

**ADMINISTRATIVE PROCEEDING
BEFORE THE
MARYLAND SECURITIES COMMISSIONER**

IN THE MATTER OF:	*	Case No. 2009-0436
Gregory V. Cronin	*	
Respondent.	*	
	* * *	

**FINAL ORDER TO CEASE AND DESIST
AND
ORDER OF PERMANENT BAR**

WHEREAS, the Maryland Securities Commissioner (the “Securities Commissioner”), pursuant to the authority granted in §11-701 of the Maryland Securities Act, Md. Ann. Code, Corps. & Ass’ns, §§11-101, *et seq.* (1999 Repl. Vol. & 2009 Cum. Supp.) (the “Securities Act”), initiated an investigation into the activities of Respondent Gregory V. Cronin, CRD No. 1549163 (the “Respondent”); and

WHEREAS, up until June 2009, Respondent was registered in Virginia as an investment adviser affiliated with Innovative Investment Advisors, Inc. (“IIA”); and

WHEREAS, during the time that Respondent was affiliated with IIA, his investment advisory firm, he acted as an investment adviser and/or investment adviser representative with respect to numerous Maryland residents as to whom he engaged in violations of Maryland’s securities and investment advisory laws, including the antifraud provisions of the Securities Act; and

WHEREAS, in May 2010, in the United States District Court for the Eastern District of Virginia, in Criminal Case No. 1:10CR154 (LOG), Respondent pled guilty to one count of mail fraud and one count of securities fraud in connection with his operation of a scheme that defrauded more than \$6.8 million in investment monies from his IIA investment advisory clients; and

WHEREAS, the complaint filed in the criminal case was supported by an affidavit verifying that Respondent provided a list of victims, including a set of Maryland residents (the “Ls”) specifically identified as having lost \$1,232,782.97 in investment monies, including IRA monies and monies entrusted to Respondent on the pretense that they had earned a 21% rate of return on earlier-invested funds; and

WHEREAS, in the criminal case, Respondent was ordered to pay restitution to those investors, as well as numerous other Maryland investors, including J.P., M.R. and X.R., S.A., and R.R.R., in connection with his investment scheme; and

WHEREAS, in the criminal case, Respondent was sentenced to 151 months in prison followed by three years of supervised release; and

WHEREAS, Section 11-701.1 of the Securities Act authorizes the Securities Commissioner to take action, including the issuance of a final cease and desist order and a permanent bar from the securities and investment advisory business, whenever the Securities Commissioner determines that a person has engaged in any act or practice constituting a violation of any provision of the Securities Act, or any related rule or order; and

WHEREAS, the Statement of Facts agreed to by Respondent in the United States District Court for the Eastern District of Virginia, Criminal Case No. 1:10CR154, reflects that Respondent engaged in activities that violated Sections 11-301 and 11-302 of the Securities Act in connection with the Maryland clients as to whom Respondent was ordered to pay restitution in that case; and

WHEREAS, based upon the information presented by the Securities Division with respect to Respondent, the Securities Commissioner has concluded that Respondent engaged in activities that violated §§11-301 and 11-302 of the Securities Act; and

WHEREAS, on August 17, 2010, the Securities Commissioner, pursuant to the authority granted by §11-701.1 of the Securities Act, issued against Respondent an Order To Show Cause ordering Respondent to show cause why a final order should not be issued, permanently barring Respondent from the securities and investment advisory business in Maryland, and ordering Respondent to cease and desist from further violation of the Securities Act; and

WHEREAS, the Order To Show Cause gave Respondent notice of the opportunity for a hearing in this matter, provided that Respondent submitted within 15 days of service of the Order To Show Cause an answer, including any request for a hearing, and notice that Respondent's failure to do so would be deemed a waiver of the right to a hearing and result in the entry of a final order; and

WHEREAS, a copy of the Order To Show Cause was served upon Respondent and upon the Securities Commissioner in accordance with §11-802 of the Securities Act; and

WHEREAS, to date the Securities Division has not received any communication from Respondent, including any answer or request for a hearing.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

- (1) Respondent Cronin is permanently barred from the securities and investment advisory business in Maryland.
- (2) Respondent Cronin shall cease and desist from further violations of the Securities Act.

AND WHEREFORE, Respondent may appeal this Final Order to the appropriate Circuit Court of the State of Maryland within 30 days from the date this Final Order is mailed by the Securities Division.

DATE OF THIS ORDER:

November 12, 2010

SO ORDERED:

**Commissioner's Signature is on
File with Original Document**

Melanie Senter Lubin
Maryland Securities Commissioner