STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
PASTORE COMPLEX
1511 PONTIAC AVENUE
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:	:	
Betsy Sachs and Brooke Sachs Complainants,	:	**DBR No.: 17SC001**
v.	:	
Janney Montgomery Scott, LLC, and Whitney Boucher Respondents.	:	

DECISION

I. INTRODUCTION

This matter arose pursuant to an Order Appointing Hearing Officer and Providing Notice of Complaint Hearing ("Order") issued by the Department of Business Regulation ("Department") to Janney Montgomery Scott LLC ("JMS") and Whitney Boucher ("Boucher") (collectively "Respondents") on April 20, 2017. JMS is a broker-dealer registered with the Securities and Exchange Commission, the Financial Industry Regulatory Authority ("FINRA"), and Rhode Island pursuant to Federal law and R.I. Gen. Laws § 7-11-101 *et seq*. Boucher is registered with Rhode Island as an investment advisor representative and broker-dealer representative through his current employer, JMS. Betsy Sachs and Brooke Sachs (collectively "Complainants") filed the complaint against the Respondents and the complaint was the basis for the issuance of the Order. A pre-hearing conference was held on May 19, 2017. On June 2, 2017, the Respondents filed a motion to dismiss to which the Complainants and Department filed objections by June 14, 2017. By order dated July 17, 2017, the Department issued an order denying the motion to dismiss. The

parties then exchanged discovery pursuant to a discovery schedule and status conferences regarding the scope of discovery were held. A hearing was held on October 29, 2018. The Respondents were represented by counsel and the Complainants were *pro se*. The parties rested on the record.

II. JURISDICTION

The Department has jurisdiction over this matter pursuant to R.I. Gen. Laws § 42-35-1 *et seq.*, R.I. Gen. Laws § 7-11-101 *et seq.*, and the 230-RICR-100-00-2 *Rules of Procedure of Administrative Hearing* ("Hearing Regulation").

III. ISSUES

Whether Boucher violated R.I. Gen. Laws § 7-11-212(b)(8) and (11) and R.I. Gen. Laws § 7-11-501(2) and *Securities Division Regulation* Rule 212(a)-1B(9) by violating Rule 212(a)-1A(2); (3); and (4).[1] Whether JMS violated R.I. Gen. Laws § 7-11-212(b) by failing to supervise a sales representative and R.I. Gen. Laws § 7-11-212(b)(8) and Rule 212(a)-1(A)(17) by violating FINRA Rule 3110 regarding supervision.[2]

IV. MATERIAL FACTS AND TESTIMONY

The following were admitted into evidence as exhibits: 1) 2002 account opening as "income and growth." Joint Exhibit One (1); 2) 2004 margin agreement. Joint Exhibit Two (2); 3) 2009 options trading agreement that the parties agreed was never used. Joint Exhibit Three (3); 4) 2009 change in account to "trading and speculation - aggressive." See Joint Exhibit Four (4);

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[1] Subsequent to the time period in this matter, this regulation was repealed and pursuant to the recodification of regulations required by R.I. Gen. Laws § 42-35-5, three (3) new regulations effective August 22, 2018 were promulgated to replace the old regulation. The new relevant regulation is now known as 230-RICR-50-05-2 *Securities Post-Licensing Requirements*. However, as this matter falls under the time frame of the predecessor regulation, this decision will refer to the old regulation's citations; though, its requirements are the same as the newly promulgated regulation.

[2] These potential statutory violations arose out of the Complainants' allegations that Boucher 1) sold unsuitable products; 2) excessively traded the account; and 3) unsuitable sales resulted in unreasonable commissions.

