

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

IN THE MATTER OF: )  
 )  
Stanley Fishkin )  
Crow Hill Capital, Ltd. )  
Crow Hill Ventures, Ltd. )  
 )  
Respondents )  
\_\_\_\_\_ )

Docket No. 17-008-S

**STIPULATION AND CONSENT ORDER**

This Stipulation and Consent Order is entered this 3<sup>rd</sup> day of ~~March~~ <sup>April</sup>, 2017 by and among Stanley Fishkin, Crow Hill Capital, Ltd., Crow Hill Ventures, Ltd. (“Respondents”) and the Vermont Department of Financial Regulation.

WHEREAS, the Securities Division of the Vermont Department of Financial Regulation (the “Department”) received and investigated a customer complaint regarding investment advice provided by Stanley Fishkin; and

Respondents cooperated with the Department in its investigation by responding to inquiries, providing documentary evidence and other materials and providing the Department with access to facts relating to the customer and related matters; and

Respondents have agreed to make certain payments to the Department subject to the terms and conditions of this Order and take certain other actions; and

Respondents elect to permanently waive any right to a hearing and appeal under 9 V.S.A. Chapter 10, the Vermont Uniform Securities Act (“VUSA”), 3 V.S.A. Chapter 150 Chapter 25, the Vermont Administrative Procedures Act; the rules, regulations and orders of the

Commissioner of the Vermont Department of Financial Regulation (the "Commissioner") with respect to this Administrative Consent Order (the "Order").

Respondents without admitting or denying the facts and allegations herein, do hereby consent to the following Order.

**NOW, THEREFORE**, the Commissioner as administrator of the VUSA, hereby enters this Order.

### **I. JURISDICTION AND AUTHORITY**

1. Respondents are subject to the jurisdiction of the Commissioner in this matter pursuant to the VUSA and consents to the entry of this Order.

### **II. PARTIES**

2. Stanley Fishkin is a resident of Chittenden, Vermont. At all times relevant to this matter, he provided investment advisory services to Vermont customers, both directly and through Crow Hill Capital, Ltd..

3. Crow Hill Capital, Ltd. ("Capital") was a New York corporation with a principal place of business in Chittenden, Vermont. Capital has been dissolved and its existence terminated.

4. Crow Hill Ventures, Ltd. ("Ventures") was a New York corporation with a principal place of business in Chittenden, Vermont. Ventures has been dissolved and its existence terminated.

5. The Commissioner of the Vermont Department of Financial Regulation is charged, inter alia, with administering and enforcing the securities laws of the State of Vermont as set forth in the Vermont Uniform Securities Act, 9 V.S.A. Chapter 150.

### **III. FACTS AND ALLEGATIONS**

6. Stanley Fishkin, sole shareholder of both Crow Hill Capital, Ltd. and Crow Hill Ventures, Ltd., operated both companies from his home in Chittenden, Vermont.

7. At all times relevant to this matter, Capital was registered as a federal covered investment adviser.

8. Ventures was not registered as a federal covered investment adviser, a broker-dealer or with the Department in any capacity.

9. Stanley Fishkin was not registered as an investment adviser, an investment adviser representative, a broker-dealer, or an agent.

10. At all times relevant to this matter, Stanley Fishkin held himself out as an investment adviser and provided investment advisory services to Vermont residents.

11. Fishkin recommended investment opportunities to Vermont clients (the Vermont customers) of Capital in exchange for compensation.

12. Ventures received compensation in connection with Fishkin's investment recommendations to the Vermont customers.

13. The Vermont customers were advised to invest in Stewardship Credit Arbitrage Fund (SCAF). Stewardship Investment Adviser, LLC ("SIA") was the managing member of SCAF. Acorn Capital Group, LLC ("Acorn") operated as the financing company making short-term loans and subsequently selling the notes to SCAF at a markup.

14. In following Fishkin's recommendations, the Vermont customers relied on Fishkin's reputation and status in the community and on Fishkin's representations regarding SCAF.

15. At all times relevant to this matter, Ventures had an ownership interest in SIA and Acorn which was not disclosed to certain Vermont customers. Fishkin received financial



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compensation as a result of his advice to the Vermont customers and Venture's undisclosed financial interest in SCAF and Acorn.

16. The Vermont customers suffered financial losses as a result of their investments in SCAF.

**Customer Complaint Against Stanley Fishkin**

17. On or about April 6, 2011, the Department received a customer complaint arising from Fishkin's investment advice and financial losses suffered through investment in SCAF.

18. The Department has investigated the complaint and believes Fishkin, Capital, and Ventures committed violations of Vermont securities laws.

