



STATE OF CONNECTICUT
 DEPARTMENT OF BANKING
 260 CONSTITUTION PLAZA • HARTFORD, CT 06103-1800



Jorge L. Perez
 Commissioner

 *
IN THE MATTER OF: *
 *
THOMAS MICHAEL BAKITAS *
a/k/a MICHAEL BAKITAS *
 *
DRBS ALGORITHM, LLC *
 *
(Collectively, "Respondents") *
 *

CONSENT ORDER
DOCKET NO. CF-18-8359-S

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner ("Commissioner") is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act ("Act"), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies ("Regulations") promulgated under the Act;

WHEREAS, the Commissioner, through the Securities and Business Investments Division ("Division") of the Department of Banking ("Department"), conducted an investigation of Respondents under Section 36b-26(a) of the Act to determine whether Respondents had violated, were violating or were about to violate provisions of the Act or Regulations ("Investigation");

WHEREAS, as a result of the Investigation, on May 17, 2018, the Commissioner acting pursuant to subsections (a) and (d) of Section 36b-27 of the 2018 Supplement to the General Statutes ("2018 Supplement"), issued an Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing (Docket No. CRF-18-8359-S) (collectively, "Notice") against Respondents, which Notice is incorporated by reference herein;

WHEREAS, on June 26, 2018, Respondents requested a hearing on the matters alleged in the Notice;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, an administrative proceeding initiated under Section 36b-27 of the 2018 Supplement would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 36b-27(f) of the 2018 Supplement provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a) . . . or . . . subdivision (1) of subsection (d) of this section, the commissioner may accept an agreement by any respondent named in such order or notice to enter into a written consent order in lieu of an adjudicative hearing”;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, Respondents and the Commissioner now desire to resolve the matters alleged in the Notice without the need for further administrative proceedings;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act;

WHEREAS, Respondents expressly consent to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, Thomas Michael Bakitas a/k/a Michael Bakitas (“Bakitas”) maintains that he was not aware that his activities constituted transacting business as an investment adviser or an investment adviser agent, and represent that Bakitas ceased engaging in such activities in 2016;

WHEREAS, the Commissioner acknowledges that DRBS Algorithm, LLC (“DRBS”) was dissolved as a Connecticut limited liability company on February 15, 2017;

AND WHEREAS, Respondents, through their execution of this Consent Order, specifically assure the Commissioner that none of the violations alleged in this Consent Order or in the Notice shall occur in the future.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondents, through their execution of this Consent Order, voluntarily waive the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Section 36b-27 of the 2018 Supplement and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail themselves of Section 36b-27 of the 2018 Supplement and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present their position in a hearing in which they are represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER’S ALLEGATIONS

WHEREAS, Respondents, through their execution of this Consent Order, and without admitting or denying the Commissioner’s allegations, acknowledge the following allegations of the Commissioner:

1. Bakitas alone and under the auspices of DRBS violated Section 36b-6(c)(1) of the 2018 Supplement by transacting business as an unregistered investment adviser;
2. Bakitas violated Section 36b-6(c)(2) of the 2018 Supplement by transacting business as an unregistered investment adviser agent of DRBS; and

3. DRBS violated Section 36b-6(c)(3) of the 2018 Supplement by engaging an unregistered investment adviser agent;

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondents an opportunity for a hearing;

AND WHEREAS, Respondents acknowledge the possible consequences of an administrative hearing and voluntarily agree to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondents, through their execution of this Consent Order, consent to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Bakitas shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including, without limitation, transacting business as an unregistered investment adviser or investment adviser agent;
2. DRBS, its representatives, agents, employees, affiliates, assigns, subsidiaries, and successors in interest shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including, without limitation, transacting business as an unregistered investment adviser or engaging an unregistered investment adviser agent; and
3. No later than the date this Consent Order is entered by the Commissioner, Respondents shall remit to the Department, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of two thousand five hundred dollars (\$2,500) as an administrative fine.

VI. CONSENT ORDER

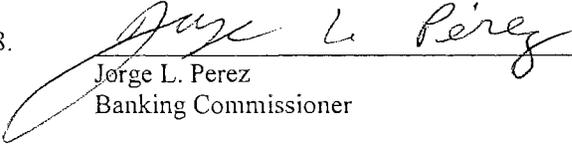
NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondents and/or their affiliates and successors in interest based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Respondents and set forth herein is subsequently determined to be untrue;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondents and/or their affiliates and successors in interest based

upon evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act;

4. Respondents shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
5. Respondents shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects Respondent's testimonial obligations or right to take a legal or factual position in any litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 10th day of September 2018.



Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Thomas Michael Bakitas a/k/a Michael Bakitas, state individually and on behalf of DRBS Algorithm, LLC and its successors in interest that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.



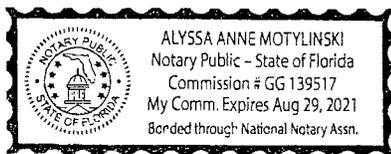
Thomas Michael Bakitas a/k/a Michael Bakitas

State of: FLORIDA

County of: SARASOTA

On this the 31 day of AUGUST 2018, before me, the undersigned officer, personally appeared Thomas Michael Bakitas a/k/a Michael Bakitas, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.





Notary Public
Date Commission Expires: