COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, 17TH FLOOR
BOSTON, MASSACHUSETTS 02108

IN THE MATTER OF:

STEVEN MICHAEL ANZUONI and
FAIRWAY FINANCIAL INSURANCE AGENCY, INC.

Docket No. E-2007-0026

ADMINISTRATIVE COMPLAINT
COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
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)                       )
) STEVEN MICHAEL ANZUONI and      )
) FAIRWAY FINANCIAL INSURANCE     )
) AGENCY, INC.                  )
)                                    )

ADMINISTRATIVE COMPLAINT

I. PRELIMINARY STATEMENT

The Enforcement Section ("Enforcement Section") of the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth (the "Division") files this complaint ("Complaint") in order to commence an adjudicatory proceeding against Steven Michael Anzuoni ("Anzuoni") and Fairway Financial Insurance Agency, Inc. ("Fairway Financial" and, collectively, with Anzuoni, "Respondents") for violating M.G.L. c. 110A, the Massachusetts Uniform Securities Act (the "Act") and 950 CMR 10.00 et seq. (the "Regulations"). This Complaint is based upon Anzuoni's holding out as an investment adviser, provision of investment advice without being properly qualified or registered to do so and dishonest and unethical sales practices. In particular, Anzuoni, himself and through Fairway Financial, has committed and continues to commit sales practice abuses against elderly Massachusetts residents, by using a broad array of potentially misleading, sham and substanceless credentials, conducting seminars and providing purported investment advice to potential sales targets. In conjunction with these seminars and follow-up meetings with
prospective clients, the recommendations that Anzuoni makes are often to sell existing assets and to purchase the often high-commission insurance products he sells. Anzuoni has sold unsuitable products to unsuspecting Massachusetts residents who were led to believe they were receiving an expert, objective, unbiased review and advice with respect to their financial assets.

The Enforcement Section seeks an order instructing the Respondents to permanently cease and desist from committing any further violations of the Act and Regulations, to pay an administrative fine in an amount and upon such terms and conditions as the Director or Hearing Officer may determine, and for such other relief as is deemed appropriate by the Director or Hearing Officer. In addition, the Enforcement Section requests the Director or Hearing Officer to take any other appropriate actions which may be in the public interest and necessary for the protection of Massachusetts investors.

II. SUMMARY

Anzuoni is an annuity and insurance salesman who, through the use of a variety of meaningless, potentially misleading and made-up credentials and with the assistance of other sophisticated marketing tools geared towards senior citizens, portrays himself as an investment adviser with specialized expertise in advising elderly investors in a full range of financial matters. Anzuoni is not, however, licensed as an investment adviser representative and has never taken the requisite examination for investment adviser registration in the Commonwealth. Despite this lack of education and failure to properly license in the Commonwealth, Anzuoni continues to engage in a pattern of conduct whereby he aggressively advertises himself as an broadly knowledgeable senior advisor, gains the trust of senior citizens and then advises them to invest their retirement savings according to his
recommendations. Anzuoni’s recommendations often translate into the offer and sale of high-commission and often unsuitable insurance or annuity products, frequently funded with the proceeds from the sale of securities.

Anzuoni attracts potential clients through free seminars advertised with newspaper inserts, flyers and brochures. Anzuoni then schedules one-on-one meetings with potential clients where he purports to perform an individualized asset allocation and full financial review as an unbiased and skilled adviser who is acting for the benefit of the elderly advisee. In order to further entice unsuspecting seniors into his web, Anzuoni has used a plethora of professional designations that range from meaningless, to misleading, to made up. In addition, Anzuoni either exaggerated or fabricated his credentials, achievements and knowledge base, in order to convince seniors that he had the qualifications to serve as an all-purpose financial advisor (as opposed to being essentially the sales agent solely for certain annuity and insurance products).

During his financial review with clients, Anzuoni advises the client on their risk profile and the relative advantages and disadvantages of investing in securities as compared to other investments. As a matter of course, however, Anzuoni often ends the series of individualized client meetings by recommending the purchase of an insurance product or annuity. In fact, the only products that Anzuoni sells are fixed annuities, fixed index annuities, long term care insurance and single premium immediate annuities. He is not licensed to sell securities or provide investment advice.

Anzuoni’s client solicitations and meetings are designed to sell insurance and equity-indexed annuities as a one-size-fits-all solution to elderly investors’ perceived
portfolio imbalances. Anzuoni acknowledges that he is compensated for his so-called financial review by the sale of those insurance and annuity products.