**IV. LAW**

The Commissioner has jurisdiction over this matter pursuant to the VUSA.

18. Stanley Fishkin acted as an investment adviser representative within the meaning of 9 V.S.A. section 5102(16).

19. Pursuant to 9 V.S.A. section 5404(a), Stanley Fishkin was required to register as an investment adviser representative.

20. By providing investment advice to Vermont customers without registration, Fishkin violated 9 V.S.A. section 5404(a).

21. Ventures acted as a broker-dealer within the meaning of 9 V.S.A. section 5102(3).

22. Ventures violated 9 V.S.A. section 5401(a) by acting as a broker-dealer without registration.

23. By failing to disclose Venture's financial interest in SCAF, Fishkin, Capital, and Ventures violated 9 V.S.A. section 5502(a).

 4/5/18

24. Pursuant to 9 V.S.A. Sections 5412, 5603, and 5604 the above violations constitute a basis for the assessment of administrative penalties.

25. The Commissioner finds the following relief appropriate and in the public interest.

### **ORDER**

On the basis of the Findings of Fact and the Law, and Respondent's consents to the entry of this Order without admitting or denying the facts or denying the facts or conclusions herein,

#### **IT IS HEREBY ORDERED:**

1. This Order concludes the investigation by the Commissioner of the Complaint and except as provided below, precludes any other action the Commissioner could commence under applicable Vermont law as it relates to the subject matter of the customer complaint.

2. This Order is entered into solely for the purpose of resolving the above-referenced complaint and is not intended to be used for any other purpose.

3. Respondents shall cease and desist from violating the VUSA and will comply with all applicable provisions of the VUSA.

4. Within seventy-five (75) days (the Payment deadline) following the entry of this Order, Fishkin shall pay to the Vermont Department of Financial Regulation the sum of \$75,000. Within forty-five (45) days following the date of this Order, Fishkin shall notify the Department if he has secured the financing necessary to pay the \$75,000. If Fishkin fails to provide such notice of financing or pay such amount, this Order shall be terminated, and each of the parties may exercise all legal rights and remedies it may have.

5. Fishkin, Capital, and Ventures shall never to seek registration in Vermont as an investment adviser, broker-dealer, or any other type of securities professional.

6. Contemporaneously with the execution of this Order, Fishkin shall execute a tolling agreement in form and substance acceptable to the Department pursuant to which Fishkin agrees that for the time period ending August 31, 2017, he will not assert a defense based on statute of limitations in any lawsuit brought by the Department concerning the subject matter of this Order.

7. Within ten (10) days after the date of this Order and subject to the Department's approval, Fishkin and Ventures shall cancel any and all "back end" agreements through which Fishkin was entitled to receive a share of future stock value or any other type of future compensation.

8. Within ten (10) days following the date of this Order and subject to the Department's approval, Fishkin shall release Investor A from any obligation to repay amounts advanced by Fishkin under the Letter Agreement dated November 11, 2011 (executed December 8, 2011) with Investor A and confirm the absence of or the release of any liens placed on Investor A's property.

9. Nothing herein shall be construed as a waiver of any private right of action any person may have.

10. Nothing herein shall be construed as limiting the Commissioner's authority to conduct an investigation of Respondents for reasons unrelated to the subject matter of this Order.

11. Respondents acknowledge that the Commissioner shall not be precluded in any manner from seeking to subject them to further sanctions or enforcement proceedings for any alleged violation of this Order.

12. Respondents consent to the entry of this Order and acknowledge their consent is given freely and voluntarily and that except as otherwise set forth herein, no promise was made to induce them to consent.

13. Respondents acknowledge that they are and have been represented by counsel in this matter and voluntarily waive their right to a hearing on this matter and to judicial review of this Consent Order under 9 V.S.A. Chapter 150, the Vermont Uniform Securities Act ("VUSA"); 3 V.S.A. Chapter 25, the Vermont Administrative Procedures Act, and the rules, regulations and orders of the Commissioner.

14. Respondents further acknowledge that the Commissioner retains jurisdiction over this matter for purposes of enforcing this Order.

15. This Order shall be governed by and construed under the laws of the State of Vermont.

16. This Order shall be binding upon Respondents and upon all their successors and assigns with respect to all conduct subject to the provisions above and all future obligations, responsibilities, commitments, restrictions and conditions.

Entered at Montpelier, Vermont this 3<sup>rd</sup> April day of ~~March~~ 2017.

BY ORDER OF THE COMMISSIONER



Michael S. Pieciak, Commissioner  
Vermont Department of Financial Regulation

AGREED AND ACCEPTED:



4/3/17  
STANLEY FISHKIN