STATE OF MAINE OFFICE OF SECURITIES 121 STATE HOUSE STATION AUGUSTA, MAINE 04333-0121

IN RE: Downeast Financial Group, Michael J. Poulin, and Lena-Jo Hartley

CONSENT AGREEMENT No. 06-063-CAG

This Agreement is entered into between the State of Maine Office of Securities ("the Office"), Downeast Financial Group ("DFG"), CRD # 118606, Michael J. Poulin ("Poulin"), CRD # 711767, and Lena-Jo Hartley ("Hartley"), CRD # 2905105.

WHEREAS, the parties agree as follows:

- 1. DFG is a corporation formed under the laws of Maine with a principal place of business at 460 Main Street, Lewiston, Maine 04240.
- 2. Since December 1989, DFG has been licensed as an investment adviser with the Office pursuant to 32 M.R.S.A. §§10303 and16403.
- 3. At all times relevant to this matter, Poulin and Hartley have been investment adviser representatives of DFG.
- 4. Since September 30, 2002, it has been unlawful for a person to transact business as an investment adviser representative in Maine unless licensed or exempt from licensing under 32 M.R.S.A. §§10303 and 16404.
- 5. Since September 30, 2002, it has been unlawful under 32 M.R.S.A. §§ 10303(3) and 16403(4) for a licensed investment adviser to employ or contract with an individual as its investment adviser representative in Maine unless the individual is licensed or is exempt from licensing.
- 6. It is the Office's position that Poulin and Hartley have transacted business as investment adviser representatives in Maine without being licensed or exempt from licensing in violation of 32 M.R.S.A. §§ 10303 and 16404.
- 7. It is the Office's position that DFG employed or contracted with Poulin and Hartley as investment adviser representatives without them having been licensed as investment adviser representatives in Maine, in violation of 32 M.R.S.A. §§ 10303(3) and 16403(4).

- 8. DFG has represented to the Office that it was not Respondents' intention to violate the licensing provisions and that the firm only recently became aware of the violations when the Office, during its examination of DFG, brought the matter to its attention.
- 9. All parties desire an expeditious resolution of this matter.

NOW, THEREFORE, without trial or adjudication of any issue of fact or law, and without Respondents admitting or denying that their conduct violated the Revised Maine Securities Act or the Maine Uniform Securities Act, it is agreed that:

- 1. Respondents will comply with all licensing and other legal requirements governing persons acting as investment advisers and investment adviser representatives in the State of Maine at all times from the date hereof;
- 2. In lieu of the Office seeking the imposition of a penalty for the allegations contained herein, DFG will pay the sum of \$3,000 to the Office upon the Respondents' execution of this Agreement, via a check made payable to "Treasurer, State of Maine"; and
- 3. The Office will not take further action against the Respondents based solely upon the unlicensed status of the Poulin and Hartley during the period preceding and including the date of execution of this agreement, **PROVIDED**, however, that this paragraph applies only to the unlicensed activity previously disclosed to the Office by DFG.

Downeast Financial Group

BY:

<u>May 3, 2006</u> Date

<u>s/Michael J. Poulin</u> Michael J. Poulin President / Treasurer

May 3,	2006
Date	

<u>s/Lena-Jo Hartley</u> Lena-Jo Hartley <u>May 4, 2006</u> Date <u>s/Michael J. Colleran</u> Michael J. Colleran Securities Administrator

Reviewed by:

<u>May 4, 2006</u> Date <u>s/Michael W. Atleson</u> Michael W. Atleson Staff Attorney

Presented by:

<u>May 4, 2006</u> Date <u>s/Jacqueline M. Drouin</u> Jacqueline M. Drouin Investigator / Examiner