The Division received a complaint from a Massachusetts resident who first met Anzuoni when he was 82 years old. This Massachusetts resident was a decorated World War II veteran and former banker. Having attended one of Anzuoni’s seminars and having been led to believe by the “Certified Elder Planner” and “Certified Senior Advisor” designations that Anzuoni was a qualified investment advisor acting in this person’s best interests, this Massachusetts resident (referred to as “Elderly Client No. 1 below) was advised by Anzuoni to sell mutual funds and purchase three Allianz annuities sold by Anzuoni. One of them, sold by Anzuoni when Elderly Client No. 1 was 84 years old, locked up Elderly Client No. 1’s money for 13 years. This annuity envisioned Elderly Client No. 1 annuitizing it at age 94; however, Allianz’s annuitization charts only go up to age 90. Elderly Client No. 1 subsequently complained about the fact that his money was tied up for so long and questioned the suitability of the annuities given his age and cash flow. In a letter to Allianz, he asked to be released from those annuities. Anzuoni provided Allianz with a spirited defense of his sales and Allianz denied the request. Elderly Client No. 1 subsequently became gravely ill and passed away without having obtained relief from Anzuoni or Allianz.

III. JURISDICTION AND AUTHORITY

1. The Massachusetts Securities Division is a division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities, as provided for by the Act. The Act authorizes the Division to regulate: 1) the offers, sales, and purchases of securities; 2) those individuals offering and/or selling securities; and 3)
those individuals and entities transacting business as investment advisers within the
Commonwealth.

2. The Division brings this action pursuant to the enforcement authority
conferred upon it by section 407A of the Act and M.G.L. c. 30A, wherein the Division has
the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act
and all Regulations and rules promulgated thereunder.

3. This proceeding is brought in accordance with sections 102, 201 and 407A
of the Act and its Regulations. Specifically, the acts and practices constituting violations of
the Act occurred within the Commonwealth of Massachusetts.

4. The Division specifically reserves the right to amend this Complaint and/or
bring additional administrative complaints to reflect information developed during the
current and ongoing investigation.

IV. RELEVANT TIME PERIOD

5. Except as otherwise expressly stated, the conduct described herein occurred
during the approximate period of January 1, 2002 through the present.

V. RESPONDENTS

6. Steven Michael Anzuoni ("Anzuoni") is an individual with a last
known address of 35 Raymond Road, Plymouth, MA 02360-2359. Anzuoni has a
CRD Number of 1516898.

7. Fairway Financial Insurance Agency, Inc. ("Fairway Financial") is a
Massachusetts for-profit corporation, with a last known business address of 114 State
Road, Suite B-2, Sagamore Beach, MA 02562 and a satellite office located at South
Yarmouth Professional Center, 1292 Route 28, Unit 3, South Yarmouth, MA 02664.

Anzuoni is the sole officer and director of Fairway Financial.

VI. FACTS AND ALLEGATIONS

A. Anzuoni Holds Himself Out as an Investment Adviser Without Being Registered as Such and Advertises His Services in a Misleading and Dishonest Manner

1. Anzuoni’s Licensing Status; Holding Himself Out as a Registered Representative

8. Anzuoni is not presently registered in The Commonwealth of Massachusetts as a broker-dealer agent.

9. From August 24, 1998 to August 29, 2003, Anzuoni was registered as a broker-dealer agent with Commonwealth Financial Network. From December 16, 2003 to December 31, 2004 Anzuoni was registered a broker-dealer agent with Investors Capital Corporation.

10. Anzuoni is not, and has never been, registered in The Commonwealth of Massachusetts as an investment adviser or an investment adviser representative.

11. Anzuoni produced to the Division an advertisement for a seminar dated October 7, 2003 which stated: “Securities offered through US Allianz Securities”.

12. Anzuoni was never registered as a broker-dealer agent or an investment adviser representative with US Allianz Securities and was not registered with the Division in any capacity in October 2003.

13. Even though his registration with Investors Capital Corporation ended on December 31, 2004, Anzuoni advertised seminars as late as May 24, 2005 which stated: “Securities offered through Investors Capital Corporation.”

2. Anzuoni’s Business Model
   a. Advertising for Seminars

15. Anzuoni generates a large portion of his clients by conducting seminars.

16. Anzuoni’s website, www.capecodadvisors.com, advertises his workshops and boasts that “over 5000 seniors have attended our asset protection workshops”.

17. Anzuoni advertises for his seminars through a number of different media, primarily through advertisements mailed out to senior citizens and circulated in local newspapers.

