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N.H. Secretary of State’s Bureau of Securities Regulation Reaches Nearly 6 Million Dollar Settlement Against Former Financial Adviser Thomas Chadwick

CONCORD, NH (April 25, 2024): The New Hampshire Bureau of Securities Regulation (Bureau), under the leadership of Secretary of State David Scanlan, has entered a Consent Order with former investment adviser Thomas Chadwick of New London, New Hampshire. Chadwick, formerly of the investment adviser firm Chadwick & D’Amato, has been ordered to pay \$4,858,364.71 in restitution to his former clients, most of whom are New Hampshire and Vermont residents. He has also agreed to pay \$1,000,000.00 in costs and penalties.

In 2021, [the Bureau launched an investigation into Chadwick](#), whose clients were mostly older, conservative-to-moderate risk investors. During the investigation, the Bureau discovered that Chadwick invested most of his former clients’ money in an extremely risky securities product known as “REML.” This product was composed of exchanged-traded notes, which are unsecured debt securities that are only suitable for highly aggressive investors and in lower quantities. REML contained warnings that it was not appropriate for “buy and hold” investors seeking long-term investments nor those who could not afford the risk of losing their entire investment in REML.

Despite these warnings, at the end of 2019 and beginning of 2020, Chadwick concentrated significant portions of his clients’ accounts in REML. In March 2020, as the COVID pandemic emerged, the value of REML fell to nearly zero dollars and resulted in devastating losses totaling several million dollars. Dozens of Chadwick’s former clients were affected.

Along with the payment of restitution, cost, and penalties, Chadwick has agreed to be permanently barred from securities licensure in New Hampshire. The Bureau will not collect costs and penalties until Chadwick pays back the restitution in full. Chadwick has indicated to the Bureau, as noted in the Order, that he does not have the resources to immediately pay the amounts owed. This may result in the Bureau pursuing a separate legal action to recover the restitution.

Brian Linares, a senior staff attorney for the Bureau, stated: “We are extremely pleased that this longstanding case has reached a conclusion. Countless individuals across both New Hampshire and Vermont had their lives upended by the losses associated with REML. This settlement should serve to underscore just how important it is that financial advisers follow the law and act with the utmost care when they hold another person’s financial wellbeing in their hands.”

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