

STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
25 CAPITOL STREET
CONCORD, NH 03301

CONSENT ORDER
IN THE MATTER OF:

Martin Barry Strudwick (CRD No. 2201523)
And
Strudwick Wealth Strategies, Inc. (CRD No. 108483)

I-2017-0008

- I. For purposes of settling the above-captioned matter, and in lieu of administrative proceedings, Martin Barry Strudwick (“MBS”, also referred to as the “Developer”) and Strudwick Wealth Strategies, Inc. (“SWS”) (collectively “Respondents”) have submitted an offer of settlement which the State of New Hampshire, Department of State, Bureau of Securities Regulation (the “Bureau”) has determined to accept. Accordingly, without admitting or denying the allegations contained herein, MBS and SWS do hereby consent to the entry of this Order and the following undertakings and sanctions:

THE FACTS

1. Respondent SWS was a state registered investment adviser and its renewal registration with the State of Maryland is pending. SWS has its principal place of business at 2 East Eager Street, Baltimore, Maryland.
2. Respondent MBS is the owner and control person of SWS. He is an investment adviser representative with SWS and has his license pending with the State of Maryland.
3. The complainants in this matter are a married couple living in New Hampshire that, in May of 2009, acquired a residential lot through acquisition of a single purpose Costa Rican limited liability company by investing \$265,000 based upon an introduction and recommendation by MBS and SWS, at a developing resort known as Del Pacifico. The investment was recommended by MBS and the amount invested represented a significant percentage of each complainant’s liquid net worth.
4. Prior to the Del Pacifico investment, in December 2008, the complainants received at least two communications from MBS or his staff regarding the investment in Del Pacifico. The first communication was a letter sent by a member of MBS’s staff, stating “Del Pacifico has a special opportunity to purchase lots with a guaranteed 25%

return after 3 years and a 40% return after 5 years.” The second communication was an e-mail sent by MBS dated December 30, 2008, stating “You can purchase a building in Costa Rica’s Del Pacifico Resort . . . and if you decide not to build in the next five years [the Developer] will repurchase the lot for a 40% appreciation.”

5. Also prior to the Del Pacifico investment, on March 6, 2009, each complainant became an investment advisory client of SWS. During this same period, MBS and SWS, through SWS’s website, touted the benefits of investing in the community of Del Pacifico. The website also explained that MBS was a “co-founder and executive director” of Del Pacifico.
6. In late April 2009, the complaining husband and wife each signed a subscription agreement to acquire a Costa Rican business entity, which held title to an undeveloped plot of land within the Del Pacifico community. The previously-mentioned December 2008 communications promising a guaranteed return was a material fact that led to their decision to invest in the business entity.
7. From May 2009 to December of 2013, the complainants told MBS and his staff repeatedly that they intended to exercise the “guaranteed 40% buyback,” which, based on MBS’s representations, the complainants could exercise after five years. Neither MBS nor his staff ever disputed the existence of such a buyback nor informed the complainants that such a buyback was unlikely to occur.
8. In December 2013, the complainants met with MBS for the purpose of discussing the buyback that was supposed to occur in May of the following year—five years after the complainants’ purchase of their initial investment. However, for the first time, MBS told the complainants that the Del Pacifico Developer was illiquid due to the collapse of the local Costa Rican real estate market and other business events at Del Pacifico, and the Developer lacked the cash to repurchase the lot they acquired.
9. In the spring of 2017, the complainants filed a complaint with the Bureau. Upon receipt of that complaint, the Bureau initiated a formal investigation.
10. The Bureau determined that, based on the complainants’ risk tolerance and investment objectives, MBS and SWS’s recommendation to complainants to invest in real estate at Del Pacifico was unsuitable because it was high risk and speculative.

THE LAW

11. Because Respondents’ conduct occurred before the revised N.H. RSA chapter 421-B, which became effective January 1, 2016 the substantive provisions of N.H. RSA chapter 421-B will reference the prior Act, while citations to the procedural provisions of N.H. RSA chapter 421-B will reference the revised Act.