18. Anzuoni produces leads by utilizing marketing organizations such as Response Mail Express (“RME”).

19. According to its website, “RME specializes in pre-designed and pre-printed High Impact Direct Mail designs that include their unique Express Envelopes, matching letterhead, postcards and designer "stock" direct mail formats.”

20. Anzuoni utilizes a target demographic of individuals who are 50-55 and older.

21. Anzuoni’s flyers promise advice on a wide range of financial topics. For example, Exhibit 1 is a flyer for a “Senior Financial Survival Workshop” in 2002.

22. Exhibit 1 states that Anzuoni is a “Certified Financial Advisor”, even though no such designation exists.

23. Exhibit 1 states that Anzuoni is a “Co-author of new financial Planning Book”. However, that book was the ghost-written “How to Alligator Proof Your Estate” book discussed below.
24. Anzuoni has advertised similar seminars through the relevant timeframe, often including topics in which he does not appear to have any particular expertise.

25. Exhibit 2 is a flyer for a 2005 Senior Retirement Seminar circulated by Anzuoni.

26. Among the topics advertised in Exhibit 2 is: "WALL STREET: Myths and Facts, what your stockbroker will not tell you."

27. In his on-the-record testimony with the Division, Anzuoni testified as follows:

Q. So this is something you have distributed to advertise seminars?

A. Into the newspaper down on Cape Cod, yes.

Q. And it states as one of the topics: Wall Street Myths and Facts: What your stockbroker will not tell you. What did you tell attendees that their stockbroker didn’t? Or what was that portion of the seminar?

A. I don’t know. I mean, two years ago. I’m not sure at this point. I’d have to go back maybe. I don’t know exactly what I said back then. It was two year ago. It was probably 20 seminars, 30 seminars ago.

Q. As we sit here today can you think of the things that stockbroker’s don’t tell their clients that might be beneficial for them to know?

A. Well, I mean if I was to make an educated guess I think oftentimes the number one that I hear, not number one but depending on who I’m with and what they’re saying, is not understanding the fees and whatnot associated with what they buy. It seems to be a common thread that people think they’re getting things and there’s no fees incurred. . . .

28. Attached as Exhibit 3 is a flyer advertising a March 13, 2007 Senior Retirement Seminar held by Anzuoni.

29. Upon information and belief, Exhibit 3 was included in a late February or early March 2007 edition of the Cape Cod Times.
30. Although explicitly within the ambit of the subpoena issued to Anzuoni dated March 12, 2007, Anzuoni did not produce this document to the Division.

31. The workshop offered a “COMPLIMENTARY FINANCIAL REVIEW!” to every attendee.

32. Anzuoni used a number of purported professional designations to further promote the image that he was a seasoned, objective adviser to seniors.

  b. Professional Designations Used by Anzuoni

    1. Certified Elder Planner

33. Anzuoni uses the “Certified Elder Planner” designation, even though no such certification or designation exists.

34. He has used this designation on his business card. (See Exhibit 4).

35. He has also used the “Certified Elder Planner” designation in correspondence to clients.

36. This appears to be a permutation of the “Certified Elder Planning Specialist” designation sponsored by Broker’s Choice of America, Senior Benefit Centers Network and Tyrone M. Clark.

37. In 2002, Broker’s Choice of America, Senior Benefit Centers Network and Tyrone M. Clark entered into a Consent Order on December 20, 2002, in which they, without admitting or denying any facts or allegations in the complaint, agreed to cease and desist from further violations of the Act and regulations, to pay a fine and to be barred from effecting any transactions in securities and doing business as investment advisors or investment advisor representatives in the Commonwealth of Massachusetts, and to no
longer grant the designation “Certified Elder Planning Specialist” to any Massachusetts resident.

38. Anzuoni modified the “Certified Elder Planning Specialist” designation he previously utilized in connection with Senior Benefit Centers Network, into the “Certified Elder Planner” designation in order to continue use of a credential in his marketing materials aimed at seniors.

39. On this point, Anzuoni testified that he only used the designation “for a very brief amount of time”. However, correspondence produced to the Division indicated that he used the “Certified Elder Planner” designation on his correspondence from May 2002 through September 2003.

40. In addition, one of the “Results” that appeared on numerous client statements was: “Find a Local Certified Elder Planner to Coordinate Affairs”. (Emphasis added).

2. Certified Senior Advisor

41. The “Certified Senior Advisor” or “CSA” designation advertised by Anzuoni is an integral part of Anzuoni’s marketing persona.

