

DOCKET NO: HHDCV095033958S

PITKIN, HOWARD, F  
V.  
BLUE COAST FINANCIAL ET AL

SUPERIOR COURT

JUDICIAL DISTRICT OF HARTFORD  
AT HARTFORD

7/15/2010

ORDER 403964

ORDER

ORDER REGARDING:  
05/28/10 103.00 MOTION FOR JUDGMENT IN ACCORDANCE WITHSTIPULATION

The foregoing, having been considered by the Court, is hereby:

ORDER: GRANTED

403964

---

Judge: MICHAEL R SHELDON



**ORDER**

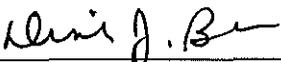
The foregoing Motion for Judgment in Accordance with Stipulation having been heard, it is hereby ORDERED: Granted / Denied.

BY THE COURT

\_\_\_\_\_  
Clerk/Judge

**CERTIFICATION**

I hereby certify that a copy of the foregoing Motion for Judgment in Accordance with Stipulation was electronically delivered, this 28th day of May, 2010, to Edward Dunham, Esq., Wiggin & Dana LLP at [edunham@wiggin.com](mailto:edunham@wiggin.com).

  
\_\_\_\_\_  
Dinah J. Bee  
Assistant Attorney General

Docket No. CV-09-5033958-S

HOWARD F. PITKIN, BANKING COMMISSIONER	:	SUPERIOR COURT
	:	
v.	:	JUDICIAL DISTRICT OF HARTFORD AT HARTFORD
	:	
	:	
BLUE COAST FINANCIAL GROUP, INC., SHAWN HULL, LINDSAY HULL, and BRIAN FELDERSTEIN	:	MAY 27, 2010

**STIPULATION FOR JUDGMENT**

The Parties hereby stipulate and agree as follows:

1. The plaintiff is the Banking Commissioner ("Commissioner") and he is charged with the administration of Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act ("Act").

2. The Commissioner, through the Securities and Business Investments Division of the Department of Banking, conducted an investigation pursuant to Section 36b-71(a) of the Act into the activities of Blue Coast Financial Group, Inc. ("Blue Coast"); Shawn Hull ("S. Hull"), a Director and Chief Executive Officer of Blue Coast; and Lindsay Hull ("L. Hull"), a Director and President of Blue Coast, to determine if they, or any of them had violated, were violating or were about to violate any provisions of the Act ("Investigation").

3. As a result of the Investigation, the Commissioner believed that from at least 2007 to at least 2008, Blue Coast, S. Hull and L. Hull offered unregistered business opportunities to Connecticut purchasers-investors in violation of Section 36b-67(1) of the Act, and on or about May 1, 2007, the defendant Brian Felderstein ("Felderstein"), the Vice President of Business Development of Blue Coast, sold at least one unregistered business opportunity to a Connecticut purchaser-investor ("Connecticut Purchaser") in violation of Section 36b-67(1) of the Act.

4. On November 2, 2009, the Commissioner filed this action seeking an injunction and other relief against Defendants for the violations alleged therein.

5. Defendants, through their execution of this Stipulation for Judgment, acknowledge that the Commissioner has alleged that the Defendants offered and sold business opportunities to Connecticut purchaser-investors, absent registration and absent the Commissioner having declared the business opportunity effective, constituting a violation of Section 36b-67(1) of the Act.

6. Defendants attest that they have not acted in Connecticut in any capacity which would require registration or licensure by the Commissioner and have not offered or sold any business opportunity or security to or from Connecticut for the one-year period prior to the date the Court grants judgment in accordance with this Stipulation for Judgment.

7. Defendants, without admitting any violation of law or other wrongdoing, hereby stipulate and agree to judgment as follows:

- a) A permanent injunction from violating, directly or indirectly, under any name or names or through any corporate or other device, the Act;
- b) No later than thirty (30) business days after the date the Court grants judgment in accordance with this Stipulation for Judgment, Blue Coast, S. Hull and L. Hull shall, jointly and severally, remit to the Department of Banking, by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut," the sum of Twenty-five Thousand Dollars (\$25,000) as an administrative fine;
- c) For a period of six (6) years commencing on the date the Court grants judgment in accordance with this Stipulation for Judgment, Blue Coast, S. Hull and L. Hull are barred from acting in Connecticut in any capacity which would require registration or licensure by the Commissioner, and from offering or selling any business opportunity or security to or from Connecticut. Notwithstanding that six (6) year bar, Blue Coast, S. Hull and L. Hull may reapply for registration or licensure by the Commissioner or to offer and sell business opportunities or securities to or from Connecticut after four (4) years and the Commissioner may, in the Commissioner's discretion, grant such registration or licensure or such ability to offer and sell business opportunities or securities to or from Connecticut;

