

STATE OF NEW JERSEY  
BUREAU OF SECURITIES  
P.O. Box 47029  
Newark, New Jersey 07101  
(973) 504-3600

**IN THE MATTER OF:**

Scott Nicholson (CRD No. 2171982) and  
Think Big Institute, LLC,

Respondents.

**SUMMARY DENIAL AND  
CEASE AND DESIST ORDER**

Pursuant to the authority granted to Christopher W. Gerold, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during an investigation by the New Jersey Bureau of Securities (the “Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Denial and Cease and Desist Order (“Order”) against Scott Nicholson and Think Big Institute, LLC (the “Fund”) (collectively, “Respondents”), and makes the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

**Respondents**

1. Scott Nicholson, residing during the relevant time period in Ringwood, New Jersey, currently residing in North Haledon, New Jersey, had been registered with the Bureau as an agent and/or investment adviser representative since 1991. He was most

recently registered as an agent of Cambridge Investment Research, Inc. (CRD No. 39543) from January 3, 2007 until April 30, 2009 and as an investment adviser representative of Cambridge Investment Research Advisors, Inc. (CRD No. 134139) from January 4, 2007 through April 30, 2009. Nicholson has not been registered with the Bureau in any capacity since 2009.

2. Think Big Institute, LLC (“Think Big”) is a New Jersey limited liability company organized on June 25, 2005. Nicholson was the only listed member/manager and registered agent of Think Big. Think Big has never been registered with the Bureau in any capacity.

#### **Nicholson Offered and Sold Investments through Think Big**

3. In or about 2008, Nicholson organized a pooled investment with five friends. Nicholson agreed to invest and trade the money from investors through his company, Think Big. Nicholson and Think Big initially raised approximately \$25,000. Nicholson was the only person who made investment and trading decisions.

4. Between 2008 and 2017, at least twenty-five New Jersey investors invested approximately \$559,000 with Nicholson and Think Big.

5. Nicholson verbally agreed with investors that he would receive 10% of the profits from his trading as a commission.

#### **Nicholson and Think Big Defrauded Investors**

6. Nicholson and Think Big originally opened an account at a commodities firm in the name of Think Big to trade investors’ funds. Initially, Nicholson and Think Big were successfully trading and generating profits for the investors. However, in or about 2011,

Nicholson and Think Big started to lose money trading. Instead of disclosing the losses to the investors, Nicholson created fictitious account statements that he provided to investors to hide the trading losses. The fictitious account statements were “cut and paste” facsimiles from real statements and showed positive returns (and no loss in value) even though at some point all investment assets had been lost in the market or, as described below, misappropriated.

7. From 2011 to 2017, Nicholson and Think Big provided false and misleading account statements to investors.

8. Since at least 2017, Nicholson, through Think Big, was misappropriating money from investors for personal use, including to pay credit card debt, household utility bills, and a mortgage.

9. In January 2018, Nicholson finally admitted to the Think Big investors that their money was gone and their investment was worthless.

10. On March 13, 2018, Nicholson signed a promissory note agreeing to pay restitution in the amount of \$471,601.05 to the twenty-five investors within 36 months. To date however, Nicholson has only paid approximately \$12,000 per the terms of the note.

### **CONCLUSIONS OF LAW**

#### **NICHOLSON AND THINK BIG MADE UNTRUE STATEMENTS OF MATERIAL FACT OR OMITTED TO STATE MATERIAL FACTS NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING, IN VIOLATION OF N.J.S.A. 49:3-52(b)**

19. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

20. Nicholson and Think Big, through Nicholson, in connection with the offer and sale of securities, made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to investors by, among other things, creating and providing to investors false account statements to hide trading losses.

21. Each omission or materially false or misleading statement made by Nicholson and Think Big constitutes a violation of N.J.S.A. 49:3-52(b).

22. Each violation of N.J.S.A. 49:3-52(b) is a separate violation of the Securities Law and is cause for the denial of certain exemptions.

23. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

**NICHOLSON ENGAGED IN AN ACT, PRACTICE OR COURSE OF BUSINESS WHICH OPERATED OR WOULD OPERATE AS A FRAUD OR DECEIT UPON ANY PERSON IN VIOLATION OF N.J.S.A. 49:3-52(c)**

24. The preceding paragraphs are incorporated by reference as though fully set forth at length herein.

25. By creating and providing to investors false account statements and misappropriating investor funds for his personal use, Nicholson and Think Big engaged in an “act, practice, or course of business which operates or would operate as a fraud or deceit upon” investors in violation of N.J.S.A. 49:3-52(c).

26. Each violation of N.J.S.A. 49:3-52(c) is a separate violation of the Securities Law and is cause for the denial of certain exemptions.

27. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from


further illegal activity or doing acts in furtherance thereof.

**THEREFORE**, it is on this 21<sup>st</sup> day of April 2021, **ORDERED** that:

31. Scott Nicholson shall **CEASE AND DESIST** from violating the Securities Law as described in the findings above and any further violations of the Securities Law;

32. Scott Nicholson and Think Big are **DENIED** all exemptions contained in paragraphs 9, 10, and 11 of N.J.S.A. 49:3-50(a) and all exemptions contained in N.J.S.A. 49:3- 50(b).

33. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are **DENIED** as to Scott Nicholson and Think Big.

  
Christopher W. Gerold, Chief  
New Jersey Bureau of Securities

### **NOTICE OF RIGHT TO HEARING**

Pursuant to N.J.S.A. 49:3-69(a)(1)(i) the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Summary Order on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Summary Order issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

**NOTICE OF OTHER ENFORCEMENT REMEDIES**

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.