

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

CONSENT ORDER
IN THE MATTER OF:

William A. Bischoff
Genesis Investments Group, Ltd
Genesis Investments group, LLC

COM2016-0008

1. For purposes of settling the above-captioned matter, and in lieu of further administrative proceedings, William A. Bischoff (“WAB”), Genesis Investments Group, Ltd and Genesis Investments Group, LLC (“GIG), 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, WAB and GIG do hereby consent to the entry of this Consent Order and to the following undertakings and sanctions:

STATEMENTS OF FACT

1. William A. Bischoff (hereinafter “WAB”) resides in York, Maine. In the 1990’s WAB established a company located at 2456 Lafayette Road, Portsmouth, NH 03801 named Genesis Investments Group, LTD (hereinafter “GIG”) which, according to their website, “is a private investment banking firm, founded in 1991, which specializes in placing equity capital, or subordinated debt, for the recapitalization, growth or acquisition of privately held or family owned businesses”. GIG also goes by the name of Genesis Investments Group, LLC, and according to WAB, GIG formally converted to an LLC entity in 2015. Neither WAB nor GIG are or have ever been licensed to conduct securities business in the State of New Hampshire.
2. Through the 1990’s and into the 2000’s, WAB was a principal of GIG. In his role with GIG and or in his individual capacity, WAB established several separate business entities

(hereinafter the "Bischoff Entities") which took in investor money for the purpose of the entity purportedly investing in the stock of another company that was in a position of growth or acquisition. Typically, the Bischoff Entities would have a management arm consisting of WAB and others that would manage the Bischoff Entity and receive a management fee. Some of these entities formed by WAB that the Bureau is aware of are Genesis Capital Partners I, Genesis Capital Partners II, Genesis Marketing and Development, LLC, Genesis Real Estate Synergy Partners, LLC, and Genesis Capital Partners IV, LLC. All of these separate entities were essentially a pooled investment vehicle whereby investors were solicited to pool their money for the purpose of buying the stock of another company with the expectation that the stock would be sold at a later time for a profit. The investors would in exchange receive a unit interest in the Bischoff Entity.

3. Separate from GIG, WAB established and ran, from the 1990's to the present, several other investment ventures (hereinafter the "Bischoff Ventures"). Some of the Bischoff Ventures that the Bureau is aware of are Sprucecreek Ventures, Northeast Capital Investments, and Green Mountain Acres. According to WAB, these entities were engaged in the business of real estate development and investment. Sprucecreek was a parcel of land located in Kittery, Maine intended to be developed by WAB into condominiums and Green Mountain Acres was a parcel of land in Fair Haven, Vermont intended to be developed by WAB into multiple units for assisted living. These ventures were not actually developed by WAB, the Kittery parcel has since been sold, and the Fair Haven parcel is under an option contract and may be sold in the future. According to statements of WAB, Northeast Capital Investments was a venture controlled by WAB which pooled investor money to buy discounted mortgage notes paying high annual interest. According to WAB, multiple investors would place money with WAB which would be pooled with other investor money for the purported purpose of buying a discounted short term mortgage note paying high interest between 13.9 and 16%. According to WAB, in exchange for their investment, investors would be given an unsecured promissory note and a purported investment account established by WAB which would accumulate a set interest rate, usually a high rate of interest but less than the purchased mortgage note rate, and the investor's account would purportedly grow with compounded interest paid annually. WAB would pay himself a fee

for this investment which was equal to the difference between the interest paid by the mortgagor on the mortgage note and the investor's note rate. Northeast Capital Investments was never a licensed securities entity in the state of New Hampshire, and none of the notes described herein were ever registered securities for sale in the State of New Hampshire.

4. From as early as the 1990's to the present, some GIG investors would also entrust WAB with the sale of their real estate holdings for the purpose of providing them with additional investment returns. However, in many instances WAB diverted the proceeds from these real estate sales for his own purposes and personal expenses without disclosing the transactions to his investors. In some cases the investors were not made aware that WAB had placed a mortgage on their real estate in his own name, failed to make the payments, and then the real estate would be lost in foreclosure.
5. From as early as the 1990's to the present, GIG investors were provided with false account statements manufactured by WAB which purported to show their investments, the amount invested and the interest earned on their investments. Some accounts showed accumulations in the millions. The entries on the account statements would include purported investments in the Bischoff Entities, the Bischoff Ventures as well as fictitious annuity or fund ownership and monies from purported income streams like lawsuit settlements.
6. All of the above described activities were part of a large Ponzi scheme with losses in the millions of dollars and much of the purported investments were either non-existent or grossly overvalued. WAB has since plead guilty in the United States District Court for the District of New Hampshire to one count of wire fraud and one count of willfully failing to file federal tax returns (Case # 17cr196-JD). As such, WAB will be going to federal prison for an indeterminate period of time.

