

the account of others or for their own account; and 3) those persons transacting business as investment advisers within the Commonwealth.

II. RELEVANT PERSONS

2. James E. Moniz (hereinafter “Moniz”) is an individual residing at 216 Larchmont Lane, Hanover, Massachusetts 02339. Moniz is assigned Financial Industry Regulatory Authority (hereinafter “FINRA”) Central Registration Depository (hereinafter “CRD”) number 852438. Moniz was registered as a broker-dealer agent of Essex Securities, LLC (CRD No. 46605 and hereinafter “Essex”), in Massachusetts between December 2, 2015 and November 21, 2016. Moniz was registered as an investment adviser representative of Global Investment Advisors, LLC (CRD No. 121442 and hereinafter “Global”) in Massachusetts between December 2, 2015 and November 21, 2016. Moniz currently serves as President of Northeast Wealth Management and Core Business Group, a financial services firm, and conducts further business through VisionLink and Our Sales Coach.
3. Supreme Alliance, LLC (hereinafter “SA”) is a broker-dealer with a principal place of business at 212 Catania Way, West Palm Beach, Florida 33411. SA is assigned CRD number 45348. SA has been registered as a broker-dealer in Massachusetts since November 8, 2012 and has been notice-filed as a federal covered adviser in Massachusetts since February 14, 2017.

III. FINDINGS OF FACT

4. On September 19, 2019, Moniz filed a Uniform Application for Securities Industry Registration or Transfer (“Form U4”) seeking registration as a broker-dealer agent of SA in Massachusetts.
5. On January 13, 2020, Moniz filed a Form U4 seeking registration as an investment adviser representative of SA in Massachusetts.

6. Moniz has been the subject of eighteen CRD disclosures, including: fourteen customer complaints; one FINRA investigation and subsequent action; one civil judicial action brought forth by the Massachusetts Attorney General; and one regulatory action brought forth by the Massachusetts Securities Division.

A. Four Customer Complaints Brought Against Moniz while a Signator Investors Inc. Employee

7. On or about September 29, 2006, a Signator Investors, Inc. (hereinafter “Signator”) customer alleged that Moniz did not fully disclose a variable life insurance policy’s fees and failed to fully inform the customer of an option to reduce a policy’s death benefit, causing the customer to suffer \$43,000.00 in damages. Signator denied the customer’s complaint.

8. On or about January 11, 2010, a Signator customer alleged that Moniz recommended an unsuitable life insurance product due to the product’s high annual premium. Signator settled the matter, paying the customer \$7,987.01.

9. On or about April 22, 2013, a Signator customer alleged that Moniz recommended an unsuitable insurance product, causing the customer to be unable to afford the product’s premiums. After originally denying and closing the customer’s complaint, upon the receipt of further information, Signator later reopened and settled the matter, paying the customer \$59,130.00.

10. On or about September 19, 2013, a Signator customer alleged that Moniz recommended an unsuitable life insurance product, misrepresenting the product’s annual premiums to the customer. Signator settled the matter, paying the customer \$14,892.21.

B. Moniz’s Termination from Signator

11. On October 25, 2013, Signator terminated Moniz’s employment and broker-dealer agent registration. In explaining the termination, Signator asserted that Moniz “...was terminated for

failing to follow firm procedures, including...the discovery of blank signed forms in client files[,] the use of an unapproved outside email address with firm customers[,] and...potentially inaccurate information on product applications.”

C. FINRA Fines Moniz \$25,000 and Suspends Moniz for Six Months

12. On February 28, 2014, FINRA initiated an investigation into Moniz. In initiating the investigation, FINRA preliminarily determined that disciplinary action be brought against Moniz based on his potential violations of National Association of Securities Dealers (hereinafter “NASD”) Conduct Rule 2310 (making unsuitable recommendations); NASD Conduct Rule 2110 (failure to observe high standards of commercial honor and just and equitable principles of trade); and FINRA Rule 2010 (failure to observe high standards of commercial honor and just and equitable principles of trade).

13. On May 30, 2014, Moniz entered into Letter of Acceptance, Waiver & Consent (hereinafter the “Letter of AWC”) with FINRA (Docket Number 2013036095001). The Letter of AWC states, in pertinent part:

While registered with [Signator], Moniz made unsuitable recommendations to a married couple that they purchase a Variable Universal Life insurance policy (“VUL”) on the husband’s life, and use the proceeds of a reverse mortgage to (a) purchase a variable annuity (“VA”), and (b) open a managed investment account.