5) 2002-2010 account summaries. Joint Exhibit Five (5); 6) confirmation of trades for 2002 to 2010. See Joint Exhibit Six (6); and 7) Betsy Sachs' tax returns. Joint Exhibit Seven (7).[3]

It was stipulated by the parties prior to hearing that Betsy Sachs was a 55 year old artist with no other source of income at the time the accounts were opened in 2002. The account was transferred to another entity in 2010 and the parties were unable to agree on an exact value of the account at the time of transfer.[4]

Section 2.14(D) of the Hearing Regulation provides that a hearing officer may employ the use of a Department employee to assist in the evaluation of evidence. During discovery, the account opening documents as well as the history of trades were produced. On January 11, 2018, the undersigned, requested pursuant to Section 2.14 of the Hearing Regulation that Donald DeFedele ("DeFedele"), Chief Securities Examiner, review the account's purchases and sales in light of the type of account that Betsy Sachs was to have which were "income and growth" in 2002 and then "trading and speculation – aggressive" in 2009. Since a main issue at hearing was to be suitability, the undersigned requested that a review be taken of 1) whether an income and growth account was appropriate/suitable for Betsy Sachs in 2002; 2) given the type of account between 2002-2009, were the purchases/investments suitable for the type of account (income and growth); 3) whether a trading and speculation – aggressive account in 2009 was appropriate/suitable for Betsy Sachs in 2009; and 4) given the type of account after 2009, were those purchases/investments

[3] Joint Exhibit Seven (7) is under seal.

[4] See Joint Exhibit Five (5) bate stamped document 1277 showing value of $476,437.71 in account by May 31, 2010 and document 1287 showing value in account of $294.42 by June 30, 2010 after transfer of account. The Respondents argued that the value of the account at transfer was $552,000; however, the Complainants argued it was $444,000 because money was lost in the transfer because of a margin account. Based on bate stamped document 1277, the undersigned notes the account value at transfer to be over $476,000. The parties disputed whether Sachs profited over the life of the account. However, the issues before the undersigned did not relate to any loss in value in the account but rather possible statutory or regulatory violations relating to suitability, commissions, type of portfolio, and churning.

suitable for the type of account (trading and speculation - aggressive).[5] After DeFedele's initial review, a further status conference was held at which time it was determined that he was unable to ascertain all information regarding all investments in the account. e.g. whether high or low risk investments. Thus, DeFedele was asked to compile a report including estimates for the unknown investments proportionally with the known investments. His final report was admitted at hearing as Department's Exhibit One (1).

Betsy Sachs ("Sachs") testified on behalf of the Complainants. She testified that she believed her portfolio contained variable annuities and was really a "wrap" account. She testified that in comparing the account summaries, it showed that the accounts had variable annuities. She testified that the February 1 to February 28, 2007 summary listed "Estimated Annual Income" (bate stamp 745) but the May 1 to May 31, 2007 account summary listed "Est. Ann. Income" (bate stamp 788) which stands for annuities. See Joint Exhibit Five (5). She testified that a wrap account is tax deferred all in one account trading over the counter and there were also sub-accounts. She testified that the variable annuities were insurance products and were unsuitable insurance products and that the Respondents received fees from these accounts. She testified that a couple of accounts use the same software allocations and the insurance products were a wrap account so were mutual funds with fees. She testified that variable annuities are used by the unscrupulous advisors to charge fees. She testified that there are two (2) different kinds of accounting: the annuity and annual which shows that it is "sleeve level accounting" meaning that the accounts are broken down into sub-accounts. She testified that the commissions in her accounts were too high including being in the amounts of $1,000 or $2,000.

[5] See email from undersigned to the parties dated January 11, 2018.

On cross-examination, Sachs testified that she may or may not have signed the 2002 account opening and margin agreement, but she did sign the options trading agreement and the 2009 change in investment portfolio. She testified that no trading confirmation slip from JMS will say "variable annuity" because it is hidden that there were variable annuities and that is known because of the absence of evidence. She testified that she filed income tax and took investment interest deductions in 2004 and 2006 but she relied on a tax preparer.

Boucher testified on the Respondents' behalf. He testified that he handled Sachs' parents' accounts and then her accounts. He testified that between 2002-2010, he never sold a variable annuity. He testified he mostly purchased mutual funds and unit investment trusts that he would hold for usually 18 months to three (3) years. He testified that Sachs did not usually purchase stocks and that mutual funds are safer. He testified he always spoke to Sachs before a purchase or before buying or selling. He testified he never bought derivatives or options. He testified that Sachs requested the options trading, but he told her it was too speculative. On cross-examination, Boucher testified that the commissions were between 1% and 2 1/2 %.