STATEMENTS OF LAW

- II. The staff of the Bureau hereby makes the following statements of law under the New Hampshire Revised Statutes Annotated, N.H. RSA 421-B, and regulations thereunder:

1. WAB and GIG are “persons” within the meaning of N.H. RSA 421-B:2, XVI.
2. GIG is an “investment adviser” within the meaning of N.H. RSA 421-B:2, IX and WAB is an “Investment adviser representative” within the meaning of N.H. RSA 421-B:2, IX-a.
3. GIG and WAB are a broker-dealer and broker-dealer agent within the meaning of N.H. RSA 421-B:2, II and III.
4. The investments listed above are securities as defined by RSA 421-B:2,XX.
5. Pursuant to N.H. RSA 421-B:3, it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly: (a) To employ any device, scheme, or artifice to defraud; (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person. WAB, and GIG are in violation of this provision.
6. Pursuant to N.H. RSA 421-B:4.I, [i]t is unlawful for any person who receives 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: (a) [t]o employ any devise, scheme or artifice to defraud another person; or (b) [t]o engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person. WAB and GIG are in violation of this section.
7. Pursuant to N.H. RSA 421-B:6, I, it is unlawful for any person to transact business in this state as an investment adviser or investment adviser agent unless such person is licensed under N.H. RSA 421-B or exempt from licensing. WAB and GIG are in violation of this provision for providing investment adviser services without being properly licensed.

8. Pursuant to N.H. RSA 421-B:6.I, it is unlawful for any person to transact business in this state as a broker-dealer or broker-dealer agent unless such person is licensed under N.H. RSA 421-B or exempt from licensing. WAB and GIG are in violation of this provision for trading the accounts of others for a fee without being properly licensed.
9. Pursuant to N.H. RSA 421-B:6-604 (a) (formerly 421-B:26. III-a), [i]f the secretary of state determines that a person has engaged, is engaging, or is about to engage, in an act, practice, or course of business constituting a violation of this chapter, or that a person has, is, or is about to materially aid an act, practice, or course of business constituting a violation of this chapter, the secretary of state may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter. WAB is in violation of this section as a control person of GIG.
10. Pursuant to N.H. RSA 421-B:6-604(d) (formerly N.H. RSA 421-B:26. III), any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. WAB and GIG are persons subject to this provision.
11. Pursuant to N.H. RSA 421-B:6-604(e) (formerly 421-B:26. V), after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated N.H. RSA 421-B. WAB and GIG are subject to this provision.
12. Pursuant to N.H. RSA 421-B:6-604(f) (formerly N.H. RSA 421-B:23), whenever it appears to the Secretary of State that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he 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. WAB and GIG are persons subject to this

provision and shall be ordered to permanently cease and desist from any violations of N.H. RSA 421-B.

13. Pursuant to N.H. RSA 421-B:6-604(g) (formerly 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. WAB and GIG are persons subject to this provision.

UNDERTAKINGS

III. In view of the foregoing, WAB and GIG agree to the following:

1. WAB and GIG agree that they voluntarily consented to the entry of this Consent Order and represent and aver that no employee or representative of the Bureau has made any promise, representation, or threat to induce their signing of this order.
2. WAB and GIG agree to waive their right to an administrative hearing and any appeal thereof under this chapter.
3. WAB and GIG agree to cease and desist from any violations of N.H. RSA 421-B:3 (now RSA 421-B:5-501).
4. WAB and GIG agree that this Order is entered into for purposes of resolving only the matter as described herein. This order shall have no collateral estoppel effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by WAB and GIG of which the Bureau has no knowledge at the time of the date of final entry of this Consent Order.

5. WAB and GIG agree not to take any action or make 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.
6. WAB and GIG agree, pursuant to this Consent Order, to pay an administrative fine of One Hundred Thousand Dollars (\$100,000), including costs of Twenty-Five Thousand Dollars (\$25,000). Payment of the total One Hundred and Twenty-Five Thousand Dollars (\$125,000) shall be made to the State of New Hampshire. Payment must be made by 1) business check, certified check, or postal money order; 2) made payable to the State of New Hampshire; and 3) mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
7. WAB and GIG are hereby barred from any licensure, registration or securities sales activity in the securities or investment industry in the State of New Hampshire.

