

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

IN RE: COLOMONT, INC.	)	DOCKET NO. 21-050-S
and CHRISTOPHER SANTEE	)	
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	)	

**JUDGMENT AND ORDER**

Having considered the oral arguments made by the parties on November 20, 2023, and having fully reviewed and accepted the recommended Findings of Fact and Conclusions of Law of Jeannie Oliver, Esq., the appointed Hearing Officer, which are based on consideration of the record established in this matter and supported by the documentary evidence submitted and testimony provided:

IT IS HEAREBY ORDERED that:

1. Respondents are found to have engaged in at least 375 violations of 9 V.S.A. § 5301, and the following administrative penalty, restitution, and corrective actions are hereby ordered.
2. Colomont, Inc. and Christopher Santee shall be jointly and severally liable for paying an administrative penalty of \$37,500 to the Vermont Department of Financial Regulation, being \$100 per violation of 9 V.S.A. § 5301, within 60 calendar days of the Judgment and Order.
3. Colomont, Inc. and Christopher Santee shall be jointly and severally liable for providing restitution totaling the sum of all sales of Colomont Shares, but not less than \$419,000, to individuals who purchased Colomont Shares.
4. The restitution ordered pursuant to paragraph 3 shall be provided within 60 calendar days of the Judgement and Order through the issuance and the mailing or

- hand delivery of refund checks to each individual who purchased Colomont shares for the full original sale price the individual paid for their shares at the time of purchase. Checks shall be issued in priority of the date on which the individuals purchased shares, beginning with the oldest purchase date.
5. Within 30 calendar days of the Judgment and Order, Respondents shall escrow the total restitution owed to individuals pursuant to paragraphs 3-4, but not less than \$419,000, in an account established at a financial institution or credit union for the benefit of the individuals that are owed restitution and shall provide evidence from the financial institution or credit union to the Securities Division that the account has been established and fully funded.
  6. In the initial communication to the individuals owed restitution pursuant to paragraphs 3-4, Respondents shall include the following: (1) the refund checks being issued pursuant to paragraphs 3-4, (2) a copy of the Judgement and Order or the url for the Judgement and Order on the Vermont Department of Financial Regulation's website and (3) a statement that Colomont, Inc.'s shares are not legally registered and that, as a result, Colomont, Inc. is rescinding all previously issued shares and refunding investors the full amount they paid for their shares.
  7. Within 75 calendar days of the Judgment and Order, Respondents shall communicate with all remaining shareholders that their shares are not legally registered and provide a copy of the Judgement and Order or the url for the Judgement and Order on the Vermont Department of Financial Regulation's website.

8. Respondents shall not offer any shareholders the ability to retain their unregistered shares nor offer the individuals owed restitution pursuant to the Judgment and Order goods or services in lieu of refund checks.
9. No later than 60 calendar days of the Judgment and Order, Colomont Inc., and Christopher Santee shall certify to the Securities Division that all refund checks owed to individuals pursuant to the Judgment and Order have been issued and either mailed or hand delivered and shall provide the Securities Division with a spreadsheet containing the following information: (1) the name of all individuals owed restitution pursuant to the Judgment and Order; (2) the total restitution owed to each individual; (3) whether the refund check has been cashed by the individual; and (4) all known contact information for the individual.
10. Respondents shall have an ongoing obligation to ensure refund checks issued to individuals owed restitution pursuant to the Judgment and Order are received by the individual and shall be responsible for complying with the provisions in 27 V.S.A. § 1451, et seq. should refund checks ultimately be presumed abandoned pursuant to the Vermont Revised Uniform Unclaimed Property Act.
11. Unclaimed refund checks for restitution owed to individuals pursuant to the Judgment and Order shall escheat to the State of Vermont pursuant to the provisions in 27 V.S.A. § 1451, et seq.
12. If Colomont, Inc. or Christopher Santee should file for bankruptcy, each individual who is owed restitution pursuant to the Judgment and Order and who has not been provided the full restitution owed shall have an unsecured claim against the respective Respondent for the amount of unpaid debt.