V. DISCUSSION

A. Legislative Intent

The Rhode Island Supreme Court has consistently held that it effectuates legislative intent by examining a statute in its entirety and giving words their plain and ordinary meaning. *In re Falstaff Brewing Corp.*, 637 A.2d 1047 (R.I. 1994). If a statute is clear and unambiguous, "the Court must interpret the statute literally and must give the words of the statute their plain and ordinary meanings." *Oliveira v. Lombardi*, 794 A.2d 453, 457 (R.I. 2002) (citation omitted). The Supreme Court has also established that it will not interpret legislative enactments in a manner that renders them nugatory or that would produce an unreasonable result. See *Defenders of Animals v.*

DEM, 553 A.2d 541 (R.I. 1989) (citation omitted). In cases where a statute may contain ambiguous language, the Rhode Island Supreme Court has consistently held that the legislative intent must be considered. *Providence Journal Co. v. Rodgers*, 711 A.2d 1131 (R.I. 1998).

B. Standard of Review for an Administrative Hearing

It is well settled that in formal or informal adjudications modeled on the Federal Administrative Procedures Act, the initial burdens of production and persuasion rest with the moving party. 2 Richard J. Pierce, Administrative Law Treatise § 10.7 (2002). Unless otherwise specified, a preponderance of the evidence is generally required in order to prevail. *Id.* See *Lyons v. Rhode Island Pub. Employees Council 94*, 559 A.2d 130, 134 (R.I. 1989) (preponderance standard is the "normal" standard in civil cases). This means that for each element to be proven, the fact-finder must believe that the facts asserted by the proponent are more probably true than false. *Id.* When there is no direct evidence on a particular issue, a fair preponderance of the evidence may be supported by circumstantial evidence. *Narragansett Electric Co. v. Carbone*, 898 A.2d 87 (R.I. 2006).

C. Relevant Statute and Regulation

R.I. Gen. Laws § 7-11-212 provides in part as follows:

> Grounds for denial, suspension, and revocation.
> (a) The director may by order:
> (1) Deny, suspend, or revoke a license;
> (2) Limit the securities activities that an applicant or licensed person may perform in this state;
> (3) Bar a broker-dealer or investment adviser from conducting any securities activities in this state;
> ***
> (b) These actions may be taken only if the director finds that the order is in the public interest and that the applicant or licensed person or, in the case of a broker-dealer or investment adviser, a partner, officer, or director, a person occupying a similar status or performing similar functions, or a person directly or indirectly controlling the broker-dealer or investment adviser has done any of the following:
> ***

(8) Has engaged in unethical or dishonest practices in the securities business;

***

(11) Has failed reasonably to supervise a sales representative, investment adviser representative, or an employee; or

R.I. Gen. Laws § 7-11-501 provides in part as follows:

Offers, sales, and purchases. In connection with the offer to sell, sale, offer to purchase, or purchase of a security, a person may not, directly or indirectly:

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(2) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they are made, not misleading

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Securities Division Regulations provide in part as follows:

Rule 212(a)-1 UNETHICAL OR DISHONEST PRACTICES Under authority of Section 705(a)(3), the director hereby defines the term "unethical or dishonest practices", as that term appears in Section 7-11-212(a)(8) and without limiting the meaning to that set forth below, to mean one or more instances where a person has engaged in the conduct described below:

A. The following are deemed to be unethical or dishonest practices by a broker-dealer.

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2. Inducing trading in a customer's account which is excessive in size or frequency in view of the financial resources and character of the account;

3. Recommending to a customer the purchase, sale or exchange of any securities without reasonable grounds to believe that the recommendation is suitable for the customer after reasonable inquiry concerning the customer's investment objectives, financial situation and needs, and any other information known by the broker-dealer;

4. Executing a transaction on behalf of a customer without authority to do so;

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17. Violating any material rule of the U.S. Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA), any national or regional securities exchange or national securities association of which it is a member with respect to any customer, transaction or business in this state.

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[212(a)-]1B(a)(9) The following are deemed unethical or dishonest practices by a sales representative: Engaging in any of the practices specified in paragraphs A. 1. through 8, 15 through 18 or 20.