IV. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED:**

1. That the Bureau finds as fact the allegations contained in section I of the Statements of Fact.
2. That the Bureau makes the conclusions of law as stated in section II.
3. That WAB and GIG are to permanently cease and desist from further violations of N.H. RSA 421-B.
4. That WAB and GIG are permanently barred from any securities licensure or registration and sales activity in the securities or investment industry in the State of New Hampshire.
5. WAB agrees to pay a fine of one hundred thousand dollars (\$100,000) and cost recovery of twenty-five thousand dollars (\$25,000) to the Bureau. WAB will soon be sentenced to an indeterminate period of time in prison and represents that he currently has an inability to pay

this fine and costs in full but agrees to make periodic payments every month upon release from the custody of the Federal Bureau of Prisons until the entire balance is paid. WAB agrees to notify the Bureau of his anticipated release date not less than 30 days prior to his release from the custody of the Federal Bureau of Prisons and shall at that time fully disclose to the Bureau the status of his financial situation by providing a sworn and notarized financial affidavit which shall include all assets and sources of income. WAB and the Bureau will then attempt to negotiate an appropriate monthly payment amount, which shall not be less than fifty dollars (\$50.00) per month. If WAB and the Bureau cannot agree to a monthly payment amount, the Director of the Bureau, or a hearing officer assigned by the Director, may hold a hearing to determine the amount that WAB and GIG must pay and any such hearing will be limited to the terms of the payment plan only and will not be an opportunity for WAB to argue any of the facts or sanctions contained in this Consent Order.

6. After a monthly payment amount is set upon WAB's release from custody, payments will be due to the Bureau by the first of the month. If payment is not received by the Bureau by the first of each month the Bureau shall notify WAB of his failure to pay by mail to the last known address provided to the Bureau by WAB. Brochu shall have fifteen (15) days from the date of such notice to make the required payment. If payment is not received within fifteen (15) days from the date of such notice, such failure to pay will be considered in default of this Consent Order. WAB agrees that if he fails to make a payment on or before the first of each month in more than three instances in any consecutive thirty-six month timeframe then such repeated failure to make timely payments will be considered a default of this Consent Order. Payments sent by mail on at least the second business day before the first day of the following month shall be considered timely. Payments shall be made by United States postal money order, 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.
7. WAB agrees that if any periodic payment under this Consent Order is not paid when due (including the notice period), pursuant to Undertaking number 5 and 6 above, the entire

unpaid balance shall become due and payable immediately, at the election of the Bureau. Additionally, upon default pursuant to Undertaking number 6 above, WAB authorizes and empowers the Bureau to enter judgment by confession against WAB and GIG, in favor of the Bureau, for the amount due plus all costs of collection, including without limitation court costs and reasonable attorney's fees. WAB and GIG expressly waives any notice or other process, consents to immediate execution of the judgment, and expressly waives any right to a hearing or appeal thereunder concerning a default as defined in Undertaking number 6. WAB also acknowledges that, should he default on any obligations set forth in this Consent Order, he may be subject to a separate enforcement action and additional fines and penalties for violations of the Consent Order.

8. Until all outstanding fine, and cost recovery are paid in full, WAB shall inform the Bureau of any change of address within thirty (30) days of moving. WAB shall also submit tax returns (including any amendments of prior years' returns) to the Bureau on a yearly basis and shall provide the tax returns to the Bureau within thirty (30) days of filing with the Internal Revenue Service. WAB shall, until his complete satisfaction of the undertaking and sanctions contained herein, further notify the Bureau of receipt of any asset or financial windfalls of any kind in excess of five hundred dollars (\$500) in value within thirty (30) days of receipt. WAB agrees to notify the Bureau when he gains employment of any kind within thirty (30) days of hiring and provide a copy of any documents necessary for the Bureau to understand his employment compensation, including but not limited to copies of employment contracts and payroll checks. WAB also agrees that if the Bureau determines, at any time, that WAB can afford to make more payments towards the outstanding cost recovery, and fines owed, the Bureau reserves the right to demand a payment or negotiate a higher monthly payment plan with WAB. Similarly, if WAB's circumstances change, WAB may negotiate a lower monthly payment plan with the Bureau. If WAB and the Bureau cannot agree to a payment amount or new payment plan amount, the Bureau or WAB 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 WAB's ability to pay. The Director, or a hearing officer assigned by the Director, may hold a hearing to determine the amount that WAB and GIG must pay and any such hearing will be limited to the terms of

the payment plan only and will not be an opportunity for WAB to argue any of the facts or sanctions contained in this Consent Order.

9. Pursuant to N.H. RSA 421-B: 26, V, order restitution be paid to the Investors in an amount to be determined by the New Hampshire United States Attorney's Office and or the United State District Court for New Hampshire in criminal matter 17cr196-JD.

Executed this 20 day of June, 2018.



William A. Bischoff

Executed this 20 day of June, 2018.

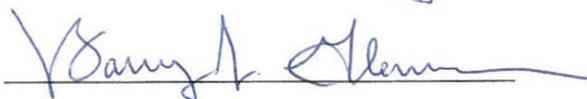


on behalf of GIG

(Please print name below:

William Bischoff

Entered this 20th day of June, 2018.



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