

HHD-CV09-5033958-S

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

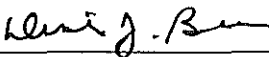
MAY 28, 2010

MOTION FOR JUDGMENT
IN ACCORDANCE WITH STIPULATION

The Plaintiff in the above-captioned case hereby moves for judgment in accordance with the attached Stipulation for Judgment.

PLAINTIFF

RICHARD BLUMENTHAL
ATTORNEY GENERAL

BY: 
Dinah J. Bee
Assistant Attorney General
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ORAL ARGUMENT NOT REQUESTED
TESTIMONY NOT REQUIRED

ORDER

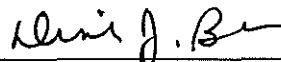
The foregoing Motion for Judgment in Accordance with Stipulation having been heard, it is hereby ORDERED: Granted / Denied.

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.



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

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THE DEFENDANTS

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

BY: *[Signature]*
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