D. Arguments

The Complainants argued there was a failure to disclose and deception by the Respondents and there was no evidence of insurance products because the absence of evidence shows what it really was and these were multiple accounts with sleeve accounts and separate agreements.

The Respondents argued that there no annuities in this account and the Department found it was a commission account and there is no proof of a wrap account and the Department found no churning or suitability issues.

E. The Evidence

It was clear during these proceedings that Sachs strongly believed that the Respondents handled her accounts unethically and in a monetarily damaging fashion.[6] In order to help the undersigned in understanding Sachs' accounts, DeFedele was requested to prepare a report after analyzing the accounts based on certain parameters agreed to by the parties.[7]

Of the 344 investments identified as held in the account from 2002 to 2010, information on approximately 100 investments was unable to be located. Based on the accounts for which information could be located, the report identified the risk level for the account's investments. The report then further re-allocated the accounts into three (3) different scenarios assuming the unidentified investments were high risk or low risk or consistent with the rest of the portfolio.

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[6] Sachs sent many emails to the undersigned and the parties during these proceedings detailing her arguments and beliefs as well as forwarding various articles that she felt were relevant to this matter. It was explained to her at various times by the undersigned that these emails would not be considered as part of the record on which a decision would be made and issued and that the decision would be based on the evidence presented at hearing.

[7] The report was to 1) identify all investments held in the main Sachs' account for risk level from 2002 to 2010; 2) pick two (2) monthly statements randomly from each year for a total of 18 statements to analyze the risk level; 3) evaluate investment objectives and portfolio risk tolerance on the account as identified on account documents; and 4) review investment objective changes in account. DeFedele used the account summaries in Joint Exhibit Five (5) to identify the investments in the account.

Based on the information available for the identified investments as well as making assumptions regarding the unidentified investments, the report concluded that the investments in the portfolio from 2002 to 2009 were consistent with an income and growth portfolio. The report found that an income and growth portfolio was consistent with an investor of Sachs' profile as indicated in the account documents she signed.

In 2009, Sachs changed her type of account to "trading and speculation – aggressive." The report found that account type was inconsistent with an investor of Sachs' profile as indicated in the accounts documents she signed. The report did not find that the investments in 2009-2010 were inconsistent with that type of account but it did find that a "trading and speculation – aggressive" account was not appropriate for her profile as an investor.

In setting the parameters of the Department's report, the undersigned indicated that the Department "may be able to determine if the trading is excessive in size or frequency in view of the financial resources and character of the account." The Department's report defined "churning" as "when a broker engages in excessive buying and selling securities in a customer's account with one goal in mind – generating commissions for the benefit of the broker." The Department's report did not address "churning" in that it did not find there was churning and did not state there was no churning. At a status conference (July 6, 2018),[8] the Department represented that based on the FINRA model for trading, the account trades may have been higher than the standard for trading but were below the level needed to demonstrate churning.

[8] Approximately 27-28 minutes at hearing.

F. Whether the Respondents Violated the Statute or Regulation

During the course of these proceeding, there were various actions alleged to have been committed by JMS and/or Boucher that would, if proven, be a violation of statute and regulation. These actions can be broken down as follows:

i. Unsuitable Products

At hearing, Sachs testified that her accounts were really wrap accounts that were hiding purchases of mutual funds. As a basis for her testimony, she pointed to the account summaries that changed their notation from "Estimated Annual Income" to "Est. Ann. Income." She testified that "Ann." meant annuities. A review of the account summaries shows that for the March, 2007 account summary, JMS changed the way it summarized its accounts. See Joint Exhibit Five (5) (bate stamps 751 to 763 for the March, 2007 summary). There is no reason to find that where JMS had previously written out "Estimated Annual Income" that it would no longer include that information on its account summaries under the abbreviation of "Est. Ann. Income" and that "Est. Ann. Income" would instead refer to annuities. It is very reasonable to conclude that "Est." is an abbreviation for Estimated and "Ann." is an abbreviation for Annual and that JMS continued to provide the Estimated Annual Income information on its account summaries. The Complainants provided no evidence that the account was somehow a wrap account being used for secret purchases.