- d) No later than twenty (20) calendar days following the close of each calendar year and continuing for a period of seven (7) years, Blue Coast, S. Hull and L. Hull shall file with the Commissioner a sworn affidavit verifying that such Defendant is in compliance with the terms of this Stipulation for Judgment;
- e) No later than thirty (30) business days after the Court grants judgment in accordance with this Stipulation for Judgment, Blue Coast, S. Hull and L. Hull shall offer the Connecticut Purchaser the opportunity to rescind her business opportunity contract and receive from Blue Coast, S. Hull and L. Hull, jointly and severally, all sums paid to Defendants; and
- f) For a period of one (1) year commencing on the date the Court grants judgment in accordance with this Stipulation for Judgment, Felderstein is barred from acting in Connecticut in any capacity which would require registration or licensure by the Commissioner, and from offering or selling any business opportunity or security to or from Connecticut. Thereafter, Felderstein may conduct business regulated by the Department of Banking in Connecticut, but only so long as he is not acting on behalf of, as an agent for, or in connection with, Blue Coast or any business opportunity in which S. Hull and/or L. Hull has an interest, financial or otherwise. The bar on Felderstein as it relates to the activities of Blue Coast, S. Hull and L. Hull shall last only so long as the

bar period applicable to Blue Coast, S. Hull and L. Hull pursuant to Paragraph (c) of this Judgment.

8. Any provision of this Stipulation for Judgment that is binding upon Defendants is binding upon them and upon their successors, assigns, officers, agents, servants, employees and those persons in active concert or participation with them who receive actual notice of this Stipulation for Judgment by personal service or otherwise, whether acting directly or through any corporation, partnership or other entity or device.

9. Defendants knowingly and voluntarily waive any right they may have to judicial review by any court by way of suit, appeal or extraordinary relief resulting from the entry of judgment based upon this Stipulation for Judgment.

10. Defendants execute this Stipulation for Judgment voluntarily and in so doing represent that no threats, offers, promises or inducements of any kind have been made by the Commissioner or any employee, agent or representative of the Commissioner to induce Defendants to agree to this Stipulation for Judgment.

11. In agreeing to this Stipulation for Judgment, Defendants acknowledge that they have been represented by counsel in this matter, that they have reviewed this Stipulation for Judgment with their counsel and that they understand all the terms and conditions contained herein.

12. Defendants admit that the Court has personal jurisdiction over them.

13. Defendants agree that the Court shall retain over this matter for the purposes of enforcing the terms of any judgment based upon this Stipulation for Judgment.

THE PLAINTIFF

HOWARD F. PITKIN,  
BANKING COMMISSIONER

RICHARD BLUMENTHAL  
ATTORNEY GENERAL

BY: *Dinah J. Bee*  
Dinah J. Bee  
Assistant Attorney General  
Juris No. 421664  
55 Elm Street  
P.O. Box 120  
Hartford, CT 06141-0120  
Tel: 860 808-5270  
Fax: 860 808-5385  
dinah.bee@po.state.ct.us

THE DEFENDANTS

BLUE COAST FINANCIAL GROUP, INC.,  
SHAWN HULL,  
LINDSAY HULL, and  
BRIAN FELDERSTEIN

BY: *Edward Dunham*  
Edward Dunham, Esq.  
Wiggin & Dana LLP  
Juris No. 67700  
P.O. Box 1832  
New Haven, CT 06508  
Tel: 203 498-4400  
Fax: 203 782-2889  
edunham@wiggin.com

Return Date: NOVEMBER 17, 2009

HOWARD F. PITKIN, BANKING  
COMMISSIONER

SUPERIOR COURT

JUDICIAL DISTRICT OF HARTFORD  
AT HARTFORD

v.

