

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, their affiliates, agents, representatives and employees to determine if they or

any of them, have violated, are violating or are about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the information obtained during the Investigation, the Commissioner has reason to believe that Respondents have violated certain provisions of the Act. Accordingly, the Commissioner has reason to believe that a basis exists to: a) issue a cease-and-desist order against Respondents pursuant to Section 36b-27(a) of the Act; b) order that Respondents make restitution pursuant to Section 36b-27(b) of the Act; and c) impose a fine upon Respondents pursuant to Section 36b-27(d) of the Act.

4. As a result of the Investigation, on September 17, 2025, Commissioner, acting pursuant to Section 36b-27 of the Act, issued an Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing (collectively, “Order and Hearing Notice”) against Respondents, which Order and Hearing Notice is hereby amended and superseded.

5. On September 30, 2025, Respondents requested a hearing on the allegations set forth in the Order and Hearing Notice.

6. Section 36b-31(a) of the Act authorizes the Commissioner to “make [and] amend . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive . . .”

7. Section 36a-1-22 of the Regulations provides, in pertinent part, that:

The commissioner may amend the notice of hearing at any stage of the contested case prior to the close of evidence. The presiding officer shall provide parties . . . with notice of the amendment and shall provide them with sufficient time to prepare their case in light of the amendment. A party that has requested a hearing on the original notice need not request a hearing on the amended notice and any such hearing shall proceed on the amended notice as if it were the original notice.

II. RESPONDENTS

8. D & M Group, LLC d/b/a Putnam Science Academy, also d/b/a Putnam Science Academy Education, Inc. (collectively, “D&M”), is a Connecticut limited liability company formed on June 11, 2015. D&M was formed for the purpose of purchasing a private high school, Putnam Science Academy (“Putnam School”) located at 18 Maple Street, Putnam, Connecticut, and the properties on which the school is located. D&M’s last known mailing address is 18 Maple Street, Putnam, Connecticut 06260.

9. PSA Education, Inc. d/b/a Putnam Science Academy, also d/b/a Putnam Science Academy Education, Inc. (collectively, “PSA Education”) is a Connecticut corporation formed on July 12, 2016, whose last known mailing address is 18 Maple Street, Putnam, Connecticut 06260. PSA Education was formed to own and operate the Putnam School and to solicit investors for the Putnam School.

10. Tieqiang Ding (“Ding”) is an individual whose address last known to the Commissioner is 18 Maple Street, Putnam, Connecticut 06260. In approximately 2015, Ding (and another individual who is not a respondent) purchased the Putnam School. Ding is and has always been the sole control person of D&M, holding the title of either President or Managing Member. Ding is also President and control person of PSA Education. At all relevant times hereto, Ding has done business under the names D&M and PSA Education.

11. Hong Fang a/k/a Julia Fang (“Fang”) is married to Ding and resides with him at 18 Maple Street, Putnam, Connecticut 06260. Fang has always been actively involved in the day-to-day operations of PSA Education, D&M, and the Putnam School. Fang was an authorized bank signatory for a PSA Education’s bank account and was listed at times as Manager, Member or Secretary on PSA Education’s filings with the Connecticut Office of the Secretary of the State.

III. STATEMENT OF FACTS

12. Ding and Fang moved to the United States from China in 1990 and 1994, respectively, and have lived in Connecticut since the mid-1990s. In approximately 2014, Ding and Fang joined a group chat on the social media app, WeChat (“WeChat Group”). The WeChat Group had approximately three hundred eleven (311) members, the majority of whom resided in China or were Chinese nationals in the United States. In 2015, Ding and Fang began posting about investment opportunities in the United States in the WeChat Group.

13. As described in detail below, the Division’s Investigation found that Respondents engaged in an affinity fraud by preying on Chinese nationals residing in China, Chinese nationals living in the United States, and Chinese Americans, and convincing them to invest in the Putnam School.

Background: the Putnam School

14. The Putnam School originated in 1928 and operated as a private high school under different owners and names until approximately 2015. In 2015, Ding and Fang learned that the Putnam School was for sale, and they became interested in purchasing and running it as a private high school.

15. In October 2015, Ding and another individual (a non-respondent), purchased the school, through D&M, including all the properties on which it is located, for \$2.9 million. On July 12, 2016, Ding formed PSA Education to both operate and solicit investors for the Putnam School

16. Ding and Fang handled the day-to-day operations of PSA Education and the Putnam School, including recruiting and hiring teachers and recruiting students. In approximately November 2016, Ding and Fang began actively soliciting investors to raise capital for the Putnam School through messages posted in the WeChat Group. On November 18, 2016, Ding posted a message in Chinese in the WeChat Group. Translated into English, the message stated: “Is anyone interested in investing and immigrating to the United States? My school has a spot. \$1 million, shares, dividends, and management participation are also welcome. Thank you.” This message was the catalyst for the investments described below.