42. Anzuoni has used the CSA designation on his business card (see Exhibit 4) and in most of the correspondence he has sent out on his Fairway Financial letterhead.

43. Anzuoni obtained his CSA designation in 1998.

44. Anzuoni testified that he ceased using the CSA designation March or April of this year. However, the page of his website described this qualification and still contained the CSA logo until it was removed on August 21, 2007.
45. The designation is provided by the Society of Certified Senior Advisors, a Colorado-based for-profit organization that provides marketing and other training geared towards senior citizens and the senior marketplace.

46. The CSA designation is designed to appeal to the senior marketplace, and to garner credibility in the areas such as financial planning as it relates to senior citizens.

47. A portion of the CSA course is geared towards teaching participants about marketing to seniors and how to “[d]evelop leads and design materials sensitive to the senior population.”

48. In 2005, the CSA website boasted the following benefits of the CSA designation:

Perhaps the biggest benefit we can provide you is the education itself. We’ll teach you essential topics seniors say are the most important to them, including insurance, financial security, housing, health, legal and social needs.

In addition ... As a CSA, you’ll enjoy many benefits:

1. **Marketing strength.** The right to use the coveted “CSA” designation and the CSA member logo on your advertising, adding credibility and power to your marketing materials.

2. **Your personal Website** listing on this Website (available to CSAs in good standing).

3. A significant **competitive advantage** over others in related fields who have not made the effort to establish themselves as “a cut above”.

4. **Public relations** programs provided to you free of charge by SCSA.

5. Improved **marketing opportunities** that will become obvious after you complete the program and get your CSA designation.

- **Increased business from referrals** by seniors to their friends and family.
-- **More successful seminars**: Members typically attract 200-300 seniors to seminars.

6. **Ongoing education** . . .

49. In his biography which he distributes to clients, Anzuoni states:

In 1998, Steven was among the first group of insurance agents in Massachusetts to become a Certified Senior Advisor, and as such, he is uniquely qualified to help seniors protect their assets from nursing home costs, stock market volatility, and probate costs through proper planning and diversification. [Emphasis added]

*(See Exhibit 5).*

50. When asked about these qualifications, Anzuoni testified as follows:

Q. Could you describe how you are uniquely qualified to help seniors protect their assets from stock market volatility?

A. *Sure.* Again, being in business for 20 years and just seeing enough people over those years, asking the questions about what keeps them awake and what they’re concerned about. Having helped hundreds of people with that I think puts me in a position where I tend to have more expertise than say someone who is new out there.

Q. Did you receive any of these sort of unique qualifications from being a Certified Senior Advisor? Did that help you with these qualifications?

A. The Certified Senior Advisor I believe is more of a degree that helps me understand the demographics of the seniors, how they feel, their habits. I would say emotionally, psychologically, sort of thing and again, in 1998 that was when you were required to go and take three or four days and actually sit and pass an exam. So, yeah, I think that has helped me to understand people better. Definitely.

51. Included in the client’s “Statement of Account”, under a category titled “Results” is “find a local **Certified Senior Advisor** to coordinate affairs.” *(Emphasis added).*

52. Anzuoni testified that prior to this year, the CSA designation did not require any continuing education.
3. Made-up Professional Designations

53. Anzuoni has also advertised himself as a “Certified Financial Advisor”.

54. This is not a certification or designation that was conferred by any organization.

55. With respect to this designation, Anzuoni testified as follows:

Q. And it states in the bottom right-hand corner: “Steve Anzuoni, Certified Financial Advisor”. What designation is that?

A. Off the top of my head I don’t know. (Emphasis added)

56. Anzuoni has also advertised himself as a “Certified Senior Financial Advisor”.

57. This is not a designation that was conferred by any organization.

58. With respect to this designation, Anzuoni testified as follows:

Q. In the right lower corner under your name it says Certified Senior Financial Advisor. What designation is that?

A. The only thing I can think of is certified senior advisor. I don’t know what Certified Senior Financial Advisor is. (Emphasis added)

59. Anzuoni represented himself as a “Certified Annuity Advisor”.

60. Upon information and belief, his is not a certification or designation that was conferred by any organization.

4. False Statements on National Ethics Bureau’s Professional Profile

61. Another credential that Anzuoni used was his membership with the National Ethics Bureau (“NEB”).
62. The NEB is a Colorado-based organization that purports, on its website, to be "an independent organization that promotes consumer confidence by providing a one-stop source to verify the business ethics of insurance and financial advisors".

