

Return Date: October 4, 2016

JORGE L. PEREZ, BANKING : SUPERIOR COURT
COMMISSIONER OF THE STATE OF :
CONNECTICUT :
v. : JUDICIAL DISTRICT OF
HARTFORD
DALE JOSEPH QUESNEL, SR. : SEPTEMBER 1, 2016

VERIFIED COMPLAINT

COUNT ONE: (Enforcement of the Commissioner's Administrative Orders)

1. The Plaintiff is Jorge L. Perez, Banking Commissioner of the State of Connecticut (the "Commissioner").
2. The Defendant is Dale Joseph Quesnel, Sr., individually and/or doing business as Insurance and Investment Services LLC ("Quesnel").
3. Quesnel is an individual whose address is 22 Crescent Beach Drive, Enfield, Connecticut 06082. At various times between March 7, 1994 and January 14, 2011, Quesnel was registered as a broker-dealer agent in Connecticut. From July 9, 1992 through approximately August 29, 2011, Quesnel was licensed with the Connecticut Insurance Department and did business as Insurance and Investment Services LLC ("IIS"), a Connecticut limited liability company with its principal place of business at 50 Freshwater Boulevard, P.O. Box 615, Enfield, Connecticut 06083. In addition to selling insurance products, Quesnel, doing business as IIS, performed and sold securities research and technical

analysis to broker-dealer agents.

4. The Commissioner brings this action to enforce against Quesnel an Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Fine and Notice of Right to Hearing dated June 22, 2015 (the "Order and Notice") and a Findings of Fact, Conclusions of Law and an Order dated March 3, 2016 (the "Final Order").
5. This action is authorized under §§ 36a-50(b)(1) and (2) of the General Statutes.
6. This Court has jurisdiction over this matter pursuant to §§ 36a-50(b), 51-164s and 52-1 of the General Statutes.
7. The Commissioner's Order and Notice dated June 22, 2015 alleged that Quesnel violated Title 36b, Chapter 672a of the Connecticut General Statutes, the Connecticut Uniform Securities Act ("CUSA") and regulations issued pursuant to CUSA, in that Quesnel:
 - a. Engaged in the sale of unregistered securities in violation of Section 36b-16 of CUSA;
 - b. Transacted business as an unregistered agent of issuer in violation of Section 36b-6(a) of CUSA;
 - c. Made a statement during an investigation that was false or misleading in a material respect in violation of Section 36b-23 of CUSA;
 - d. Committed fraud in connection with the offer and sale of securities in violation of Section 36b-4(a) of CUSA;
 - e. Engaged in a private securities transaction without prior written notice to his

employing broker-dealer in violation of Section 36b-31-6e of the Regulations of Connecticut State Agencies; and

f. Transacted business as an unregistered investment advisor in violation of Section 36b-6(c)(1) of CUSA.

8. The Commissioner's Order and Notice dated June 22, 2015:

a. Notified Quesnel that the Commissioner intended to impose a maximum fine not to exceed One Hundred Thousand Dollars (\$100,000) per alleged violation of CUSA and regulations issued pursuant to CUSA;

b. Ordered Quesnel, individually and/or doing business as IIS, to Cease and Desist from directly or indirectly violating CUSA and regulations issued pursuant to CUSA, including without limitation, Sections 36b-16, 36b-6(a), 36b-23, 36b-4(a) and 36b-6(c)(1) of the General Statutes and Section 36b-31-6e of the Regulations of Connecticut State Agencies;

c. Ordered Quesnel and five additional respondents to provide the Commissioner with a written disclosure, to make Restitution of any sums obtained as a result of their respective violations of Section 36b-4(a) of CUSA, plus interest at the legal rate set forth in Section 37-1 of the General Statutes, and to provide proof of compliance as follows:

i. Within thirty (30) days from the date the Order to Make Restitution becomes permanent, Quesnel and each of the five additional respondents were to provide the Commissioner with a written disclosure which contains the corresponding (i) name and address of each investor who purchased promissory notes (or similar instruments) from such

respondent between approximately February 2009 to approximately July 2013, (ii) the amount collected from each investor, (iii) the date of each investment, and (iv) the amount of any refunds of principal or purported interest payments made to each investor.

- ii. Within forty-five (45) days from the date the Order to Make Restitution becomes permanent, Quesnel and each of the five additional respondents were to reimburse each investor the amount of funds collected from the investor in connection with the promissory notes (or similar instruments) plus interest at the legal rate set forth in Section 37-1 of the General Statutes, less funds returned in the form of purported refunds of principal and purported interest payments. Such restitution was to be made by certified check, and was to be sent by certified mail, return receipt requested, to each affected investor.
- iii. Within ninety (90) days from the date the Order to Make Restitution becomes permanent, Quesnel and each of the five additional respondents were to provide the Commissioner with proof in the form of copies of the certified checks and the return receipts required by paragraph (b) of this order of restitution, that such respondent has reimbursed 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, with respect to each investor who purchased a promissory note (or similar instrument) of Overtime Marketing, LLC, Overtime Sports Southeast, LLC and Overtime Sports Southwest, LLC.