13. In a bankruptcy proceeding, the penalty and restitution ordered in the Judgment and Order are debts that are for the violation of state securities laws within the meaning of 11. U.S.C. § 523(a)(19)(B).
14. Respondents are barred from offering or selling securities, or otherwise engaging in the business of securities, in Vermont without the prior approval of the Vermont Department of Financial Regulation in order to ensure compliance with Vermont Securities laws.
15. In all instances where the Judgment and Order requires Respondents to provide certification, information, or documents to the Securities Division, Respondents shall send such certification, information, and documents via e-mail to Sarah Heim, Director of Examinations and Enforcement, at [sarah.heim@vermont.gov](mailto:sarah.heim@vermont.gov).

Dated at Montpelier, Vermont this 14th day of December, 2023.

**VERMONT DEPARTMENT OF  
FINANCIAL REGULATION**



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Kevin J. Gaffney, Commissioner

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

**IN RE: COLOMONT, INC.  
and CHRISTOPHER SANTEE**

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**DOCKET NO. 21-050-S**

**HEARING OFFICER’S PROPOSAL FOR DECISION**

Upon consideration of the record established in this matter, including the documentary evidence submitted and testimony provided, the undersigned Hearing Officer submits the following recommended Findings of Fact, Conclusions of Law, and Recommendations to the Commissioner pursuant to Section 1.05(P) of the Vermont Department of Financial Regulation Administrative Procedures, DFR-2022-01 (“DFR Administrative Procedures”).

**I. INTRODUCTION**

1. This matter concerns the administrative charges dated January 6, 2023 (“Administrative Charges”), filed by the Securities Division of the Vermont Department of Financial Regulation (the “Securities Division”) against the Respondents, Colomont Inc. (“Colomont”) and Christopher Santee alleging violations of 9 V.S.A. § 5301 (“Administrative Charges”).

**II. PROCEDURAL HISTORY**

2. On or around January 6, 2023, the Securities Division filed the Administrative Charges referenced in paragraph 1, above. *See* Administrative Charges.

3. On or around February 21, 2023, attorney Normal R. Blais filed a Notice of Appearance, an Answer, and Request for Hearing in this matter on behalf of Christopher Santee personally (“Santee Ans.”). *See* Santee Ans.

4. On or around March 1, 2023, Christopher Santee, acting as the Chief Executive Officer of Colomont, filed an Answer and Request for Hearing on behalf of Colomont (“Colomont Ans.”). *See* Colomont Ans.

5. On or around March 6, 2023, attorney Diane Sherman filed a Notice of Appearance on behalf of the Securities Division. *See* Diane Sherman’s Notice of Appearance.

6. On or around March 6, 2023, Jeannie Oliver was appointed as the Hearing Officer in this matter. *See* Hearing Officer Letter of Appointment.

7. On March 16, 2023, a Notice of Prehearing Conference was sent to attorney Sherman, attorney Blais, and Christopher Santee notifying the parties that by agreement of the parties a prehearing status conference would be held by the Hearing Officer on Friday April 21, 2023, at 1:00 pm via Microsoft Teams. *See* Notice of Prehearing Conference, March 16, 2023.

8. On April 21, 2023, at 1:00 pm, a prehearing status conference was held via Microsoft Teams. The prehearing status conference was attended by the Hearing Officer, attorney Sherman, and the Department of Financial Regulation (“DFR”) Docket Clerk, Beth Sides. The Hearing Officer paused the prehearing status conference between 1:00 and 1:16 pm and requested the Docket Clerk to contact attorney Blais and Christopher Santee via telephone. The Docket Clerk was unable to reach either Respondent. The prehearing status conference resumed at approximately 1:16 pm and attorney Sherman made an oral motion for default judgment. The Hearing Officer directed the Securities Division to put the motion in writing together with proposed findings of fact and conclusions of law. *See* Prehearing Conference Order, April 27, 2023.

9. On April 27, 2023, the Hearing Officer issued a Prehearing Conference Order directing the Securities Division to file its written Motion for Default Judgment and proposed findings of fact and conclusions of law by Friday May 12, 2023. *See* Prehearing Conference Order, April 27, 2023.

10. On or around May 8, 2023, the Securities Division filed a Joint Motion for Default Judgment and Summary Judgment, Statement of Undisputed Material Facts, and Proposed Order and Judgment. *See* Securities Division Joint Motion for Default Judgment and Summary Judgment, Statement of Undisputed Material Facts, Proposed Order and Judgment, Certificate of Service.