17. On July 19, 2018, and again on July 21, 2018, Ding messaged prospective investors in a separate WeChat group labeled (translated into English) “Putnam Education Group Mutual Aid Group,” stating that the current valuation of the Putnam School was fifteen million dollars (\$15,000,000), and that after the current capital raise, the total value of the Putnam School would be fifty-four million dollars (\$54,000,000). Neither of these claims had any basis in fact at the time they were made.

18. From approximately January 2017 to approximately August 2020, Ding and/or Fang, individually and/or on behalf of D&M and PSA Education, offered and sold securities in the amount of at least \$5.7 million to at least four (4) investors, purportedly to raise capital for the Putnam School.

19. Ding and Fang lured investors to invest in the Putnam School by creating a narrative, much of it false, about their experience and qualifications to manage a high school and its finances. A summary of the narrative and pattern follows here:

- Ding and Fang represented to investors that Ding was a highly qualified educator with extensive experience running schools, and that Fang had extensive experience in the finance industry. Ding and Fang also represented to investors that the Putnam School was doing very well financially, and that investor money would be used for capital improvements. This led investors to believe that between Ding's experience in education and Fang's experience in finance, Ding and Fang were well suited to manage the Putnam School and any investments in it.
- After initial conversations about the Putnam School with potential investors, Ding and Fang solicited investments by giving investors promissory notes or other documents purportedly memorializing the investment.
- As soon as investors asked for additional documentation regarding the investment and/or the Putnam School's finances, Ding became defensive and sometimes threatened to withdraw the investment opportunity. As a result, investors felt pressured, and sent Ding and Fang money before receiving risk disclosures or other documentation.
- In most cases, once Ding and Fang received the investment money, they would become unresponsive to communications from the investor, and when a promissory note became due, Ding and Fang would default on the note and make excuses as to why the money could not be repaid.

20. The securities sold by Respondents constitute securities within the meaning of Section 36b-3(19) of the Act, which securities were not registered under Section 36b-16 of the Act, nor were they the subject of a filed exemption claim or claim of covered security status.

Investor A

21. Investor A, who resides in Colorado, began communicating with Ding and Fang in October 2016 through the WeChat Group. Investor A, an educational consultant for overseas students, was considering sending one of his clients to the Putnam School.

22. In December 2016, Investor A visited the Putnam School. Ding, individually and on behalf of PSA Education, solicited Investor A to invest in the Putnam School. Ding sent Investor A an “Investment Cooperation Plan Director Plan” and “PSA Investment Plan Outline” (translated from Chinese), which solicited Investor A to make an investment for \$500,000. These documents characterized the Putnam School as profitable and were sent to Investor A to induce him to invest in the Putnam School. The documents included multiple misrepresentations including, but not limited to, that the Putnam School had assets totaling \$21.83 million. An additional document Ding provided to Investor A (translated from Chinese) estimated future profits, which purportedly reflected the Putnam School’s estimated future income, expenses, and student population growth between 2016 through 2021.

23. Ding, rather than an independent auditor, valued the total assets of the Putnam School at \$21.83 million in the documents sent to Investor A. Despite Investor A’s requests, Ding did not provide any additional documentation to Investor A that either substantiated the total asset value of the Putnam School or reflected how Ding calculated the value at \$21.83 million.

24. Between January 2017 and March 2017, Investor A invested two hundred thousand (\$200,000) dollars in the Putnam School. Ding repeatedly ignored Investor A’s requests for written memorialization of the investment. On June 8, 2017, Ding sent a receipt on Putnam School stationary to Investor A that reflected the following (translated from Chinese): “I have received US\$200,000 from [Investor A] to invest in the school, which is part of US\$218,300. This is to certify.” [sic] signed by Ding.

25. In October 2018, Respondents repaid Investor A thirty thousand dollars (\$30,000), and during the winter of 2025, Respondents paid Investor A one hundred seventy thousand dollars (\$170,000) dollars, which was the balance owed to Investor A from his initial investment.

Investor B

26. Investor B refers to a group of three family members who all reside in Connecticut. Investor B was part of the WeChat Group and was solicited by Ding and Fang to invest in the Putnam School. From November 2016 to April 2018, Ding and Fang, individually and on behalf of PSA Education, communicated with Investor B about different investment opportunities.