63. On its website, NEB boasts that all National Ethics Bureau members "have an exemplary background of professional ethics" and "believe in transparent and above-board dealings with their clients".

64. The National Ethics Bureau also boasts, on its website, "Live operators who will verify your exemplary record of business ethics."

65. It costs approximately a $95 initiation fee to obtain NEB’s certification and an annual fee of $235.

66. Anzuoni obtained his membership by downloading, filling out and mailing an application and paying a fee.

67. Anzuoni was not interviewed by the National Ethics Bureau and received no training from the organization.

68. Upon information and belief, it is possible to apply to the NEB on-line, with no personal contact or interview with anyone.

69. Anzuoni’s certificate from the National Ethics Bureau, states:

Be it known that Steven M. Anzuoni having passed the Ethics check system and having met all of the qualifications that have been set forth by the national Ethics Bureau for membership, is duly recognized as an approved member. The above named member has maintained an exemplary record of business ethics and has agreed to uphold the highest standards of professionalism and integrity . . .

(See Exhibit 6).

70. According to Anzuoni, the NEB certificate, including the front and back of his professional profile has been shown to clients.

72. These categories are consistent with the image Anzuoni has attempted to convey to potential clients that he is a broad-based financial advisor (not just an annuity and insurance salesmen).

73. Despite the NEB’s purported review of Anzuoni’s licensure status, Anzuoni has not been licensed to sell variable annuities or mutual funds since December 2004.


75. To the extent that this reference to an “association” is intended to convey any type of license with the NASD, he has not been licensed in any capacity since December 2004.

5. False Statements On Anzuoni’s Website; and False Statements Made by Anzuoni Under Oath Regarding his Website

76. In his on-the-record testimony with the Division, Anzuoni stated a number of times, under oath, that his website was not active.

77. Specifically, he testified as follows:

Q. Does Fairway Financial have a web site?

A. We had a web site active when I was with Investors. The web site address is – what is the website address – www.capccodadvisors.com.

Q. Is that web site still active?

A. No, I believe it’s not active. Emerald was the host.
Q. What is Emerald short for?

A. Just Emerald was the name of the group that provided a template, if you will.

Q. When you say “not active” do you mean it’s not up any more?

A. Yeah, I believe when I had left Investors I had not really maintained it so I did not believe it’s active but it was back then because, you know, when I was working back then in a different capacity it was up and running.

Q. I’m not sure what you mean by active. You mean a regular person couldn’t go on the web now and get to it?

A. Yeah, I don’t believe so. I can access it and sometimes I do because it’s got insurance articles on it but I don’t believe it is active.

78. When asked about his online biography printed from his website on July 30, 2007, Anzuoni testified as follows:

Q. Do you recognize this document?

A. Yes, I do.

Q. Have you seen it before?

A. Yes, I have.

Q. What is it?

A. This is language that was on my web site. (Emphasis added)

Q. It states: Steve has written numerous articles and co-authored a book on the subject of financial planning for seniors. What is the name of that book?

A. How to Alligator Proof Your Estate, I believe.

Q. What was your role in co-authoring the book?
A. That book was put out in 2000, way back, 2000, 2001 and my role was to take a copy of -- I guess the word they use with athletes today is ghost written, is that right?

Q. I guess so, yes.

A. And review it and go over it and then use it.

Q. Did you do any of the writing that is –

A. I did some of it, yes.

Q. Do you know what parts you wrote?

A. That was seven years ago. I don’t honestly know.

Q. Do you still have a copy of it?

A. I may have a few lying around, yes.

Q. What about the articles? Could you name a couple of the articles you have written?

A. I can’t put specific names on it but I did write for a couple of the life underwriter journals. Again this is going back nine, what’s this, nine years ago, eight years ago I think, yeah.

Q. Did you provide the Alligator Proofing book to clients?

A. Yes.

79. “How to Alligator-Proof Your Estate” was written and published by Broker’s Choice. The insurance agent simply puts his picture and name on the front and fills in his biography. Many insurance agents in Massachusetts have claimed to be a co-author of this same book.

80. Upon information and belief, the only part of the book Anzuoni would have co-authored is his biography.
81. Anzuoni testified that his website "... has been inactive at least to my knowledge for the last two years."

82. On the July 21, 2007 version of his website, he stated that "he was among the first advisors in the State to become a certified senior advisor, further solidifying his presence as one of the Cape's leading senior advisors." (See Exhibit 7).

