been corrected by CFGI. Subsequent to the Examination and after a series of emails between the Division staff and CFGI, CFGI corrected the two issues addressed in the LOC;

WHEREAS, when Division staff arrived at CFGI’s offices for the Examination, the President of CFGI was generally uncooperative, and immediately directed Division staff across the hall to a shared conference room space. Although CFGI produced records during and after the Examination in response to document and information requests, CFGI failed to furnish access to the office of CFGI’s President at the time of Examination;

WHEREAS, during the Examination, Division staff requested information regarding an affiliate of CFGI (“Affiliate”), specifically (i) what type of business the Affiliate did; (ii) the amount of revenue the Affiliate generated; and (iii) whether any of CFGI’s advisory clients were clients of the Affiliate. First, CFGI represented to Division staff that the Affiliate did not generate any revenue (implying that it did not do any business). It is CFGI’s position that it answered that way because it mistakenly believed that the question was whether the Affiliate did any *advisory* business, not business in general. Only after multiple

requests by Division staff to clarify the Affiliate's business did CFGI represent that the Affiliate received income in connection with estate planning services provided by CFGI's President to the Affiliate.

In addition, although CFGI represented that no CFGI advisory clients were also clients of the Affiliate, Division staff discovered that there were three advisory clients that were also clients of the Affiliate (although CFGI has represented that the relationship with those clients preceded their becoming advisory clients of CFGI).

WHEREAS, during the Examination, Division staff requested a copy of CFGI's year-to-date income statement for 2024. The income statement provided to the Division did not list any expenses, despite the fact that an income statement, in the normal course, reflects both revenue *and* expenses. In response to the Division staff's question about this, the President of CFGI represented that CFGI did not have any expenses because its parent company paid CFGI's expenses. The income statement may be construed as an inaccurate financial record because CFGI did in fact have expenses, despite what was reflected on its income statement;

WHEREAS, the Commissioner has reason to believe that the foregoing conduct violates certain provisions of the Act and Regulations, and would support administrative proceedings against CFGI under Sections 36b-15 and 36b-27 of the Act, including conduct which, if proven, would constitute a basis for the revocation of CFGI's investment adviser under Section 36b-15(a) of the Act;

WHEREAS, an administrative proceeding initiated under Sections 36b-15 and 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 of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

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, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and CFGI have reached an agreement, the terms of which are reflected in this Consent Order;

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

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;

WHEREAS, CFGI acknowledges that it has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

AND WHEREAS, CFGI and the Commissioner wish to avoid the cost and uncertainty of protracted litigation and agree to the terms of this Consent Order through their execution of this Consent Order, and CFGI specifically assures the Commissioner that none of the violations alleged in this Consent Order shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, CFGI, through its 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 Sections 36b-15(f) and 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 itself of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present its position in a hearing in which it 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, CFGI, through its execution of this Consent Order, acknowledges the following allegations of the Commissioner but enters into this Consent Order, without admitting or denying the same:

1. CFGI violated Section 36b-31-6f(b) of the Regulations by, among other things, failing to establish, enforce and maintain a system for supervision that would have ensured that CFGI changed the two policies referenced in the Division's LOC to CFGI;
2. CFGI violated Section 36b-31-14f(b)(4) of the Regulations by failing to furnish access to certain areas of its investment advisory operations and otherwise facilitate an examination by Division staff;
3. CFGI violated Section 36b-23 of the Act by making statements regarding its affiliate that were false or misleading in documents filed with the Commissioner; and
4. CFGI violated Section 36b-31-14b(a) of the Regulations by failing to keep true, accurate and current records in connection with the income statement provided to the Division for year 2024;

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting CFGI an opportunity for a hearing;

AND WHEREAS, CFGI 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, CFGI, through its execution of this Consent Order, consents to the Commissioner's entry of an order imposing on it the following sanctions:

1. CFGI, its officers, representatives, agents, and employees shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including without limitation, engaging in practices within the meaning of Sections 36b-31-6f(b), 36b-31-14f(b)(4), and 36b-31-14b(a) of the Regulations and Section 36b-23 of the Act;

2. For a period of three (3) years after entry of this Consent Order, CFG shall retain a regulatory consultant ("Consultant") sufficiently experienced in state and federal investment advisory legal and compliance issues, as well as ethical matters, and not unacceptable to the Division Director to perform on-site compliance reviews of CFG and its investment advisory personnel. CFG shall identify such Consultant in writing to the Division Director prior to the entry of this Consent Order and confirm to the Division Director that such Consultant has been engaged to perform the on-site compliance reviews. The Consultant's on-site reviews shall include a comprehensive evaluation of the securities and/or investment advisory activities of CFG, CFG's agent and any other investment advisory personnel to ensure that they are in compliance with the Act and the Regulations thereunder, including, but not limited to, a review of a) CFG's policies and procedures to ensure that they are being followed and comply with the Act and Regulations; b) the accuracy of the firm's balance sheet, income statement and accounting practices; c) whether CFG is complying with its obligation to furnish access to its operations and facilitate any examination by the Division; d) any statements and documents filed with the Division to ensure their accuracy; and e) to the extent CFG makes undertakings to the Division in the future, that such undertakings are being adhered to.

The Consultant shall perform the reviews twice a year or more frequently should the Consultant deem additional reviews necessary. The first of the on-site reviews shall occur within six months following the entry of this Consent Order (December 2025). Thereafter, the reviews shall occur in accordance with the following schedule: June 2026, December 2026, June 2027 and December 2027.

No later than thirty (30) days following each on-site review, CFG shall file with the Division Director a sworn affidavit, signed by the President of CFG, verifying compliance with the provisions of this paragraph and with this Consent Order and verifying that the Consultant's recommendations were implemented. All written communications, evaluations, and reports made by the Consultant shall be retained by CFG and shall be open to inspection by the Division; and

3. No later than the date this Consent Order is entered by the Commissioner, CFG shall remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of ten thousand dollars (\$10,000), which shall constitute an administrative fine.

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 CFG and/or its affiliates and successors in interest 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 CFG and/or its affiliates and successors in interest 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. CFG shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, that the Commissioner had a basis to pursue the allegations set forth in Section III of this Consent Order, or create the impression that this Consent Order is without factual basis;
5. CFG 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. However, nothing in this Consent Order affects CFG's (i) testimonial obligations; or (ii) right to take a legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 23rd day of June 2025.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Pasquale J. Sacchetta, state on behalf of CFG Investment Advisory Services, LLC f/k/a Continental Five Investment Group, LLC ("CFG"), that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of CFG; that CFG agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that CFG consents to the entry of this Consent Order.

By: _____/s/_____
Pasquale J. Sacchetta
President

State of: Connecticut

County of: Fairfield

On this the 17th day of June 2025, before me, the undersigned officer, personally appeared Pasquale J. Sacchetta, who acknowledged himself to be the President of CFG, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: 11/30/2028