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PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

Docket No. : 150034 (SEC-OSC)

v.

RONALD RICHARD CAMIRAND
RON CAMIRAND & ASSOCIATES, LLC

NOTICE TO ANSWER AND REQUEST A HEARING

You, Ronald Richard Camirand and Ron Camirand & Associates, LLC, have the right to challenge the attached Order to Show Cause ("Order") by filing an Answer, in writing, with the Banking and Securities Commission ("Commission") **within 30 days** of the date of this Order as required by 1 Pa. Code § 35.37. **If you do not file an Answer within 30 days, then you will waive your right to a hearing and the Commission may enter a final order against you.**

Your Answer must be in writing, specifically admit or deny the allegations in the Order, set forth the facts you rely upon and state concisely the law you rely upon. General denials of the allegations set forth in the Order are not sufficient; you must support your denials with specific facts. Failure to support your denials with specific facts may cause the Commission to deem the facts in the Order as admitted and to enter a final order against you, without a hearing.

The Answer and any other documents must be filed with:

Linnea Freeberg, Docket Clerk
Department of Banking and Securities
17 N. Second Street, Suite 1300
Harrisburg, PA 17101

Further, you must serve a copy of the Answer and any other documents on the person who signed the Order by providing a copy to his or her counsel indicated below:

Carolyn Mendelson
Assistant Counsel, Office of Chief Counsel
Attorney ID #74601
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
301 Fifth Avenue, Room 290
Pittsburgh, PA 15222

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time and location of the hearing. You have the right to be represented by an attorney.

All procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1.-35.251.

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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
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v.

RONALD RICHARD CAMIRAND
RON CAMIRAND & ASSOCIATES, LLC

Docket No. : 15 0034 (SEC-OSC)

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ORDER TO SHOW CAUSE

You, RONALD RICHARD CAMIRAND and RON CAMIRAND & ASSOCIATES, LLC, are notified that the Department of Banking and Securities ("Department") through the Bureau of Securities Licensing, Compliance and Examinations ("Bureau") hereby **ORDERS YOU TO SHOW CAUSE** why the Banking and Securities Commission ("Commission") should not impose the sanctions and remedies described below. Specifically, this proceeding is instituted pursuant to 1 Pa. Code § 35.14 to determine:

- (1) whether the allegations set forth below are true; and
- (2) if these allegations are true, whether there has been a violation of the Pennsylvania Securities Act of 1972 ("1972 Act") or of the regulations promulgated thereunder; and
- ~~(3) if so, whether the sanctions and remedies proposed by the Bureau should be imposed by the Commission.~~

The Bureau alleges the following facts and violations of law for the purpose of tentatively framing the issues for consideration by the Commission. The Commission may consider this

matter directly, or may designate a hearing officer to issue a recommended decision prior to the Commission issuing a final order.

STATEMENT OF THE PARTICULARS AND MATTERS
CONCERNING WHICH THE BUREAU IS INQUIRING

PARTIES

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act and its regulations.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act and its regulations for the Department.
3. The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.
4. Ronald Richard Camirand ("Camirand") CRD #1058151, was, at all times material herein, an individual with a residential and business address of 111 Canter Lane, Gibsonia, PA 15044.
5. From in or about September 2007 to September 2015, Camirand was registered pursuant to Section 301 of the 1972 Act, 70 P.S. §1-301 as an investment adviser representative for a Pennsylvania registered investment adviser, Ron Camirand & Associates, LLC ("RCA"), CRD #142532.
6. At all times material herein, Camirand held the securities licenses of a Series 24, 63, and 65.
7. At all times material herein, RCA had a business address of 111 Canter Lane, Gibsonia, PA 15044.

FACTUAL ALLEGATIONS

8. At all times material herein, Camirand was (1) the managing director of RCA; (2) the chief compliance officer of RCA; (3) solely responsible for the operation of RCA; and (4) the control person of RCA. As such, at all times material herein, Camirand was responsible for the supervision of RCA and its investment adviser representatives. *See* 70 P.S. § 1-305(h)

9. At all times material herein, RCA held certain client assets under management and operated from a Pennsylvania location.

10. In or about August 22, 2014, Staff of the Bureau commenced an investigation of RCA and Camirand.

11. In or about February 25, 2015, Staff of the Bureau commenced an examination of RCA and Camirand.

12. In or about September 10, 2015, Staff of the Bureau issued a deficiency letter to Camirand and RCA which contains allegations of certain violations of the 1972 Act and its regulations.