- d. Ordered that, pursuant to Section 36b-27 of CUSA, Quesnel be afforded an opportunity for a hearing on the allegations if a written request for a hearing was received by the Department of Banking within fourteen (14) days of Quesnel's receipt of the Notice, such hearing to be held in accordance with the provisions of Chapter 54 of the General Statutes ("UAPA") and where Quesnel would 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;
 - e. Provided that the Order to Cease and Desist and the Order to Make Restitution shall remain in effect and become permanent against Quesnel if he failed to request a hearing within the prescribed time period or failed to appear at any such hearing.
 - f. Provided that the Commissioner may order that the maximum fine be imposed upon Quesnel for each of the six alleged violations of CUSA and regulations issued pursuant to CUSA, specifically Sections 36b-16, 36b-6(a), 36b-23, 36b-4(a) and 36b-6(c)(1) of CUSA and Section 36b-31-6e of the Regulations of Connecticut State Agencies, if Quesnel failed to request a hearing within the prescribed time period or failed to appear at any such hearing.
9. The Department received Quesnel's completed Appearance and Request for Hearing Form, requesting a hearing on the allegations set forth in the Order and Notice, and a hearing was held on October 20, 2015 ("Hearing").
 10. Quesnel did not attend the Hearing.

11. The Commissioner's Final Order dated March 3, 2016:

- a. Noted that, pursuant to Section 36a-1-31(b) of the Regulations of Connecticut State Agencies, when a party fails to appear at a scheduled hearing, the allegations against the party may be deemed admitted;
- b. Found the allegations against Quesnel deemed admitted in light of his failure to attend the Hearing;
- c. Rendered the Cease and Desist Order appearing in the Order and Notice permanent with respect to violations of Sections 36b-16, 36b-6(a), 36b-23, 36b-4(a) and 36b-6(c)(1) of CUSA and Section 36b-31-6e of the Regulations of Connecticut Agencies;
- d. Rendered the Order to Make Restitution appearing in the Order and Notice permanent; and
- e. Ordered Quesnel to pay the maximum Civil Penalty of One Hundred Thousand Dollars (\$100,000) for each of the six violations of CUSA and regulations issued pursuant to CUSA found, for total Civil Penalties of Six Hundred Thousand Dollars (\$600,000).

12. To date, Quesnel has not paid any of the six Civil Penalties ordered, in whole or in part.

13. To date, Quesnel has not complied with any of the three orders within the Order to Make Restitution.

COUNT TWO: (Imposition of Fine for Violation of Commissioner's Order)

1. The allegations in paragraphs 1 through 13 of Count One are hereby made paragraphs 1 through 13 of this Count Two.
14. Under § 36a-50(b)(2) of the General Statutes, the Commissioner may seek a court order imposing a penalty not to exceed one hundred thousand dollars (\$100,000) per violation against any person found to have violated any order of the Commissioner.
15. Quesnel has violated at least nine (9) orders of the Commissioner pursuant to the Commissioner's Final Order dated March 3, 2016 by his failure to:
 - a. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-16 of CUSA;
 - b. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-6(a) of CUSA;
 - c. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-23 of CUSA;
 - d. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-4(a) of CUSA;
 - e. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-6(c)(1) of CUSA;
 - f. pay the Civil Penalty of \$100,000 with respect to his violation of Section 36b-31-6e of the Regulations of Connecticut Agencies;
 - g. provide the Commissioner with written disclosure pursuant to the Order to

Make Restitution;

- h. make Restitution pursuant to the Order to Make Restitution; and
- i. provide the Commissioner with proof of payment of Restitution pursuant to the Order to Make Restitution.

DEMAND FOR RELIEF

Wherefore, the Plaintiff requests the following relief:

1. An Order permanently enjoining Quesnel from violating Sections 36b-16, 36b-6(a), 36b-23, 36b-4(a) and 36b-6(c)(1) of CUSA and Section 36b-31-6e of the Regulations of Connecticut Agencies;
2. A Money Judgment in the amount of Six Hundred Thousand Dollars (\$600,000) representing the total amount of the Civil Penalties imposed under the Commissioner's Final Order of March 3, 2016.
3. An Order to Make Restitution, reducing the Commissioner's Order to Make Restitution to a court order, as follows:
 - a. Within thirty (30) days from the date of the Court's Order, Quesnel shall provide the Commissioner with a written disclosure which contains the corresponding (i) name and address of each investor who purchased promissory notes (or similar instruments) from Quesnel between approximately February 2009 to approximately July 2013, (ii) the amount collected from each investor, (iii) the date of each investment, and (iv) the amount of any refunds of principal or purported interest payments made to each investor.
 - b. Within forty-five (45) days from the date of the Court's Order, Quesnel shall reimburse each investor the amount of funds collected from the investor in connection with the promissory notes (or similar instruments) plus interest at the legal rate set forth in Section 37-1 of the General Statutes, less funds

returned in the form of purported refunds of principal and purported interest payments. Such restitution shall be made by certified check, and shall be sent by certified mail, return receipt requested, to each affected investor.

- c. Within ninety (90) days from the date of the Court's Order, Quesnel shall provide the Commissioner with proof in the form of copies of the certified checks and the return receipts required by paragraph (b) of this order of restitution, that Quesnel has reimbursed 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, with respect to each investor who purchased a promissory note (or similar instrument) of Overtime Marketing, LLC, Overtime Sports Southeast, LLC and Overtime Sports Southwest, LLC.
4. A Money Judgment imposing a penalty for failure to comply with each of nine (9) of the Commissioner's orders, in the total amount of Nine Hundred Thousand Dollars (\$900,000) pursuant to § 36a-50(b)(2) of the General Statutes.
5. Post-judgment interest on the entire Money Judgment at the legal rate pursuant to § 37-3a of the General Statutes.
6. Costs of this proceeding.
7. Such other relief as the Court deems appropriate.
8. Satisfaction of this claim out of any debt accruing by reasons of the personal services of Quesnel.
9. The amount in demand is Fifteen Thousand Dollars (\$15,000), or more, exclusive of interest and costs.

Dated at Hartford, Connecticut this 1st day of September, 2016.

PLAINTIFF
JORGE L. PEREZ,
BANKING COMMISSIONER, STATE
OF CONNECTICUT

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Please enter my appearance for the plaintiff in the above-captioned action.

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