27. In April 2018, Ding and Fang sent multiple messages soliciting Investor B to invest in the Putnam School. On April 28, 2018, and June 10, 2018, Ding sent Investor B PowerPoint marketing presentations (“PowerPoints”) seeking to raise capital for the Putnam School. The PowerPoints portrayed the Putnam School as being financially sound and represented, among other things, that the school would “generate \$9 million in revenue”, and “[o]verall, this project carries very little risk!”.

28. From April 2018 to June 2018, Investor B sent Ding, Fang, and PSA Education four hundred thousand dollars (\$400,000) to invest in the Putnam School. These investments were evidenced by three promissory notes (all dated August 1, 2018) for one hundred fifty thousand dollars (\$150,000); one hundred thirty-five thousand dollars (\$135,000); and one hundred fifteen thousand dollars (\$115,000). Each of these promissory notes had an interest rate of “ten percent (12%)” [*sic*] and were signed by both Ding and Fang on behalf of PSA Education.

29. The first promissory note was due and payable on May 17, 2019, and on May 16, 2019, PSA Education repaid Investor B \$168,000, representing repayment of the promissory note for \$150,000, plus interest.

30. On August 27, 2020, Investor B brought a civil action against Ding, Fang, and PSA Education in Connecticut Superior Court in Fairfield at Bridgeport to recover the balance due on the promissory notes. *Docket No. FBT- CV-20-6099156-S, 2020, Trellis* (Fairfield at Bridgeport, August 27, 2020). Despite a settlement reached between the parties, Investor B is still owed \$118,000.

Investor C

31. Investor C is an education-based corporation based in Massachusetts. Investor C’s President was introduced to Ding in 2019 through a colleague.

32. In November 2019 and January 2020, Ding, individually and through D&M, offered and sold Investor C securities evidenced by two convertible promissory notes (“CPNs”) totaling \$4,800,000. Specifically, on November 24, 2019, D&M gave Investor C a CPN with an interest rate of eight percent (8%) in exchange for one million dollars (\$1,000,000). This CPN had a maturity date of December 23, 2023, and provided that, at the election of the holder (Investor C), the CPN could be converted into “equity securities” of D&M. On January 22, 2020, D&M gave Investor C a second CPN with an interest rate of eight per cent (8%) in exchange for \$3,800,000. This second CPN also had a maturity date of December 23, 2023, and gave Investor C the right to convert the CPN into “equity securities.”

33. Despite requests by Investor C to Ding, D&M, and PSA Education, Investor C has not been repaid.

34. On May 11, 2022, Investor C filed a civil complaint against D&M and PSA Education, in the Superior Court of Windham, Connecticut for, *inter alia*, failure to repay the CPNs. *Docket No. WWM-CV22-6024296-S, 2022, Trellis* (Windham, May 11, 2022). On June 4, 2024, the court entered a judgment, based on a settlement agreement between the parties, in favor of Investor C in the amount of four million eight hundred thousand dollars (\$4,800,000) plus interest and fees. To date, this judgment has not been paid.

Investor D

35. Investor D met Fang in 2018 at an educational seminar in Beijing, China. At the time, Investor D was considering moving to the United States in order for her son to attend school.

36. During the seminar, Fang told Investor D about the Putnam School and solicited Investor D to invest in it. Among other things, Fang told Investor D that Ding graduated from Yale University, that she (Fang) had worked on Wall Street and that the Putnam School was expanding.

37. In October 2018, Investor D invested three hundred thousand dollars (\$300,000) with Respondents through a “Financing Agreement”, (translated from Chinese), that, among other things, gave Investor D an equity interest of 1.2% in D&M.

38. In 2019, Investor D moved to Massachusetts from China.

39. To date, Respondents have repaid Investor D sixty-eight thousand five hundred dollars (\$68,500), despite multiple requests for the return of the balance of the investment. Respondents still owe Investor D two hundred thirty-one thousand five hundred dollars (\$231,500).

Fraud/Misrepresentations/Omissions

40. In connection with the above-described offers and sales of securities to Investor A, Investor B, and Investor D, Ding, individually and through D&M and PSA Education, made multiple misrepresentations and omissions of material fact and engaged in other fraudulent activity. In connection with the above-described offer and sale of securities to Investor B, Fang individually and through PSA Education, made multiple misrepresentations and omissions of material fact and engaged in other fraudulent activity. These statements were made to gain investors' trust and convince them of Ding and Fang's qualifications and experience and the financial strength of the Putnam School, with the goal of inducing the investors to invest in the Putnam School. These misrepresentations, omissions of material facts and fraudulent statements made to investors include, but are not limited to, the following:

- The Putnam School was profitable, and Ding and Fang had the educational and financial experience to successfully manage a private high school;
- Ding had a proven track record of being a successful investor and educator;
- Ding's suggestion to least one investor that he (Ding) had a degree from Yale University;
- At various times and to different investors, Ding represented that the Putnam School was either valued at or had assets of anywhere from \$15 million to \$21 million. However, in August 2016 an independent certified public accounting firm calculated PSA Education's unaudited total assets as \$3.3 million;
- The failure to disclose that the valuation of the Putnam School was calculated by Ding and not an outside independent auditor or third party;
- The failure to provide investors with an offering document that disclosed the potential risks of investing in the Putnam School;

- The failure to disclose that investor money would be used by Ding and Fang (and in some cases their children) for personal expenses, including but not limited to, personal mortgage payments, tuition for the children's middle and high schools, clothing, and travel; and,
- The failure to disclose that investor money would be comingled in the same bank account with Ding and Fang's personal money and other operating income for the Putnam School.

41. The Division's review of Respondents' bank accounts revealed that Ding and Fang consistently used a portion of investor monies for personal expenses, including but not limited to, personal mortgage payments, tuition for their children's middle and high schools, clothing, and travel, and other expenses for their children.

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

a. Violation of Section 36b-16 of the Act by Respondents – Offer and/or Sale of Unregistered Securities

42. Paragraphs 1 through 41, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

43. Respondents offered and/or sold unregistered securities to at least one investor, as more fully described in paragraphs 7 through 41. The offer and sale of such securities absent registration constitutes a 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.

b. Violation of Section 36b-4(a) of the Act by Respondents – Fraud in Connection with the Offer and Sale of any Security

44. Paragraphs 1 through 42, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

45. The conduct of Respondents, as more fully described in paragraphs 7 through 41, inclusive, constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person. Such conduct 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.

**V. AMENDED AND RESTATED ORDER TO CEASE AND DESIST, AMENDED AND
RESTATED ORDER TO MAKE RESTITUTION,
AMENDED AND RESTATED 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, Respondents have each committed at least one violation of Section 36b-16 of the Act, and at least one violation of Section 36b-4(a) of the Act;

WHEREAS, the Commissioner further finds that the issuance of an Order to Cease and Desist, 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 each Respondent;

WHEREAS, the Commissioner **ORDERS** that D&M and its employees, officers, representatives, affiliates and successors in interest, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered

securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that PSA Education its employees, officers, representatives, affiliates and successors in interest, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **TIEQIANG DING**, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that **HONG FANG a/k/a JULIA FANG**, **CEASE AND DESIST** from directly or indirectly violating the provisions of the Act and Regulations, including without limitation, (1) offering and selling unregistered securities in or from Connecticut; and (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting 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 engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

WHEREAS, the Commissioner **ORDERS** that Respondents **MAKE RESTITUTION** to unreimbursed investors of any sums obtained as a result of Respondents' violations of Sections 36b-16 and 36b-4(a) 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 Amended Order to Make Restitution becomes permanent, Respondents shall provide the Division with a written disclosure which covers the period from January 2017 to the date this Order to Make Restitution becomes permanent and which contains, in addition to Investors B, C and D, (a) the name and address of each investor in D&M and/or PSA Education, (b) the amount Respondents collected from each investor, and (c) the amount of any refunds of principal or purported interest payments Respondents have made to each investor;
 2. Within thirty (45) days from the date this Order to Make Restitution becomes permanent, Respondents shall reimburse Investor B one hundred eighteen thousand dollars (\$118,000), plus interest and Investor D two hundred thirty-one thousand five hundred dollars (\$231,500), plus interest; and Ding, D&M and PSA Education shall reimburse Investor C four million eight hundred thousand dollars (\$4,800,000), plus interest. Additionally, Respondents shall reimburse any additional investor that the Commissioner is unaware of at the entry of this Amended Order to Make Restitution the balance of the principal amount of his or her investment, regardless of whether Respondents have provided notice of such investor in Section 1 above.
- Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested; and,
3. Within sixty (60) days from the date this 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 this Section V of this Amended Order to Cease and Desist, Amended Order to Make Restitution, Amended Notice of Intent to Fine and Amendment Notice of Right to Hearing that Respondents have reimbursed the investors in D&M and/or PSA Education.

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.

The hearing will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes on January 13, 2026. 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.

If any Respondent fails to appear at any such hearing, the allegations herein against such Respondent will be deemed admitted. Accordingly, the Amended and Restated Order to Cease and Desist and Amended and Restated 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 17th day of November 2025

_____/s/
Jorge L. Perez
Banking Commissioner