After the insurance company questioned the VUL application, Moniz caused the application to be re-submitted with certain information changed or added on the form, and without first informing the customers of his actions. Moniz also inaccurately represented in account applications the source of funds for the VA and managed account. This conduct violated NASD Conduct Rules 2310 and 2110 and FINRA Rule 2010.

FINRA accepted the Letter of AWC on June 9, 2014.

14. Because of Moniz’s inaccurate representations and manipulation of the variable life insurance policy application, Moniz consented to FINRA’s imposition of (1) a six-month suspension

from association with any FINRA member firm in any capacity and (2) a \$25,000.00 fine, which included disgorgement of \$12,478.00 Moniz received in commissions.

15. Moniz served his six-month suspension between June 16, 2014 and December 15, 2014.

D. Five Additional Customer Complaints Against Moniz After his Signator Termination

16. On or about July 18, 2014, a Signator customer alleged that Moniz misrepresented a life insurance policy that Moniz sold to the customer's parents. Signator settled the matter, paying the customer \$322,652.91.

17. On or about October 8, 2014, Signator customers alleged that Moniz sold them unsuitable variable life insurance policies, and further alleged that Moniz misrepresented the facts and features of one of the customer's policy at the time of that policy's sale. Signator settled the matter, paying the customers \$30,000.00. Moniz individually contributed \$15,000.00 to the settlement amount.

18. On or about December 10, 2014, Signator customers alleged that a life insurance policy sold to them by Moniz, which had been intended to last until the customers reached age 95, could not then do so because it had been underfunded due to a failure to make planned premium payments. Signator denied the customers' complaint.

19. On or about January 9, 2015, a Signator customer alleged that Moniz misrepresented the features of a variable life insurance policy sold to the customer at the time of the policy's sale. The Signator customer later withdrew the complaint.

20. On or about January 9, 2015, a Signator customer alleged that Moniz failed to inform the customer that a variable life insurance policy had lapsed, and misrepresented to the customer that the policy would pay for itself through the interest it accrued. Signator denied the customer's complaint.

E. Massachusetts Civil Judicial Actions Against Moniz

21. On September 26, 2014, the Massachusetts Attorney General's office settled allegations with John Hancock Mutual Life Insurance Company (hereinafter "John Hancock"), along with Signator, for the company's failure to supervise Moniz as he persuaded elderly customers to utilize reverse mortgages to invest money in variable annuities and life insurance policies. As a term of the settlement, John Hancock agreed to pay back over \$550,000.00 to Massachusetts seniors. Other terms of the settlement required John Hancock to make 145 refund and penalty waiver offers to consumers who purchased the variable annuities and life insurance policies from Moniz, and to make a \$165,000.00 payment to the Commonwealth of Massachusetts.
22. Furthermore, on August 18, 2015, the Massachusetts Attorney General's office filed a civil judicial action in Suffolk Superior Court (Docket No. 152492D) against Direct Finance Corp., Daniel Matthews and Moniz. In the action, the Massachusetts Attorney General's office alleges that the parties earned significant commissions through sales tactics that convinced elderly homeowners to apply for reverse mortgages and invest their proceeds in risky financial products, including variable annuities. The lawsuit seeks a cease and desist order; civil and administrative penalties and fines; restitution for victims; disgorgement of proceeds; and an injunction. The action was dismissed on February 18, 2017.

F. Consent Order with the Massachusetts Securities Division

23. On or about August 6, 2015, Moniz sought to register as an investment adviser representative of Global and a broker-dealer agent of Essex in Massachusetts.
24. On December 3, 2015, the Massachusetts Securities Division executed a Consent Order consisting of five years of heightened supervision.