The Department's report found that the account for 2002 to 2009 was the appropriate type for Sachs' investment portfolio and found that the investments in the account were consistent with the type of account.

In 2009, Sachs changed her type of account to trading and speculation – aggressive. The report did not offer an opinion as to why the risk profile for the account was changed by opening an options trading account. It found no evidence of options being purchased. Sachs testified she was

unsure if she signed the margin agreement but testified she signed the options trading agreement and the change in profile agreement. Joint Exhibits Three (3) and Four (4). The options trading agreement was signed by Sachs and Boucher and the JMS Branch Office manager and Registered Options Principal for JMS Home Office and it indicated an options disclosure document was sent to Sachs.

There was no evidence at hearing as to how Sachs ended up changing her investor portfolio to trading and speculation – aggressive. Sachs testified that she signed the documents changing her portfolio to trading and speculation - aggressive. She did not testify as to any discussions or correspondence that she had with Boucher or anyone at JMS regarding the change in her account. There was no evidence that she signed the change upon recommendation from JMS or Boucher. There was no evidence of any statements by JMS or Boucher regarding the change. The only evidence was that Boucher testified that Sachs requested options trading and he told her it was too speculative. Sachs did not provide any rebuttal testimony to that testimony.

In *In The Matter of: Christopher F. Veale*, 14-SC-001 (5/22/17), a consent order with the Department, the evidence was that the broker dealer never explained to an investor about the securities being bought and was "in control" of the account and did not update the account information to reflect the investor's changing financial circumstances and made unsuitable recommendations and trades in the account even after learning of the changed financial circumstances. The consent order found that the investor broker did not have a reasonable basis for recommending the transactions that took place particularly in light of the investor's lack of understanding of the type and nature of trading. The same evidence was present in a consent order arising from the same set of facts in *In the Matter of: Brookville Capital Partners LLC, Ali Habib Mayar, Christopher Veale*, 14-SC-001 (2/23/16).[9]

[9] That consent order addressed the actions of Ali Habib Mayar.

The report on Sachs' account noted that between 2002 to late 2007, most trades were marked as solicited indicating that the sales representative recommended the securities to the client. However, the report noted that from late 2007 to 2010, it appeared most trades were marked as unsolicited meaning that the trade was not recommended by the representative but most likely by the client. During the course of these proceedings, Sachs maintained that she did not know of the trades and expressed her belief that JMS' records could have been doctored. However, she provided no evidence that the documents had been changed and there was nothing in the Department's report indicating that JMS' records were unreliable.

It is apparent that trading and speculation was not appropriate for a 55 year old individual without any other sources of income. It is troubling that there was such a change in investment portfolio profile for Sachs. However, there is no evidence regarding how and why that change was made. Boucher testified that Sachs wanted to improve her account. Sachs did not testify regarding the change except that she signed it. She did not testify as to any conversations she had with Boucher or anyone else regarding the change or any materials on which she relied to make that decision. Indeed, the Department's report indicated that she may have started soliciting her own trades after 2007 so that Boucher was not recommending the trades.

While it is concerning that Sachs changed her investment portfolio and the change was agreed to by Respondents, the issue in this matter rests upon the evidence that is before the undersigned. In relation to the Regulation 212(a)-1A(3), there is no evidence that there was a recommendation to Sachs to change the profile without reasonable grounds to think the recommendation was suitable. It would appear that one would know that such a change would be unsuitable knowing Sachs' age and financial situation. Nonetheless, based on the evidence, Sachs agreed to the change and may have even solicited some of the trades. Perhaps Boucher should not

have signed the agreement but again unlike in *Veale,* there is no evidence regarding how that change was made and if it was recommended to Sachs and why Sachs made the change in relation to Boucher and/or JMS.

ii. Excessive Trades

The Complainants argued that there were excessive trades in the account (for the generation of commissions). The Complainants did not provide any analysis of the trades to demonstrate that the number of trades were excessive and/or for the purpose of generating commissions. The Department's report did not find any evidence of excessive trades.

iii. Unsuitable Sales resulting in Unreasonable Commissions

At hearing, Sachs testified that the commissions were high and included commissions of $1,000 of $2,000; however, she was unable to point to any document that confirmed such commissions. At hearing, the parties reviewed some of the trading confirmation sheets none of which showed such commissions. See Joint Exhibit Six (6). There was no evidence that demonstrated any churning or unsuitable sales resulting in unreasonable commissions.

