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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES 2013 JAN -8 PM 2:33

COMMONWEALTH OF PENNSYLVANIA	:	ADMINISTRATIVE PROCEEDING
DEPARTMENT OF BANKING AND	:	DOCKET NO. 2012-09-12
SECURITIES, BUREAU OF SECURITIES	:	
LICENSING, COMPLIANCE AND	:	
ENFORCEMENT	:	DOCKET No. <u>130005</u> (SEC)
v.	:	
STATE FARM VP MANAGEMENT GROUP	:	
ANDREW GERARD PICCUTA*	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Enforcement ("Bureau") has conducted an investigation of the business practices of Andrew Gerard Piccuta ("Piccuta"). Based on the results of its investigation, the Bureau has concluded that Piccuta has engaged in conduct in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). Piccuta, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby assents to this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

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* This Consent Agreement and Order applies only to Andrew Gerard Piccuta.

DEPT OF BANKING AND SECURITIES
PITTSBURGH - 5th Avenue

3. Piccuta, CRD #3030081, at all times material herein, maintained an office at 1614 Highland Avenue, New Castle, Pennsylvania 16105.

4. At all times material herein, Piccuta was registered as an "agent" pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301.

5. At all times material herein, Piccuta held Series 6 and 63 securities licenses.

6. At all times material herein, Piccuta owned the office building at 1614 Highland Avenue, New Castle, Pennsylvania 16105 ("Building") where he conducted his securities business.

7. From October 2007 through March 2012, Piccuta rented second floor commercial office space of the Building to HLI, Inc. ("HLI") while maintaining his office on the first floor of the Building. At all times material herein, there were no other tenants in the Building.

8. At all times material herein, HLI was offering and selling unregistered securities in Pennsylvania.

9. In 2011-2012, the Bureau conducted an examination of Piccuta as well as an investigation into the offers and sales of securities by HLI. In doing so, Staff acquired evidence that Piccuta (1) entered into a lease agreement with HLI; (2) received \$500 a month as rent for a total of \$6,000.00 from HLI; (3) was informally consulted by HLI; (4) was a long-time personal friend of the proprietor of HLI; (5) was, himself, an investor in HLI; and (6) provided no written notice to his employer regarding either his business activity with or investment in HLI.

10. At all times material herein, Piccuta was engaging in conduct which the Department characterizes as an "outside business activity," as that term is defined by NASD Rule 3030/FINRA (proposed) Rule 3270. In particular, FINRA Rule 3270 requires:

No registered person may be an employee, independent contractor, sole proprietor, officer, director or partner of another person, or be compensated, or have the reasonable expectation of compensation, from

any other person as a result of any business activity outside the scope of the relationship with his or her member firm, unless he or she has provided prior written notice to the member, in such form as specified by the member.

11. At all times material herein, Piccuta had not reported his business activity with HLI as an outside business activity to his broker-dealer pursuant to FINRA Rule 3270.

12. As of September 2012, the Bureau is aware of approximately \$2,000,000 of securities that HLI sold to investors nationwide.

13. As of March 2012, HLI has represented to staff that (1) it is engaged in the sale of its intellectual property assets; (2) plans to provide the proceeds from this sale to its investors; and (3) plans to dissolve itself as a corporate entity.

VIOLATION

14. By engaging in the acts and conduct set forth in paragraphs 3 through 13, Piccuta engaged in dishonest or unethical practices by failing to comply with NASD Rule 3030 and FINRA (proposed) Rule 3270, which acts and conduct form a basis to suspend or revoke the agent registration of Piccuta or censure Piccuta pursuant to Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix) and Regulation 305.019 (c)(1)(xxi), 64 Pa. Code § 305.019 (c)(1)(xxi), made applicable by Regulation 305.019 (c)(2)(vi), 64 Pa. Code § 305.019 (c)(2)(vi).

AUTHORITY

15. Because Piccuta failed to report an outside business activity to his employer, he failed to comply with NASD Rule 3030/FINRA (proposed) Rule 3270, which provides the basis for the Department's authority to suspend or revoke the registration of Piccuta or censure Piccuta

pursuant to Section 305 (a)(ix) of the 1972 Act, 70 P.S. § 1-305 (a)(ix) and Regulation 305.019 (c)(1)(xxi), 64 Pa. Code § 305.019 (c)(1)(xxi), made applicable by Regulation 305.019 (c)(2)(vi), 64 Pa. Code § 305.019 (c)(2)(vi).

RELIEF

16. The Department hereby CENSURES Andrew Gerard Piccuta pursuant to Section 305(a) of the 1972 Act, 70 P.S. § 1-305(a).

17. Andrew Gerard Piccuta is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305(a)(ix), 70 P.S. § 1-305(a)(ix) and Regulation 305.019(c)(1)(xxi), 64 Pa. Code § 305.019(c)(1)(xxi), and NASD/FINRA (proposed) Rules, NASD Rule 3030/FINRA (proposed) Rule 3270.

18. Andrew Gerard Piccuta is ORDERED to retake the Series 6 and the Series 63 exams in order to register in the securities business in Pennsylvania in the future pursuant to Section 301 of the 1972 Act, 70 P.S. § 1-301.

19. Should Andrew Gerard Piccuta fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to his right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

20. Consent. Piccuta hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. Piccuta, by

voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

21. Entire Agreement. This Order contains the entire agreement between the Department and Piccuta. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Piccuta.

22. Binding Nature. The Department, Piccuta, and all officers, owners, directors, employees, heirs and assigns of Piccuta intend to be and are legally bound by the terms of this Order.

23. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

24. Effectiveness. Piccuta hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

25. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Piccuta in the future regarding all matters not resolved by this Order.

(b) Piccuta acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

26. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

27. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

28. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

29. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

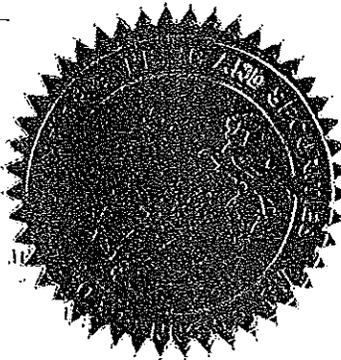
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities, Licensing, Compliance and Enforcement and Andrew Gerard Piccuta, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES LICENSING, COMPLIANCE AND ENFORCEMENT**

Aimee Toth
Deputy Secretary for Securities

Date: January 7, 2013

ANDREW GERARD PICCUTA



Andrew G Piccuta
(Signature)

Andrew G Piccuta
(Print Name)

Date: 12/12/12