G. Five Customer Complaints Brought Against Moniz After his Consent Order

25. On or about May 22, 2017, a Signator customer alleged that Moniz breached his contract and engaged in fraud in the sale of a variable universal life insurance product, causing \$318,237.00 in damages. Signator settled the matter, paying the customer \$30,000.00. Moniz individually contributed \$15,000.00 to the settlement amount.
26. On or about August 18, 2017, a Signator customer alleged that Moniz recommended an unsuitable insurance product due to its early expiration date. Signator denied the customer's complaint.
27. On or about October 10, 2017, a Signator customer alleged that Moniz provided him with unsuitable advice by encouraging the customer to take out a reverse mortgage and then selling the customer a variable life insurance policy, causing \$500,000.00 in damages. Signator settled the matter, paying the customer \$90,000.00.
28. On or about January 24, 2018, a Signator customer alleged that Moniz sold her an unsuitable insurance product and provided her with financial advice that was not in her best interest, causing \$180,000.00 in damages. Signator settled the matter, paying the customer \$5,711.89.
29. On or about April 9, 2019, a Signator customer alleged that Moniz engaged in acts that constituted misrepresentation, fraud, intentional infliction of emotional distress, and breach of fiduciary duty, causing \$500,000.00 in damages. A FINRA Arbitration Panel denied the customer's claims.
30. Moniz's above-stated disclosure incidents have moved the Division to place conditions on his registrations as an investment adviser representative and a broker-dealer agent of SA in Massachusetts.

IV. ORDER

In view of the forgoing, the Division determines that it is in the public interest to place the conditions set forth below on Moniz's registrations as an agent and investment adviser representative of SA in Massachusetts. Therefore, IT IS HEREBY ORDERED that:

A. For the next five years after the date of this Consent Order, Moniz must be supervised on a heightened basis by SA's Chief Compliance Officer, Henry Clay Smith II (CRD No. 1736102) and Michael Washington Jones (CRD No. 3248874), or their successor(s) at SA, (the "Supervisors"). Moniz shall primarily transact securities business from an office at 80 Washington Street, Suite 22 – Building D, Norwell, Massachusetts 02061 (the "Norwell Office"). The Supervisors must notify the Division should the individual(s) responsible for Moniz's heightened supervision change or should Moniz permanently relocate to another SA office. Moniz's heightened supervision must, at a minimum, include the following:

- i. each of Moniz's current clients must be given a copy of this Consent Order within ten business days of the date of the Consent Order;
- ii. each of Moniz's potential clients must be given a copy of this Consent Order prior to the potential client's entry into any client agreement with SA;
- iii. for the subsequent five years, all Moniz's new Massachusetts customer account forms must be reviewed and authorized by the Supervisors;
- iv. all order tickets entered by Moniz for Massachusetts accounts must be reviewed on a daily basis by the Supervisors;
- v. all annuity recommendations made by Moniz must be pre-cleared by the Supervisors for a review of each recommendation's suitability;

- vi. the Supervisors must verify that with regard to any annuity switch, Moniz's clients have received a comprehensive disclosure of the risks involved, including, but not limited to, the annuity switch's tax implications, capital gains considerations, surrender periods, and surrender fees;
 - vii. the Supervisors must review the source of funds each Moniz client plans to invest in any annuity product recommended by Moniz, and must ensure that Moniz's recommendations to liquidate or procure any investments, including, but not limited to, reverse mortgages, to fund an annuity purchase have been reviewed by the Supervisors for a determination of suitability and the risks involved, including, but not limited to, the annuity purchase's tax implications, capital gains considerations, surrender periods, and surrender fees;
 - viii. the Supervisors must manually review and approve each annuity purchase for each of Moniz's clients over the age of 60 at the time of the annuity's purchase to (1) ensure the recommendation's suitability and (2) ensure the client's portfolio is not over concentrated in annuity products; and
 - ix. the audit of the Norwell Office, or any subsequent office to which Moniz may permanently relocate, conducted by the Supervisors must include a mandatory review of each Moniz customer account. The Supervisors must undertake each such review to detect and prevent potential securities violations, and must memorialize the review in writing.
- B. For the next five years after the date of this Consent Order, SA must not permit Moniz to have any principal, supervisory, or managerial duties while associated with SA. SA must notify the Director of the Massachusetts Securities Division (the "Director") in writing if Moniz subsequently performs such duties.

- C. For the next five years after the date of this Consent Order, SA must not permit Moniz to possess or exercise discretion in the handling of Massachusetts customer accounts. SA must notify the Director in writing if Moniz subsequently possesses or exercises such discretion.
- D. For each calendar quarter of the next five years after the date of this Consent Order, the Supervisors must randomly select either ten of Moniz's Massachusetts customers or ten percent of Moniz's Massachusetts customers, whichever number is greater, who have had at least three trades in that calendar quarter, and must verify, either by certified letter or telephone contact, each selected Massachusetts customer's satisfaction with Moniz's services. If Moniz has less than ten Massachusetts customers, all Massachusetts customers with at least three trades must be contacted.
- i. The Supervisors must specifically verify that:
 1. all transactions effected in the selected Massachusetts customer's accounts during the previous quarter were authorized; and
 2. all transactions that were designated "unsolicited" in the selected Massachusetts customer's accounts were initiated by the customer.
 - ii. For each quarterly period, the Supervisors must compile and maintain a separate record indicating the completion of the review and verification described in this paragraph. Such record must include, at a minimum:
 1. each Massachusetts customer's name;
 2. each Massachusetts customer's account number(s);
 3. the date of the Supervisors' contact with the Massachusetts customer;
 4. the Massachusetts' customer's comments to the Supervisors; and
 5. the comments noted by the Supervisors.