83. That statement was removed from Anzuoni's website on August 21, 2007. (See Exhibit 7).

84. Subsequent to July 30, 2007, Anzuoni edited his supposedly "inactive" website. For example, August 21, 2007 he had removed from the qualifications section of his website all references to his membership in the National Ethics Bureau (which he had been asked about in his on-the-record testimony), removed the CSA and NEB logos and he also removed references to the articles and book he has supposedly written. (See Exhibit 7).

6. Inaccurate Statement Made in Verification filed with the Division

85. Anzuoni produced documents to the Division, and signed a verification dated March 29, 2007, which stated: "This response to the Subpoena, dated March 12, 2007, including without limitation production of the requested documents, was prepared and assembled under my personal supervision from the records of Fairway Financial Insurance Agency, Inc. in accordance with the instructions and definitions set forth in such Subpoena and is complete and correct to the best of my knowledge and belief."

86. Anzuoni's production did not include any seminar advertisements for 2007, thus giving the impression that he was no longer advertising his seminars.
87. Attached as Exhibit 3 is a flyer advertising a March 13, 2007 Senior Retirement Seminar held by Anzuoni.

88. Upon information and belief, Exhibit 3 was included in a late February or early March 2007 edition of the Cape Cod Times.

89. Although explicitly within the ambit of the subpoena issued to Anzuoni dated March 12, 2007, Anzuoni did not produce this document to the Division.

90. Anzuoni also did not produce to the Division copies of the articles he purportedly wrote and the book he purportedly co-authored.

7. Additional Misleading Statements in Marketing Materials

91. Anzuoni’s marketing materials contain numerous other exaggerations or misleading statements.

92. For example, Anzuoni’s marketing materials, he states that he works: “exclusively with seniors”. (See Exhibit 8).

93. In his on-the-record testimony, he admitted that he had some clients that were under the age of 55.

94. Exhibit 9 is a “Certificate for Your Financial Exam” which offers a “Free One-Hour Private Consultation”.

95. Exhibit 9 states: “Must be Turned in Today for Validation”.

96. In his testimony with the Division, Anzuoni admitted that it was not true that the “certificate” had to be turned in that day in order to get the consultation.

c. Seminars and Subsequent Meetings with Potential Clients; Holding Out as An Investment Adviser; Sales Pitch and Products Sold
97. Anzuoni's website, www.capecodadvisors.com, advertises his workshops and boasts that "over 5000 seniors have attended our asset protection workshops".

98. On his website, there are a number of articles offering a wide range of investment information and giving the impression of a full-service investment firm.

99. For example, there is an article from "Steve Anzuoni" that discusses mutual funds. At the end of the article, it states: "Whether you are considering your first mutual fund or the next one to add to your portfolio, we can help you find funds that will help you reach your goals." The article provides Fairway Financial's telephone number. (See Exhibit 10).

100. The website, in addition to the flyers discussed above, invites senior citizens to seminars hosted by Anzuoni.

101. Anzuoni does not introduce himself as an annuity and insurance salesman at his seminars, even though those are the only products he is licensed to sell.

102. When asked how he introduces himself at his seminars, Anzuoni stated that he tells him the following:

You know, I started with a small company in Boston, you may have heard of it, John Hancock, and I was with them for about then years and then I formed Fairway Financial Insurance Agency so that I could be on my own and represent the client's best interests and not the company's and that I mainly work with seniors, pre-retirees, whatever you want to call them to help them protect their assets and preserve their dignity. My company slogan is basically what I try to do. I tell them right up front that the goal is to help them, to educate them a little bit, give them something to think about, to not about obviously their own personal situations in a group setting but to create enough interest where they want to sit down with either myself or Jonathan afterwards and discuss why they came and whether or not we can help them.

103. Subsequent to his seminars, Anzuoni asks attendees to fill out an information card with their contact information.
104. One invitation that Anzuoni used was titled “Certificate for Your financial Exam” and promised a “free One-Hour Private Consultation.” (See Exhibit 9).

105. The goal is to set up a meeting with elderly clients where he could review and critique their existing portfolios in order to build trust as an adviser.

106. At that meeting, which often takes place at the client’s home, Anzuoni purports to undertake a comprehensive review of the prospective client’s finances and makes recommendations.

107. A typical “Statement of Account” that Anzuoni prepares after the first meeting with the prospective client includes: “Current Positions”, detailing the current holdings of the prospective client and “Recommended Positions”, which typically show the portfolio after certain holdings are sold and the product Anzuoni sells is purchased.