11. On or around May 8, 2023, attorney Blais filed a Request for Leave to Withdraw as legal counsel for Christopher Santee. *See* Request for Leave to Withdraw.

12. On or around May 19, 2023, attorney Blais on behalf of Christopher Santee, and Christopher Santee on behalf of Colomont jointly filed the Respondents’ Opposition to the Securities Division’s Motion for Summary Judgment. *See* Respondents’ Opposition to Motion for Summary Judgment.

13. On May 19, 2023, the Hearing Officer issued a Notice of Prehearing Conference notifying the parties that a prehearing status conference would be held via Microsoft Teams on Friday May 26, 2023, at 3:00 pm to discuss attorney Blais' request for leave to withdraw and the Securities Division's Joint Motion for Default and Summary Judgement. *See* Notice of Prehearing Conference, May 19, 2023.

14. On or around May 23, 2023, the Securities Division filed a Reply to Respondents' Opposition to Joint Motion for Default Judgment and Summary Judgement. *See* Department's Reply to Respondents' Opposition to Joint Motion for Default Judgment and Summary Judgement.

15. On May 26, 2023, at 3:00 pm a prehearing status conference was held via Microsoft Teams and attended by the Hearing Officer, attorney Sherman for the Securities Division, attorney Blais on behalf of Christopher Santee, Christopher Santee on behalf of Colomont, and DFR's Docket Clerk, Beth Sides. The Hearing Officer denied the Securities Division's Motion for Default Judgment. The Respondents admitted that there was no dispute as to the material facts recorded in the Securities Division's May 8 Statement of Undisputed Material Facts, and that a hearing on the merits is not necessary to establish the alleged violations of 9 V.S.A. § 5301, which violations were admitted by the Respondents. The Respondents disputed the Securities Division's proposed penalties, restitution, and corrective actions. The Hearing Officer granted the Securities Division's Motion for Summary Judgment with respect to the violations of 9 V.S.A. § 5301 and denied the Motion for Summary Judgement with respect to the Security Division's proposed sanctions for the violations. By mutual agreement of the parties, the Hearing Officer scheduled an evidentiary hearing for June 30, 2023, at 1:00 pm limited in scope to the issue of determining appropriate sanctions pursuant to 9 V.S.A. § 5604. At the conclusion of the prehearing conference, attorney Blais affirmed his request for leave to withdraw, Christopher Santee confirmed his consent to the request for leave to withdraw, and the Hearing Officer granted attorney Blais' request. Christopher Santee confirmed his intention to represent both himself and Colomont as a non-attorney representative and the Hearing Officer directed Christopher Santee to file a pro-se representative notice of appearance and motion to appear as a non-attorney on behalf of Colomont. *See* Prehearing Status Conference Order, June 8, 2023.

16. On or around June 2, 2023, Christopher Santee filed a Motion to Appear as a Non-Attorney on behalf of Colomont. *See* Motion to Appear as a Non-Attorney.

17. On June 8, 2023, the Hearing Officer issued a Prehearing Conference Order memorializing the matters decided at the May 26, 2023, prehearing status conference and establishing a filing schedule for the June 30, 2023, evidentiary hearing. *See* Prehearing Conference Order, June 8, 2023.

18. On June 8, 2023, the parties were issued with a Notice of Evidentiary Hearing scheduled for June 30, 2023, at 1:00 pm limited to the issue of determining appropriate sanctions pursuant to 9 V.S.A. § 5604 for the Respondents' admitted violations of 9 V.S.A. § 5301. *See* Notice of Evidentiary Hearing, June 8, 2023.

19. On or around June 15, 2023, attorney Timothy Bryon Fair filed a notice of limited appearance on behalf of Colomont and Christopher Santee to represent the Respondents at the June 30 evidentiary hearing. *See* Attorney Fair Notice of Limited Appearance.

20. On or around June 16, 2023, the Respondents jointly filed a witness list. *See* Santee/Colomont Witness List.

21. On or around June 16, 2023, the Securities Division submitted a witness list. *See* Securities Division Witness List.

22. On June 22, 2023, at 12:00 pm the Hearing Officer held a prehearing status conference in response to the Securities Division's email of June 14, 2023, requesting clarification of procedural matters relating to the scheduled evidentiary hearing. The prehearing status conference was attended by the Hearing Officer, attorney Sherman on behalf of the Securities Division, attorney Fair on behalf of the Respondents, and the DFR Docket Clerk. *See* Prehearing Conference Order, June 26, 2023.