12. MBS is a “person” within the meaning of N.H. RSA 421-B:2, XVI. At all relevant times, MBS was an investment adviser representative of SWS as defined by N.H. RSA 421-B:2, IX-a.
13. SWS is a “person” within the meaning of N.H. RSA 421-B:2, XVI. At all relevant times, SWS was an investment adviser as defined by N.H. RSA 421-B:2, IX.
14. Pursuant to N.H. RSA 421-B:10, I, the Secretary of State may by order deny, suspend, or revoke any license or application, or bar any person from licensure if he finds that the order is in the public interest and that the person has engaged in conduct contrary to the securities laws of the State of New Hampshire. In lieu of, or in addition to, any such order to suspend or revoke any license or application, the secretary of state may, upon hearing, assess an administrative fine of not more than \$2,500 per violation.
15. Pursuant to N.H. RSA 421-B:4, V(a), an investment adviser or investment adviser agent shall not recommend to a client to whom investment supervisory, management, or consulting services are provided the purchase, sale, or exchange of any security without reasonable grounds to believe that the recommendation is suitable for the client on the basis of information furnished by the client after reasonable inquiry concerning the client's investment objectives, financial situation and needs, and any other information known by the investment adviser or investment adviser agent. The Bureau determined that MBS and SWS are in violation of this provision for selling the Del Pacifico investment to the complainants without reasonable grounds to believe that the recommendation was suitable.
16. Pursuant to N.H. RSA 421-B:22, IV, in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the Secretary of State's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the Secretary of State, the Secretary of State shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter.
17. Pursuant to N.H. RSA 421-B:23, I(a), if the Secretary of State determines that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule or order under this chapter, the Secretary of State shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter.
18. Pursuant to N.H. RSA 421-B:26, V, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated this chapter, or a rule or order under this chapter. Rescission, restitution or disgorgement shall be in addition to any other penalty provided for under this chapter.

II. In view of the foregoing, MBS and SWS consent to the following terms:

1. MBS and SWS hereby waive their right to an administrative proceeding, and any appeal therein, under N.H. RSA chapter 421-B.
2. This Consent Order is entered into for purposes of resolving only the matter described herein. The Bureau reserves the right to initiate an administrative investigation or proceeding relative to MBS's and SWS's conduct that the Bureau had no knowledge at the time of the date of final entry of this Consent Order.
3. MBS and SWS shall not to take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects MBS's or SWS's testimonial obligations or right to take legal positions in legal proceedings in which the State of New Hampshire is not a party.
4. MBS and SWS shall cease and desist from violations of the New Hampshire Securities Act pursuant to N.H. RSA 421-B:23.
5. Within 30 days of execution of this Consent Order, MBS and SWS shall jointly and severally pay an administrative fine of Ten Thousand Dollars (\$10,000) and the Bureau's costs of investigation in the amount of Five Thousand Dollars (\$5,000). Payment shall be made by United States postal money orders, certified check, bank cashier's check, or bank money order. The funds shall be made payable to the State of New Hampshire and be hand delivered or mailed to the Bureau of Securities Regulation, Department of State, State House Room 204, Concord, NH 03301.
6. Following full execution of this Consent Order, MBS and SWS shall pay to the complainants restitution totaling Two Hundred Sixty-Five Thousand Dollars (\$265,000) (the "Complainants' Sum"), representing the complainants' initial investment in Del Pacifico. Payment of the Complainants' Sum shall be paid quarterly in increments of six thousand dollars (\$6,000.00), due on a calendar year quarterly schedule commencing July 1, 2018, until paid in full. Payments shall be mailed to Complainants no later than the first business day of each quarter. MBS and SWM shall have the right to prepay the Complainants' Sum at any time. Each quarterly payment toward the full amount of the Complainants' Sum under this Consent Order shall be made by United States postal money orders, certified check, bank cashier's check, or bank money order. The funds shall be made payable to the complainants and mailed to the complainants at an address provided by the Bureau, with a copy to the Bureau of Securities.
7. MBS and SWS shall submit a sworn financial statement every year on the anniversary date of this Consent Order. MBS and SWS shall submit tax returns (including any

