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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

v.

SK GROUP, INC.

DEPARTMENT OF BANKING AND SECURITIES

DOCKET No. 130057 (SEC-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Licensing, Compliance and Enforcement ("Bureau") has conducted an investigation of the business practices of SK Group, Inc. ("SK"). Based on the results of its investigation, the Bureau has concluded that SK has engaged in activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). SK, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of 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.
3. SK, CRD #106513, was, at all times material herein, a Utah corporation with an address at 977 East Wilson Avenue, Salt Lake City, Utah 84105.

4. From September 1991 until December 2012, SK has been registered as an investment adviser with the United States Securities and Exchange Commission under Section 203(c) of the Investment Advisers Act of 1940 and was a federally covered adviser as defined under Section 102(f.1) of the 1972 Act, 70 P.S. §1-102(f.1).

5. When SK made application for investment adviser registration in Pennsylvania, SK notified the Bureau that, from approximately July 2003 until December 2012, SK had engaged in the business of advising others, for compensation, on the purchase and sale of securities in Pennsylvania.

6. From approximately July 2003 until December 2012, SK was required to be Notice Filed in Pennsylvania as an investment adviser pursuant to Section 301(f) of the 1972 Act, 70 P.S. §1-301(f) and was subject to the Notice Filing requirements of Section 303 of the 1972 Act, 70 P.S. §1-303.

VIOLATIONS

7. By engaging in the acts and conduct set forth in paragraphs 3 through 6 above, SK failed to Notice File in Pennsylvania in violation of Section 301(f) of the 1972 Act, 70 P.S. §1-301(f).

AUTHORITY

8. Because SK failed to Notice File with Pennsylvania, as required by Section 301(f) of the 1972 Act, 70 P.S. §1-301(f), the Department has the authority to impose sanctions on SK.

9. Because SK failed to Notice File in Pennsylvania, as required by Section 301(f) of the 1972 Act, 70 P.S. 1-301(f), the Department has the authority to impose an administrative

assessment of up to \$100,000 for each act or omission that constitutes a violation, and also order SK to pay the costs of the investigation, *see* 70 P.S. §1-602.1(c)(1)(i) and 70 P.S. §1-602(b).

RELIEF

10. Within 30 days of the Effective Date of this Order, as defined in Paragraph 18, SK shall pay the Department an administrative assessment in the amount of \$8,000. Payment shall be made by certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered, in person, to the Bureau of Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

11. SK is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 301(f).

12. Should SK fail to pay the assessment as set forth in paragraph 10, above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording SK the option of either paying the assessment or being indefinitely subjected to the sanctions.

13. Should SK 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 SK’s right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

14. Consent. SK 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. SK, 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.

15. Entire Agreement. This Order contains the entire agreement between the Department and SK. 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 SK.

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

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

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

19. 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 SK in the future regarding all matters not resolved by this Order.

(b) SK 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.

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

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

22. 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.

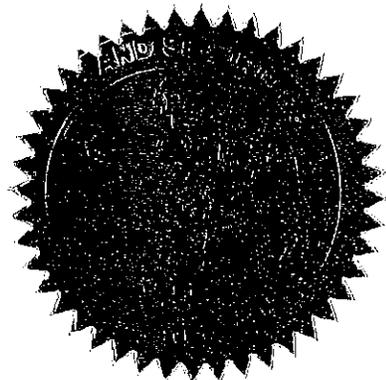
23. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

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 SK Group, Inc. 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**

Victoria A. Reider
Executive Deputy Secretary of Banking & SECURITIES

Date: 9/16/13



FOR SK GROUP, INC.

**Subhash S. Kithany
SK Group, Inc.**

(Officer Signature)

SUBHASH S. KITHANY

(Print Officer Name)

PRESIDENT / OWNER

(Title)

Date: 08/12/2013 (12 Aug 2013)