

**ADMINISTRATIVE PROCEEDING
BEFORE THE
MARYLAND SECURITIES COMMISSIONER**

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

ORDER TO SHOW CAUSE

WHEREAS, pursuant to §11-405 of the Maryland Securities Act, Md. Ann. Code, Corps. & Ass'ns, §§11-101, *et seq.* (2007 Repl. Vol. & 2009 Cum. Supp.) (the "Securities Act"), Respondent Gregory V. Cronin, CRD No. 1549163 (the "Respondent"), was up until June 2009 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 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.

ACCORDINGLY, IT IS HEREBY ORDERED that Respondent Gregory V. Cronin show cause:

- (1) Why Respondent should not be permanently barred from the securities and investment advisory business in Maryland.

- (2) Why Respondent should not be ordered to cease and desist from further violations of the Securities Act; and

IT IS FURTHER ORDERED that the failure of Respondent to file a written answer, including any request for a hearing, pursuant to COMAR 02.02.06.06, within 15 days from the date of service of this Order to Show Cause, shall be deemed a waiver by Respondent of the right to a hearing and result in the entry of a Final Order against Respondent.

DATE OF THIS ORDER:

August 17, 2010

SO ORDERED:

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

Melanie Senter Lubin
Maryland Securities Commissioner