BLUE COAST FINANCIAL  
GROUP, INC., SHAWN HULL,  
LINDSAY HULL and  
BRIAN FELDERSTEIN

OCTOBER 13, 2009

**COMPLAINT**

1. The plaintiff is Howard F. Pitkin, the Banking Commissioner of the State of Connecticut (the "Commissioner").

2. The defendants are Blue Coast Financial Group, Inc. ("Blue Coast"), an Arizona corporation with its principal place of business at 2929 North Power Road, Suite C100, Mesa, Arizona 85215; Shawn Hull, an individual, who is a Director and Chief Executive Officer of Blue Coast and whose last known address is 2929 North Power Road, Suite C100, Mesa, Arizona 85125; Lindsay Hull, an individual, who is a Director and President of Blue Coast and whose last known address is 2929 North Power Road, Suite C100, Mesa, Arizona 85125; and Brian Felderstein, an individual, who is the Vice

President of Business Development of Blue Coast, and whose last known address is 2929 North Power Road, Suite C100, Mesa, Arizona 85125.

3. The Commissioner is charged with administering the Connecticut Business Opportunity Investment Act (the "Act"), Conn. Gen. Stat. §§ 36b-60 to 36b-80, inclusive:

4. During the period from at least 2007 to at least 2008, the defendants offered business opportunities including cost recovery and cost saving financial services for sale to purchaser-investors.

5. Pursuant to Conn. Gen. Stat. § 36b-72(c), the Commissioner seeks to enforce the business opportunity registration provisions of the Act, namely Conn. Gen. Stat. § 36b-67.

6. The Commissioner, acting pursuant to Conn. Gen. Stat. § 36b-71, conducted an investigation to determine whether the defendants violated any provision of the Act.

7. The Commissioner's investigation established the following facts:

a. On or about May 2007, the defendant Brian Felderstein, on behalf of the defendant Blue Coast Financial Group, effected the sale of at least one business opportunity to a Connecticut purchaser-investor.

b. The defendant Blue Coast Financial Group was not registered with the Department of Banking ("Department") as a business opportunity pursuant to Conn. Gen. Stat. § 36b-62 from 2007 through 2008.

8. The defendants have violated the Act by selling an unregistered business opportunity or offering to sell unregistered business opportunities during the period from at least 2007 to at least 2008.

9. The defendants' violation of the Act constitutes irreparable harm.

10. Conn. Gen. Stat. § 36b-72 provides the remedy of an injunction and therefore the legal requirement of an inadequate remedy at law is satisfied.

11. The court has jurisdiction over this matter pursuant to Conn. Gen. Stat. §§ 36b-72(c), 51-164s, and 52-1.

PLAINTIFF

RICHARD BLUMENTHAL  
ATTORNEY GENERAL

BY: *Dinah J. Bee*  
Dinah J. Bee  
Assistant Attorney General  
Juris No. 421664  
55 Elm Street  
P.O. Box 120  
Hartford, CT 06141-0120  
Tel: 860 808-5270  
Fax: 860 808-5385  
dinah.bee@po.state.ct.us

For the plaintiff, please enter the appearance  
of Richard Blumenthal, Attorney General, by  
Assistant Attorney General Dinah J. Bee,  
Juris # 421664, P. O. Box 120, Hartford, CT 06141,  
Telephone 860 808-5270, His Attorney.

*Dinah J. Bee*

\_\_\_\_\_  
Dinah J. Bee

Commissioner of the Superior Court

Return Date: NOVEMBER 17, 2009

HOWARD F. PITKIN, BANKING  
COMMISSIONER

v.

BLUE COAST FINANCIAL,  
GROUP, INC., SHAWN HULL,  
LINDSAY HULL and  
BRIAN FELDERSTEIN

SUPERIOR COURT

JUDICIAL DISTRICT OF HARTFORD  
AT HARTFORD

OCTOBER 13, 2009

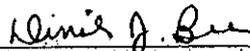
**DEMAND FOR RELIEF**

WHEREFORE, the plaintiff, pursuant to Conn. Gen. Stat. § 36b-72(c), prays for:

1. An order permanently enjoining the defendant from violating Conn. Gen. Stat. § 36b-60 et seq., the Connecticut Business Opportunity Investment Act;
2. Costs of this proceeding.
3. Such other relief as the court deems appropriate.