G. Conclusion

Based on the foregoing, Boucher did not violate R.I. Gen. Laws § 7-11-212(8) and (11) and R.I. Gen. Laws § 7-11-501(2) and R.I. Gen. Laws § 212(a)-1B(a) by violating Rule 212(a)-1A(2);(3); and (4) and JMS did not violate R.I. Gen. Laws § 7-11-212(b) by failing to supervise a sales representative and R.I. Gen. Laws § 7-11-212(a)(8) and Rule 212(a)-1(A)(17) by violating FINRA Rule 3110 regarding supervision.

V. FINDINGS OF FACT

1. JMS is a broker-dealer registered with the Securities and Exchange Commission, FINRA, and Rhode Island pursuant to Federal law and R.I. Gen. Laws § 7-11-101 *et seq.*

2. Boucher is registered with Rhode Island as an investment advisor representative and broker-dealer representative through his current employer, JMS.

3. The Complainants filed a complaint against the Respondents.

4. After the complaint was filed, the Order was issued by the Department to JMS and Boucher on April 20, 2017.

5. A pre-hearing conference was held on May 19, 2017.

6. On June 2, 2017, the Respondents filed a motion to dismiss to which the Complainants and Department filed objections by June 14, 2017. By order dated July 17, 2017, the Department issued an order denying the motion to dismiss.

7. A hearing was held on October 29, 2018 with the parties resting on the record.

8. The account at issue was a commission account.

9. The account at issue was not hiding purchases of variable annuities.

10. The commissions charged in the account were 1% to 2 1/2%

11. The account type (income and growth) in 2002 was appropriate for someone of Sachs' investor profile.

12. The investments in the account between 2002 through 2009 were appropriate for an income and growth portfolio.

13. The account type (trading and speculative – aggressive) in 2009 was inappropriate for someone of Sachs' investor profile.

14. The investments in the accounts after the change in 2009 to trading and speculation – aggressive were appropriate for that type of portfolio.

15. There was no churning in the account at issue.

16. The facts contained in Section IV and V are reincorporated by reference herein.

VII. CONCLUSIONS OF LAW

Based on the testimony and facts presented:

1. The Department has jurisdiction pursuant to R.I. Gen. Laws § 7-11-101 *et seq.*

2. Boucher did not violate R.I. Gen. Laws § 7-11-212(b)(8) and (11) and R.I. Gen. Laws § 7-11-501(2) and Rule 212(a)-1B(9) by violating Rule 212(a)-1A(2); (3); and (4).

3. JMS did not violate R.I. Gen. Laws § 7-11-212(b) by failing to supervise a sales representative and R.I. Gen. Laws § 7-11-212(b)(8) and Rule 212(a)-1(A)(17) by violating FINRA Rule 3110 regarding supervision

VIII. RECOMMENDATION

Based on the foregoing, there was no evidence to support a finding of any violations by the Respondents so that this matter shall be dismissed.

Entered this day 24th December, 2018.

Catherine R. Warren, Esquire
Hearing Officer

ORDER

I have read the Hearing Officer's Decision and Recommendation in this matter, and I hereby take the following action with regard to the Decision and Recommendation:

_____ ADOPT
_____ REJECT
_____ MODIFY

Dated: 12/28/18

Elizabeth Tanner, Esquire
Director

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify on this 28th day of December, 2018 that a copy of the within Decision and Notice of Appellate Rights was sent by electronic delivery and first class mail to Angel Taveras, Esquire, Greenberg Traurig LLP, One International Place, Suite 200, Boston, MA 02210 and David L. Ward, Esquire (admitted *pro hac vice*), Mintz, Levin *et al.*, One Financial Center Boston, MA 02111 and Betsy Sachs, PO Box 124, Rockville, R.I. 02873 and by electronic delivery to Matthew Gendron, Esquire, Department of Business Regulation, Pastore Complex, 1511 Pontiac Avenue, Building 69-1, Cranston, R.I. 02920.