108. Included in the “Statement of Account”, under a category titled “Results” is “find a local Certified Senior Advisor to coordinate affairs.”

109. Anzuoni’s recommendations, under the guise of investment advice, are really a means of selling the products he sells.

110. The only products that Anzuoni sells are fixed annuities, fixed index annuities, long term care insurance and single premium immediate annuities.

111. In most instances, the recommendations that Anzuoni provides his clients involves selling financial products (including securities) and purchasing high-commission annuities and other insurance products sold by Anzuoni.
112. After the meeting with the client, at which Anzuoni’s recommendations are made, often mutual funds are sold in order to buy the annuity sold by Anzuoni.

113. Anzuoni routinely comments on the merits of buying or selling mutual funds to clients and prospective clients.

114. Upon information and belief, annuities recommended and then sold by Anzuoni often subject the client’s funds to lengthy lock-up periods and substantial surrender fees and are unsuitable for Anzuoni’s elderly clientele.

115. With respect to his compensation for providing financial reviews, Anzuoni testified as follows:

Q. Do clients pay for their seminars?
A. No, they do not. Not monetarily.

Q. Do they pay for the meetings with you after the seminars?
A. They do not pay me for any meetings, no.

Q. What pays for the coffee or the food or whatever you do? Is that ultimately paid for by Fairway Financial’s commission revenue?
A. Yes, I would say that’s fair.

116. Anzuoni’s earnings from selling these high commission products are substantial. For example, Anzuoni testified that Fairway Financial grossed in excess of $350,000 in commissions in 2006.

B. **Elderly Client Number 1**
117. In February, 2007, the Division received a letter from a Massachusetts attorney representing a 86 year-old resident of The Commonwealth of Massachusetts ("Elderly Client Number 1")\(^1\).

118. The letter stated: “We write to make a formal complaint to your Division relative to my client’s dealings with Mr. Steven Anzuoni and Allianz.”

119. Elderly Client No. 1, recently deceased, died at the age of 87 years old.

120. Born in Massachusetts, Elderly Client No. 1 served in the U.S. Army as a fighter pilot during World War II, after which we has awarded the Distinguished Flying Cross for his heroism and extraordinary achievement. After the war, he worked as a banker in Florida and then returned to Massachusetts in 1998.

121. Elderly Client Number 1 attended one of Anzuoni’s seminars in 2002 and subsequently had a series of follow-up meetings with Anzuoni.

122. Elderly Client No. 1 was 82 years old when he first met Anzuoni and first came into contact with Anzuoni during a time of vulnerability — two weeks after his wife died and when he was about to undergo hip replacement surgery. Anzuoni was aware of these facts. (See Exhibit 9).

123. Anzuoni used his “Certified Elder Planner” and “Certified Senior Advisor” designations (both discussed above) to gain Elderly Client No. 1’s trust.

124. Elderly Client No. 1 relied on those purported credentials to believe that Anzuoni had expertise as a senior financial advisor and was acting in Elderly Client No. 1’s best interests.

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\(^1\) Client names and confidential financial information have been withheld to preserve the privacy of Massachusetts residents.
125. At a series of follow-up meetings, some of which were at Elderly Client No. 1’s home, Anzuoni analyzed Elderly Client Number 1’s assets and recommended the sale of certain mutual funds and the purchase of an Allianz annuity.

126. Subsequently, Anzuoni sold two other Allianz annuities to Elderly Client No. 1.

127. The first was a fixed annuity and had a lock-up period of 10 years and an initial surrender penalty of 10 years.

128. The second annuity was a single premium immediate annuity which locked Elderly Clients No. 1’s money up for five years and paid an effective interest rate of less than 3 percent.

129. The third annuity was an equity indexed annuity sold to Elderly Client No. 3 when he was 84 years old. It had a lock up period of 13 years and a surrender charge of 15 percent.

130. Had Elderly Client No. 1 survived that long, the third annuity would have begun to annuitize when he was 94 years old.

131. Allianz’ annuitization tables included in Elderly Client No. 1’s client files, only go up to age 90.

132. Anzuoni went over Elderly Client No. 1’s stock and mutual fund positions and recommend that he sell his mutual funds in order to reduce risk.

133. Elderly Client No. 1, relying on Anzuoni’s advice, sold securities in order to purchase these annuities.

134. In addition, after the first year, the rate of return on the first annuity (which locked Elderly Client No. 1’s money up for 10 years) dropped to 3 percent, substantially
less than the rate at which Elderly Client No. 1 could obtain during the 10 year period without locking up his money for so long.

