
*
IN THE MATTER OF: *
*
IRWT, LLC d/b/a *
IN RUSS WE TRUST *
*
RUSSELL D. DAVIS *
*
(“Respondents”) *
*

CONSENT ORDER
MATTER NO. CO-24-202412-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, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, conducted an investigation pursuant to Section 36b-26(a) of the Act into the activities of Respondents to determine if they violated, were violating or were about to violate provisions of the Act or Regulations (“Investigation”);

WHEREAS, as a result of the Investigation, on July 22, 2024, the Commissioner, acting pursuant to Section 36b-27 of the Act, issued an Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing against Respondents (Docket No. CF-24-202412-S) (collectively, “Notice”), which Notice is incorporated by reference herein;

WHEREAS, on August 21, 2024, Respondents requested a hearing on the matter alleged in the Notice;

WHEREAS, on August 30, 2024, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer, wherein the Commissioner appointed Department of Banking Attorney Eric Beckenstein as the Hearing Officer and scheduled a hearing on the matters alleged in the Notice for October 17, 2024 (“Hearing”);

WHEREAS, on September 25, 2024, Respondent’s counsel requested a continuance of the October 17, 2024 Hearing. In response, the Hearing Officer continued the Hearing and scheduled a teleconference call for October 17, 2024 to discuss a new Hearing date and other matters. This call was rescheduled until October 23, 2024;

WHEREAS, on October 23, 2024, the parties and the Hearing Officer had a teleconference call wherein the Hearing Officer scheduled the Hearing for November 21, 2024 unless the parties entered into a resolution to settle this matter;

WHEREAS, on November 18, 2024, the parties came to an agreement to resolve this matter through a Consent Order;

WHEREAS, Section 36b-27(f) of the Act provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a), (b) . . . or subdivision (1) of subsection (d) of this section, the commissioner may accept an agreement by any respondent named in such order or notice to enter into a written consent order in lieu of an adjudicative hearing”;

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, an administrative proceeding initiated under Section 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, Respondents and the Commissioner now desire to resolve the matters alleged in the Notice without the need for further administrative proceedings;

WHEREAS, the Commissioner finds that the issuance 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, Respondents expressly consent to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, Respondents acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and execute this Consent Order freely;

AND WHEREAS, Respondents, through their execution of this Consent Order, specifically assure the Commissioner that the violation alleged in the Notice or this Consent Order shall not occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondents, through their execution of this Consent Order, voluntarily waive the following rights:

1. To be afforded an opportunity for a hearing within the meaning of Section 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 themselves of Section 36b-27 of the Act and Section 4-177(c) of the General Statutes of Connecticut;
3. To present their position in a hearing in which they are 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 ALLEGATION

WHEREAS, Respondents, through their execution of this Consent Order, acknowledge the following allegation of the Commissioner, without admitting or denying it: Respondent Russell D. Davis violated Section 36b-23 of the Act by making a statement to the Commissioner during an investigation that was, at the time and in light of the circumstances under which they were made, false or misleading in any material respect;

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

AND WHEREAS, Respondents acknowledge the possible consequences of an administrative hearing and voluntarily agree to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondents, through their execution of this Consent Order, consent to the Commissioner's entry of a Consent Order imposing on them the following sanctions:

1. Respondents shall cease and desist from directly or indirectly violating the provisions of the Act or any regulation, rule or order adopted or issued under the Act, including without limitation, engaging in any activity in or from Connecticut that violates Sections 36b-23 of the Act; and
2. No later than the date this Consent Order is entered by the Commissioner, Respondents 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; and

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 Respondents 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 Respondents based upon evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation, rule or order adopted or issued under the Act;
4. Respondents shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
5. Respondents 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 Respondents' (i) testimonial obligations; or (ii) right to take any 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 13th day of January 2025.

_____/s/
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Russell D. Davis, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Russell D. Davis

State of: Connecticut

County of: New Haven

On this the day of January 4, 2025, before me, the undersigned officer, personally appeared Russell D. Davis, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: Apr. 30, 2029

CONSENT TO ENTRY OF ORDER

I, Russell D. Davis, state on behalf of IRWT, LLC d/b/a In Russ We Trust (“IRWT”), 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 IRWT; that IRWT agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that IRWT consents to the entry of this Consent Order.

IRWT, LLC d/b/a In Russ We Trust

By: _____/s/_____
Russell D. Davis
Member and Manager

State of: Connecticut

County of: New Haven

On this the 4th day of January 2025, before me, the undersigned officer, personally appeared Russell D. Davis, who acknowledged himself to be a Member and Manager of IRWT, and that he, as such Member and Manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of IRWT by himself as Member and Manager.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public / Commissioner of the Superior Court
Date Commission Expires: Apr. 30, 2029