PLAINTIFF  
RICHARD BLUMENTHAL  
ATTORNEY GENERAL

BY:



Dinah J. Bee  
Assistant Attorney General  
Juris No. 421664  
55 Elm Street  
P.O. Box 120  
Hartford, CT 06141-0120  
Tel: (860) 808-5270  
Fax: (860) 808-5385  
dinah.bee@po.state.ct.us

OFFICER'S RETURN TO COURT

STATE OF CONNECTICUT:

: ss., Wethersfield

OCTOBER 15, 2009

COUNTY OF HARTFORD :

THEN AND BY VIRTUE HEREOF, AND BY DIRECTION OF THE PLAINTIFF'S ATTORNEY, ON THE 15<sup>th</sup> DAY OF OCTOBER, 2009 I MADE DUE AND LEGAL SERVICE UPON THE WITHIN NAMED DEFENDANT, **BLUE COAST FINANCIAL GROUP, INC.**, BY LEAVING A VERIFIED TRUE AND ATTESTED COPY OF THE WITHIN ORIGINAL WRIT SUMMONS AND COMPLAINT WITH KAREN ZERN, F.A.O. AT THE OFFICE OF THE BANKING COMMISSIONER, 250 CONSTITUTION PLAZA, HARTFORD, CT, DULY AUTHORIZED TO ACCEPT SERVICE FOR THE WITHIN NAMED DEFENDANT, **BLUE COAST FINANCIAL GROUP, INC.**, PURSUANT TO C.G.S. §36b-62(c).

AND ALSO ON THE 15<sup>th</sup> DAY OF OCTOBER, 2009 I MADE DUE AND LEGAL SERVICE UPON THE WITHIN NAMED DEFENDANT, **SHAWN HULL**, BY LEAVING A VERIFIED TRUE AND ATTESTED COPY OF THE WITHIN ORIGINAL WRIT SUMMONS AND COMPLAINT WITH KAREN ZERN, F.A.O. AT THE OFFICE OF THE BANKING COMMISSIONER, 250 CONSTITUTION PLAZA, HARTFORD, CT, DULY AUTHORIZED TO ACCEPT SERVICE FOR THE WITHIN NAMED DEFENDANT, **SHAWN HULL**, PURSUANT TO C.G.S. §36b-62(c).

AND ALSO ON THE 15<sup>th</sup> DAY OF OCTOBER, 2009 I MADE DUE AND LEGAL SERVICE UPON THE WITHIN NAMED DEFENDANT, **LINDSAY HULL**, BY LEAVING A VERIFIED TRUE AND ATTESTED COPY OF THE WITHIN ORIGINAL WRIT SUMMONS AND COMPLAINT WITH KAREN ZERN, F.A.O. AT THE OFFICE OF THE BANKING COMMISSIONER, 250 CONSTITUTION PLAZA, HARTFORD, CT, DULY AUTHORIZED TO ACCEPT SERVICE FOR THE WITHIN NAMED DEFENDANT, **LINDSAY HULL**, PURSUANT TO C.G.S. §36b-62(c).

AND ALSO ON THE 15<sup>th</sup> DAY OF OCTOBER, 2009 I MADE DUE AND LEGAL SERVICE UPON THE WITHIN NAMED DEFENDANT, **BRIAN FELDERSTEIN**, BY LEAVING A VERIFIED TRUE AND ATTESTED COPY OF THE WITHIN ORIGINAL WRIT SUMMONS AND COMPLAINT WITH KAREN ZERN, F.A.O. AT THE OFFICE OF THE BANKING COMMISSIONER, 250 CONSTITUTION PLAZA, HARTFORD, CT, DULY AUTHORIZED TO ACCEPT SERVICE FOR THE WITHIN NAMED DEFENDANT, **BRIAN FELDERSTEIN**, PURSUANT TO C.G.S. §36b-62(c).

THE WITHIN IS THE ORIGINAL WRIT SUMMONS AND COMPLAINT, WITH MY DOINGS HEREON ENDORSED.

ATTEST:

  
BRIAN F. ZITO  
STATE MARSHAL

FEES:

SERVICE	\$60.00
ENDS	6.40
PAGES	24.00
16 MILES	<u>8.60</u>
TOTAL	\$99.00

Re: Howard F. Pitkin, Banking Commissioner v. Blue Coast Financial Group, Inc., et al  
Return Date: November 10, 2009