135. There is no evidence in Anzuoni’s files for Elderly Client No. 1 that he engaged in any meaningful suitability analysis prior to the sales of these products to Elderly Client No. 1.

136. Anzuoni testified that he is not aware of the applicable Massachusetts Division of Insurance suitability regulations.

137. Upon information and belief, Anzuoni made commissions on the first and third sale of these annuities to Elderly Client No. 1, ranging from six to eight percent, possibly higher including potential trailing commissions.

138. Elderly Client No. 1 wrote Allianz a letter attempting to be allowed to terminate all three annuity policies without suffering a surrender fee and to transfer the funds to more suitable investments.

139. When Allianz asked Anzuoni about the sales, Anzuoni provided a spirited defense of his sales. (See Exhibit 11).

140. Allianz echoed Anzuoni’s defense in denying Elderly Client No. 1’s request.

141. Elderly Client No. 1’s attorney subsequently informed the Division that Elderly Client No. 1 was gravely ill, but did not have sufficient moneys to wrap up his estate because the money was tied up in the annuities Anzuoni sold him. Elderly Client No. 1’s daughter had to sell some of Elderly Client No. 1’s remaining mutual funds to pay expenses.

142. Ultimately, Elderly Client No. 1 passed away without having resolved his issues with Anzuoni.
VII. VIOLATIONS OF SECURITIES LAWS

COUNT I – VIOLATION OF § 201(a)

143. Section 201(a) of the Act provides in pertinent part:

It is unlawful for any person to transact business in this commonwealth as a broker-dealer or agent unless he is registered under this chapter.

144. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 143 above.

145. The conduct of Respondents, as described above, constitutes violations of M.G.L. c. 110A, § 201(a).

COUNT II – VIOLATION OF § 201(c)

146. Section 201(c) of the Act provides in pertinent part:

It is unlawful for any person to transact business in this commonwealth as an investment adviser or as an investment adviser representative unless he is so registered under this chapter.

147. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 146 above.

148. The conduct of Respondents, as described above, constitute violations of M.G.L. c. 110A, § 201(c).

COUNT III – VIOLATION OF § 102

149. Section 102 of the Act provides in pertinent part:

It is unlawful for any person who receives, directly or indirectly, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise

(1) to employ any device, scheme, or artifice to defraud the other person, or

(2) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.
150. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 149 above.

151. The conduct of Anzuoni, as described above, constitutes violations of M.G.L. c. 110A, § 102.

VIII. STATUTORY BASIS FOR RELIEF

A. Violations, Cease and Desist Orders and Costs

152. Section 407A(a) of the Act provides in pertinent part that:

(a) If the secretary determines, after notice and opportunity for a hearing, that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order issued thereunder, he may order such person to cease and desist from such unlawful act or practice and may take affirmative action, including the imposition of an administrative fine, the issuance of an order for accounting, disgorgement or rescission or any other relief as in his judgment may be necessary to carry out the purposes of [the Act].

153. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1 through 151 above.

154. Respondents directly and indirectly engaged in the acts, practices, and courses of business as set forth in this Complaint above, and it is the Division’s belief that Respondents will continue to engage in acts and practices similar in subject and purpose, which constitute violations if not ordered to cease and desist.

IX. PUBLIC INTEREST

For any and all of the reasons set forth above, it is in the public interest and will protect Massachusetts investors to:

1) Require Respondents to cease and desist from further violations of the Act;
2) Require Respondents to pay an administrative fine in an amount and upon such terms and conditions as the Director or Hearing Officer may determine;

3) Take such other actions, which may be in the public interest and necessary and appropriate for the protection of Massachusetts investors.

X. RELIEF REQUESTED

Wherefore, the Enforcement Section of the Division requests that the Director or Hearing Officer take the following action:

A. Find that all the sanctions and remedies detailed herein are in the public interest and necessary for the protection of Massachusetts investors;

B. Find as fact the allegations set forth in paragraphs 1 to 154 of the Complaint;

C. Enter an order requiring Respondents to cease and desist from any further violations of the Act;

D. Enter an order requiring Respondents to pay an administrative fine in an amount and upon such terms and conditions as the Director or Hearing Officer may determine;

E. Take such further actions as may be deemed just and appropriate to carry out the purposes of the Act.

ENFORCEMENT SECTION

MASSACHUSETTS SECURITIES DIVISION

[Signature]

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