23. On June 26, 2023, the Hearing Officer issued a Prehearing Conference Order. *See* Prehearing Conference Order, June 26, 2023.

24. On or around June 26, 2023, the Securities Division filed a Summary of Prefiled Testimony, Prefiled Testimony of Sarah Heim together with Exhibits DFR-1, DFR-2, and DFR-3; Prefiled Testimony of David Andrews; Prefiled Testimony of Greg Clasemann; Prefiled Testimony of Beverly Mayotte; and Prefiled Testimony of Cecilia Telefus. The Securities Division sought CONFIDENTIAL treatment of Exhibit DFR-3 pursuant to Section 1.05(L)(6) of the DFR Administrative Procedures because that exhibit contains residential phone numbers and residential addresses that are exempt from public inspection pursuant to 9 V.S.A. § 5607(b)(5) and 1 V.S.A. § 317(c)(1). *See* Securities Division Prefiled Testimony and Exhibits.



25. On or around June 26, 2023, the Respondents filed prefiled testimony and exhibits. *See Respondents Testimony and Proposed Exhibits.*

26. On or around June 27, 2023, the Securities Division filed Cross Examination and Objections to Respondents' Prefiled Testimony and Exhibits. *See Securities Division Cross Examination and Objections.*

27. On or around June 27, 2023, the Respondents filed Cross Examination and Response to Department's Cross Examination and Objections. *See Respondents' Cross Examination and Response to Department's Cross Examination and Objections.*

28. On or around June 29, 2023, the Securities Division filed a Reply to Respondents' Response to Securities Division Objections. *See Reply to Respondents' Response to Securities Division Objections.*

29. On June 30, 2023, at 1:00 pm the Hearing Officer held an evidentiary hearing via Microsoft Teams to determine appropriate sanctions under 9 V.S.A. § 5604 for the Respondents' admitted violations of 9 V.S.A. § 5301. Attorney Sherman appeared on behalf of the Securities Division, and attorney Fair appeared on behalf of the Respondents Colomont and Christopher Santee. The DFR Docket Clerk, Respondent Christopher Santee, and Securities Division witness Sarah Heim were also present for the duration of the hearing. During the hearing, the parties stipulated to the entry of the Securities Division's prefiled testimony and exhibits, referenced at paragraph 24 above, into the record and the Respondents were provided an opportunity to cross examine the Securities Division's witnesses. The Respondents withdrew the prefiled testimony and exhibits referenced at paragraph 25 above and the Respondents witnesses were not presented for cross examination; accordingly, the Respondents' prefiled testimony and exhibits do not form part of the record in this case and the Hearing Officer has not taken this evidence into consideration in making these recommended Findings of Fact, Conclusions of Law, or Recommendations.

### **III. JURISDICTION AND LEGAL AUTHORITY**

30. The Commissioner of Financial Regulation is responsible for administering and enforcing the securities laws of the State of Vermont and is authorized to investigate securities activities to determine compliance with Vermont law and to issue orders imposing administrative penalties and remedial actions pursuant to 8 V.S.A. §§ 10-13 and 9 V.S.A. §§ 5601-5614. *See Administrative Charges ¶ 1; Colomont Ans. ¶ 1; Santee Ans. ¶ 1.*

31. Pursuant to 9 V.S.A. § 5604(a)(1), the Commissioner may issue orders or directives to any person to cease and desist from specific conduct or to take other action necessary or appropriate if the Commissioner finds that the person has engaged, is engaging, or is about to engage in an act, practice, or course of business which constitutes a violation of the Vermont Uniform Securities Act, spanning 9 V.S.A. § 5101 to § 5616, of the Vermont Securities Regulations, or of an order of the Commissioner. *See Administrative Charges ¶ 2; Colomont Ans. ¶ 2; Santee Ans. ¶ 2.*

32. Pursuant to 9 V.S.A. § 5604(a) and (d), the Commissioner may impose an administrative penalty of up to \$15,000 for each violation and may require restitution and the disgorgement of any sums obtained in conjunction with such violations plus interest at the legal rate. *See Administrative Charges ¶ 3; Colomont Ans. ¶ 3; Santee Ans. ¶ 3.*