- iii. For each quarterly period, the Supervisors must file a copy of the record with the Director within twenty days of the end of the quarter covered by the report with a cover letter referencing this Consent Order.
 - iv. The Supervisors must make a written offer to immediately cancel any transaction deemed in violation of this undertaking at no cost to the SA customer. Additionally, within ten business days of making such determination, the Supervisors must file with the Director a written summary of the transaction and a statement as to why the transaction was deemed in violation of this Consent Order.
- E. Should Moniz become the subject of any written or oral customer complaint concerning allegations arising from his conduct of securities business at any time during the next five years after the date of this Consent Order, the Supervisors must notify the Director in writing within ten business days of SA's receipt of such complaint. Such notification must also include a copy of the complaint, if written, and a reference to this Consent Order.
- F. Should Moniz become the subject of any regulatory investigation, internal investigation, arbitration proceeding, or securities-related litigation concerning allegations arising from his conduct of securities business at any time during the next five years after the date of this Consent Order, the Supervisors must notify the Director in writing within ten business days of the initiation of the investigation, proceeding, or litigation. Such notification must include a reference to this Consent Order and copies of all documents received in connection with the investigation, proceeding, or litigation.
- G. The Supervisors as applicable, must notify the Director in writing at the conclusion of each quarterly period regarding the status of any written or oral customer complaint, regulatory investigation, internal investigation, arbitration proceeding, or securities-related litigation

concerning allegations arising from Moniz's conduct of securities business that is currently pending at the time of the date of entry of this Consent Order. This undertaking shall remain in effect until the conclusion of any pending complaint, investigation, proceeding or litigation at the time of the date of entry of the Consent Order.

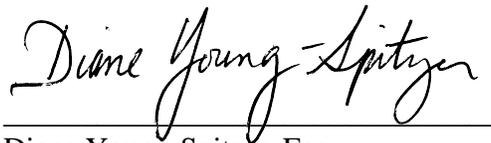
- H. For the next five years after the date of this Consent Order, Moniz must not perform any principal, supervisory or managerial duties while associated with SA. Moniz must notify the Director in writing if Moniz subsequently performs such duties.
- I. For the next five years after the date of this Consent Order, Moniz must not possess or exercise discretion in the handling of Massachusetts customer accounts. Moniz must notify the Director in writing if Moniz subsequently possesses or exercises such discretion.
- J. For the next five years after the date of the Consent Order, Moniz must notify the Supervisors of the receipt of any customer complaint, oral or written, concerning allegations arising from Moniz's conduct as an investment adviser representative or broker-dealer agent of SA. Moniz must provide such notification no later than the end of the fifth business day following his receipt of such complaint.
- K. For the next five years after the date of this Consent Order, Moniz must notify the Supervisors of the initiation of any arbitration proceeding, regulatory investigation, or securities-related litigation concerning allegations arising from Moniz's conduct of securities business no later than the end of the fifth business day after which he is made aware of the proceeding, investigation, or litigation.
- L. For the next five years after the date of this Consent Order, Moniz must notify the Supervisors of any inaccuracy in any representation made to the Division herein, or of the breach of any provision of these Undertakings and Representations.

M. Five years after the date of this Consent Order, Moniz must submit to SA and the Director an affidavit stating that he has fully complied with all conditions of this Consent Order issued pursuant to this Consent Order. Should Moniz be unable to submit the required affidavit for any reason, he must instead submit a statement explaining why he cannot submit the affidavit.

Subject to the conditions stated above the applications of James E. Moniz for registration in Massachusetts as a broker-dealer agent and investment adviser representative of Supreme Alliance, LLC are allowed.

BY ORDER OF:

**WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH**

A handwritten signature in cursive script that reads "Diane Young-Spitzer". The signature is written in black ink and is positioned above a horizontal line.

Diane Young-Spitzer, Esq.
Acting Director & General Counsel
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, Massachusetts 02108

DATED this 3rd day of April, 2020.