amendments of prior years' returns) to the Bureau on a yearly basis and shall provide such tax returns to the Bureau within thirty (30) days of filing with the Internal Revenue Service (IRS). Additionally, MBS and SWS also agree that if the Bureau determines, at any time, that MBS and SWS can afford to make more payments towards the outstanding restitution, cost recovery, and fines owed, the Bureau reserves the right to demand a payment or negotiate a higher monthly payment plan with MBS and SWS. If MBS and SWS and the Bureau cannot agree to a payment amount or new payment plan amount, the Bureau or MBS and SWS may petition the Director of the Bureau for a determination of the amount of the payment or the payment plan terms, based on a finding of MBS and SWS's ability to pay. The Director, or a hearing officer assigned by the Director, may hold a hearing to determine the amount that MBS and SWS must pay and any such hearing will be limited to the terms of the payment plan only and will not be an opportunity for MBS and SWS to argue any of the facts or sanctions contained in this Consent Order.

8. Pursuant to the attached escrow agreement (Exhibit A), MBS and SWS shall place in escrow or otherwise caused to be registered to the Escrow Agent in trust, certain assets until Complainants Sum is paid in full.
9. All terms and conditions of that attached escrow agreement shall be considered material provisions of this Consent Order. Any failure to adhere to the provisions of the attached escrow agreement shall constitute a violation of this Consent Order. MBS shall make reasonable efforts to find a buyer for all or some of the assets held in Escrow. MBS and SWS shall report to the Bureau, in writing, regarding efforts to fund a buyer for the assets held in Escrow. Such report shall be delivered to the Bureau on or before the first of January and the first of June of each year this Order is in effect and until all the financial obligations hereunder have been satisfied. In the event a sale is consummated by the Escrow Agent, then sale proceeds, after payment of attorney and escrow agent fees are paid, funds available from the sale of assets shall be applied to the unpaid balanced due on Complainants Sum once paid over to Complainants by the Escrow Agent. Any excess funds after payment of attorney and escrow fees, and Complainants sum, shall be paid over to MBS by Escrow Agent.
10. If MBS and SWS fail to either fully comply with any provision or satisfy any obligation herein, such failure shall constitute a violation of this Consent Order.
11. The Bureau reserves the right to reopen this matter if payment in full according to the terms of this Consent Order.
12. Until all amounts owed by MBS and SWS under this Consent Order are paid in full, MBS and SWS shall not seek securities licensure of any kind in the State of New Hampshire.

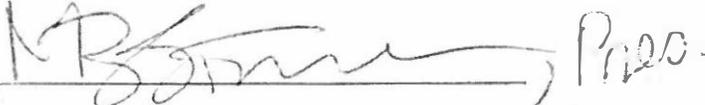
13. Further and solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the terms, sanctions, and undertakings of this Consent Order are entered into by the MBS and SWS in order to settle the disputed allegations of the Bureau, and further, any debt for restitution, civil penalty, or other amounts due by MBS and SWS under this Consent Order, or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this matter, is a debt for the violation by MBS and SWS of New Hampshire securities laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C § 523(a)(19).

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to impose sanctions and undertakings, and to enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. MBS and SWS cease and desist from violations of N.H. RSA 421-B.
2. MBS and SWS jointly and severally pay the administrative fine of Ten Thousand Dollars (\$10,000) and the Bureau's costs in the amount of Five Thousand Dollars (\$5,000) as outlined herein.
3. MBS and SWS jointly and severally pay the Complainants' Sum in the amount of Two Hundred Sixty Five Thousand Dollars (\$265,000) as outlined herein.
4. MBS and SWS not seek securities licensure, of any kind, in the State of New Hampshire until all amounts owed by MBS and SWS under this Consent Order are paid in full.
5. MBS and SWS comply with and satisfy all undertakings and sanctions outlined herein.

SO ORDERED.

Executed this 13 day of June, 2018.

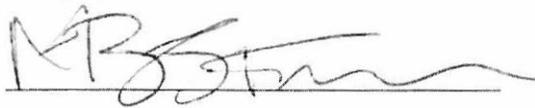


on behalf of Strudwick Wealth Strategies

(Please print name below:

M.B. Strudwick

Executed this 13 day of June, 2018.



Martin Barry Strudwick

Entered this 13 day of June, 2018.



Barry Glennon, Director
N.H. Bureau of Securities Regulation