33. Pursuant to 9 V.S.A. § 5614, the Commissioner may require that any person subject to an investigation pay the reasonable costs incurred by the Department in conducting such investigation. *See Administrative Charges ¶ 4; Colomont Ans. ¶ 4; Santee Ans. ¶ 4.*

#### **IV. FINDINGS OF FACT**

34. Colomont is a Vermont corporation with a principal place of business in Saint Albans, Vermont. *See Colomont Ans. ¶ 5; Santee Ans. ¶ 5.*

35. Colomont is engaged in the business of agriculture, specifically growing hemp, and selling cannabidiol (“CBD”) infused products. *See Colomont Ans. ¶ 5; Santee Ans. ¶ 5.*

36. Christopher Santee is a resident of Vermont and the founder, Director, and Chief Executive Officer of Colomont. *See Colomont Ans. ¶ 6; Santee Ans. ¶ 6.*

37. From approximately April 2018 to October 2020, Christopher Santee and Colomont (“Respondents”) offered and sold shares in Colomont to the public using, at a minimum, personal communications with Christopher Santee and Colomont’s website. *See Colomont Ans. ¶ 7; Santee Ans. ¶ 7.*

38. Between approximately April 2018 and October 2020, Respondents raised at least \$419,000 from the sale of Colomont shares to at least 375 individuals. *See Colomont Ans. ¶ 8; Santee Ans. ¶ 8; Exhibit DFR-3.*

39. Among the individuals who purchased Colomont shares are individuals with Vermont addresses as well as individuals with addresses in 23 other states and two other countries. *See* Colomont Ans. ¶ 9; Santee Ans. ¶ 9; Exhibit DFR-3.

40. Between approximately April 2018 and October 2020, Respondents also provided Colomont shares to an unknown number of individuals as compensation in lieu of wages for work performed for Colomont. *See* Colomont Ans. ¶ 10; Santee Ans. ¶ 10.

41. Investors who purchased shares in Colomont held approximately 6% of Colomont's issued shares. The remaining 94% of Colomont's shares appear to have been given to individuals for free. *See*, Heim pf. at 16, ¶ 68-69; Exhibit DFR-3.

42. The shares in Colomont that were offered and sold to the public are securities as defined in 9 V.S.A. § 5102(28). *See* Colomont Ans. ¶ 11; Santee Ans. ¶ 11.

43. The shares in Colomont that were offered and sold to the public are neither federally covered nor exempt from registration. *See* Colomont Ans. ¶ 12; Santee Ans. ¶ 12.

44. At no time have the shares in Colomont that were offered and sold to the public been registered with the Vermont Department of Financial Regulation. *See* Colomont Ans. ¶ 13; Santee Ans. ¶ 13.

45. Registration, or use of an exemption to registration, would have subjected the Respondents to certain disclosure requirements which are meant to protect investors. These requirements generally include information about the offering company's financial condition, business operations, shareholder rights, and other important matters to investors. *See*, Heim pf. at 11, ¶ 45.

46. The only way that Colomont could potentially convert unregistered shares to registered shares is to engage in a fully compliant registered or exempt offering. *See*, Heim pf. at 17, ¶ 72.

47. The Securities Division received four written complaints and at least five informal complaints from investors about their investments in Colomont. *See*, Heim pf. at 3, ¶ 15.

48. Colomont's unaudited profit and loss statements for 2018, 2019, and most of 2020 show that Colomont's net income was negative for each of those years. According to those statements, in 2018 Colomont's net income was -\$255,005; in 2019 it was -\$174,291; and in the portion of the 2020 that the statements cover it was -\$34,371. *See*, Heim pf. at 8, ¶ 35; Exhibit DFR-1.

49. Colomont's unaudited profit and loss statements for 2020 and January to November of 2021 show a revised net income of -\$40,250 for 2020 and -2,509 for January to November 2021. *See*, Heim pf. at 9, ¶ 38; Exhibit DFR-2.

50. Colomont's unaudited revised balance sheet for 2020 indicates that the company's total assets were \$34,227,312. Colomont's balance sheet for 2021 indicates that the company's total assets for 2021 were \$44,582, 312. Colomont's purported total assets include \$26 million attributed to raw goods, \$7.5 million identified as "undeposited funds," and in 2021 included \$10 million attributed to "intellectual property." *See*, Heim pf. at 9, ¶ 38; Exhibit DFR-2.

51. The asset calculations in the balance sheets are not supported or explained by any other data on the financial statements or other information produced to the Securities Division by the Respondents. *See*, Heim pf. at 10, ¶ 40.

52. The Securities Division requested audited financial statements from the Respondents but Colomont did not provide audited financial statements to the Securities Division. *See*, Heim pf. at 10, ¶¶ 41-42.

53. The unaudited financial statements referenced in paragraphs 47-51, above, suggest that Colomont operated at a loss for at least four years and that the company may not have access to reliable financial information about its own operations. *See*, Heim pf. at 10, ¶ 43.

54. The unaudited financial statements referenced in paragraphs 47-51, above, suggest Colomont has a sizable amount of fixed assets it could potentially sell to provide restitution to investors. *See*, Heim pf. at 5, ¶ 23.

55. There is no information on the record regarding Christopher Santee's financial condition. *See*, Heim pf. at 5, ¶ 23.

## **V. CONCLUSIONS OF LAW AND RECOMMENDATION**

56. It is a violation of 9 V.S.A. § 5301 for a person to offer or sell an unregistered security in Vermont unless the security is a federal covered security or exempt from registration under 9 V.S.A. §§ 5201 – 5203.

57. The Respondents, in their answers to the Administrative Charges filed in this matter, have admitted all facts material to reaching a determination of whether the Respondents have violated 9 V.S.A. § 5301 and there are no material facts in dispute.

58. The admitted facts support the conclusion that the Respondents offered and sold unregistered securities in Colomont to more than 375 individuals, committing at least 375 violations of 9 V.S.A. § 5301.

59. Pursuant to 9 V.S.A. § 5604(a)(1), the Commissioner may issue orders or directives to any person to cease and desist from specific conduct or to take other action necessary or appropriate if the Commissioner finds that the person has engaged, is engaging, or is about to engage in an act, practice, or course of business which constitutes a violation of the Vermont Uniform Securities Act, spanning 9 V.S.A. § 5101 to § 5616, of the Vermont Securities Regulations, or of an order of the Commissioner.

60. Pursuant to 9 V.S.A. § 5604(a) and (d), the Commissioner may impose an administrative penalty of up to \$15,000 for each violation and may require restitution and the disgorgement of any sums obtained in conjunction with such violations plus interest at the legal rate.

61. Pursuant to 9 V.S.A. § 5604(e), in determining the sanctions to be imposed under 9 V.S.A. § 5604(a) through (d), the Commissioner is required to consider the frequency and persistence of the conduct constituting a violation of the Vermont Uniform Securities Act, the number of persons adversely affected by the conduct, and the resources of the person committing the violation, among other factors.

62. Upon consideration of the record established in this matter, including the documentary evidence submitted and testimony provided at the evidentiary hearing, I conclude based on the Proposed Findings of Fact at paragraphs 34-55 above, and taking into consideration the factors set out at 9 V.S.A. § 5604(e), that the following penalty, restitution, and corrective actions are appropriate in this case:

A. Colomont, Inc. and Christopher Santee shall be jointly and severally liable for paying an administrative penalty of \$37,500 to the Vermont Department of Financial Regulation, being \$100 per violation of 9 V.S.A. § 5301, **within 60 calendar days** of the Judgment and Order. This nominal penalty amount is appropriate given the size and scope of the unregistered offering balanced against the appropriate restitution amount set out below and concerns about Colomont's financial condition evidenced by the financial statements for 2018-2021 referenced above in the Findings of Fact.

- B. Colomont, Inc. and Christopher Santee shall be jointly and severally liable for providing restitution totaling the sum of all sales of Colomont Shares, but not less than \$419,000, to individuals who purchased Colomont Shares. The restitution shall be provided **within 60 calendar days** of the Judgement and Order through the issuance and the mailing or hand delivery of refund checks to each individual who purchased Colomont shares for the full original sale price the individual paid for their shares at the time of purchase. Checks shall be issued in priority of the date on which the individuals purchased shares, beginning with the oldest purchase date. I have determined that 60 calendar days is an appropriate timeline for providing restitution to allow Colomont sufficient time to potentially sell fixed assets to satisfy the restitution amount in light of the concerns about Colomont's financial condition evidenced by the financial statements for 2018-2021 referenced above in the Findings of Fact.
- C. **Within 30 calendar days** of the Judgment and Order, Respondents shall escrow the total restitution owed to individuals, but not less than \$419,000, in an account established at a financial institution or credit union for the benefit of the individuals that are owed restitution and shall provide evidence from the financial institution or credit union to the Securities Division that the account has been established and fully funded.
- D. In the initial communication to the individuals owed restitution, Respondents shall include the following: (1) a copy of the Judgement and Order or the url for the Judgement and Order on the Vermont Department of Financial Regulation's website and a statement that Colomont, Inc.'s shares are not legally registered and that, as a result, Colomont, Inc. is rescinding all previously issued shares and refunding investors the full amount they paid for their shares.
- E. **Within 75 calendar days** of the Judgment and Order, Respondents shall communicate with all remaining shareholders that their shares are not legally registered and provide a copy of the Judgement and Order or the url for the Judgement and Order on the Vermont Department of Financial Regulation's website.

- F. Respondents shall not offer any shareholders the ability to retain their unregistered shares nor offer the individuals owed restitution pursuant to the Judgment and Order goods or services in lieu of refund checks.
- G. **No later than 60 calendar days** of the Judgment and Order, Colomont Inc., and Christopher Santee shall certify to the Securities Division that all refund checks owed to individuals pursuant to the Judgment and Order have been issued and either mailed or hand delivered and shall provide the Securities Division with a spreadsheet containing the following information: (1) the name of all individuals owed restitution pursuant to the Judgment and Order; (2) the total restitution owed to each individual; (3) whether the refund check has been cashed by the individual; and (4) all known contact information for the individual.
- H. Respondents shall have an ongoing obligation to ensure refund checks issued to individuals owed restitution pursuant to the Judgment and Order are received by the individual and shall be responsible for complying with the provisions in 27 V.S.A. § 1451, *et seq.* should refund checks ultimately be presumed abandoned pursuant to the Vermont Revised Uniform Unclaimed Property Act.
- I. Unclaimed refund checks for restitution owed to individuals pursuant to the Judgment and Order shall escheat to the State of Vermont pursuant to the provisions in 27 V.S.A. § 1451, *et seq.*
- J. If Colomont, Inc. or Christopher Santee should file for bankruptcy, each individual who is owed restitution pursuant to the Judgment and Order and who has not been provided the full restitution owed shall have an unsecured claim against the respective Respondent for the amount of unpaid debt.
- K. In a bankruptcy proceeding, the penalty and restitution ordered in the Judgment and Order are debts that are for the violation of state securities laws within the meaning of 11. U.S.C. § 523(a)(19)(B).
- L. Respondents are barred from offering or selling securities, or otherwise engaging in the business of securities, in Vermont without the prior approval of the Vermont Department of Financial Regulation in order to ensure compliance with Vermont Securities laws.

M. In all instances where the Judgement and Order requires Respondents to provide certification, information, or documents to the Securities Division, Respondents shall send such certification, information, and documents via e-mail to Sarah Heim, Director of Examinations and Enforcement, at [sarah.heim@vermont.gov](mailto:sarah.heim@vermont.gov).

63. Based on the above-stated Findings of Fact and Conclusions of Law, I recommend that the Commissioner enter the Proposed Order and Judgment.

Dated at Sharon, Vermont this 25<sup>th</sup> day of September 2023.

**VERMONT DEPARTMENT OF  
FINANCIAL REGULATION**



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Jeannie Oliver, Esq.,  
Appointed Hearing Officer



## **RIGHT TO FILE WRITTEN EXCEPTIONS**

Any party shall have ten (10) days from the date of service of the Hearing Officer's Proposal for Decision to file written exceptions, legal briefs, or request oral argument concerning the Proposal for Decision before the Commissioner. Section 1.05(P)(4) of the Vermont Department of Financial Regulation Administrative Procedures, DFR-2022-01. The Parties, by written stipulation, may waive these opportunities. Section 1.05(P)(5) of the Vermont Department of Financial Regulation Administrative Procedures, DFR-2022-01.