13. In or about September 18, 2015, after receipt of the deficiency letter from Staff, Camirand caused to be filed on behalf of RCA an ADV-W with Staff of the Bureau for withdrawal of RCA as a licensee in Pennsylvania.

14. In or about October 6, 2015, Camirand further caused to be filed on behalf of RCA an application for registration in the State of Washington.

~~Sales of Unsuitable Leveraged and Inverse ETFs~~

15. At all times material herein, RCA and Camirand failed to assess or establish for a majority of their clients' suitability criteria, including investment time horizons, objectives, investment experience, net worth, and income.

16. Nevertheless, at all times material herein, RCA recommended to a majority of its clients, including at least one Pennsylvania client, the purchase of non-traditional, leveraged, and inverse Exchange Traded Funds (“Non-Traditional ETFs”) and/or holding Non-Traditional ETFs for periods of time which were longer than one (1) trading session.

17. Investors who hold these types of investments for more than a day or two can suffer large losses. When held for periods longer than one day, volatility present in the index that the Non-Traditional ETF tracks skews the overall returns. And, the greater the volatility in the market during that course of time, the more likely it is that the particular Non-Traditional ETC will produce an extreme and unpredictable result.

18. In or about June 2009, FINRA issued a reminder to its member firms regarding sales practice obligations for Non-Traditional ETFs (“FINRA Notice” or “09-31”) and cautioned firms about such sales.

19. The FINRA Notice states in pertinent part:

Exchange-traded funds (ETFs) that offer leverage or that are designed to perform inversely to the index or benchmark they track—or both—are growing in number and popularity. While such products may be useful in some sophisticated trading strategies, they are highly complex financial instruments that are typically designed to achieve their stated objectives on a daily basis. Due to the effects of compounding, their performance over longer periods of time can differ significantly from their stated daily objective. Therefore, inverse and Non-Traditional ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets.

20. In or about August 2009, FINRA and the SEC Staff jointly issued an investor alert which warned investors about the risks associated with Non-Traditional ETFs (“Investor Alert”).

21. The Investor Alert states that

[B]uy-and-hold investors with an intermediate or long-term time horizon should carefully consider whether these ETFs are appropriate for their portfolio. ... [B]ecause leveraged and inverse ETFs reset each day, their

performance can quickly diverge from the performance of the underlying index or benchmark. In other words, it is possible that you could suffer significant losses even if the long-term performance of the index showed a gain.

22. At all times material herein, RCA clients were exposed to risk and market volatility by holding Non-Traditional ETFs for longer than one trading session.

23. At all times material herein, RCA recommended and traded clients into Non-Traditional ETFs, including but not limited to, ProShares UltraShort S&P 500 and UltraShort QQQ.

24. At all times material herein, the prospectus for ProShares UltraShort S&P 500 and UltraShort QQQ (collectively, hereinafter, "the Funds") states that certain risks are associated with investing in the Non-Traditional ETF.

25. In particular, the prospectuses for the Funds state:

The Fund is different from most exchange-traded funds in that it seeks inverse leveraged returns relative to the Index and only on a daily basis. The Fund also is riskier than similarly benchmarked exchange-traded funds that do not use leverage. Accordingly, the Fund may not be suitable for all investors and should be used only by knowledgeable investors who understand the potential consequences of seeking daily inverse leveraged investment results. Shareholders should actively manage and monitor their investments, as frequently as daily.

....

The Fund does not seek to achieve its stated investment objective over a period of time greater than a single day.

26. At all times material herein, RCA provided investment advice to its clients to invest in Non-Traditional ETFs, including, but not limited to, ProShares Short S&P 50 and to hold Non-Traditional ETFs for far longer than one (1) trading period.

27. At all times material herein, RCA clients held the Funds for longer than one (1) trading session.

28. At all times material herein, RCA clients lost money by holding the Funds for more than one (1) trading session.

29. At all times material herein, RCA had no internal compliance policy regarding suitability of Non-Traditional ETFs for its clients despite the fact that a majority of its client base was invested in Non-Traditional ETFs.

30. Moreover, at all times material herein, RCA and Camirand did not document sufficiently whether they had evaluated or analyzed their clients' investment time horizons however, the RCA clients were invested in the Funds anyway.

31. At all times material herein, RCA could not provide Bureau Staff with sufficient proof that Camirand and RCA monitored the Funds on a daily or an ongoing basis for its clients.

32. In addition, in or about 2015, Bureau Staff completed an analysis of RCA clients who held these Non-Traditional ETFs. This analysis determined that of the sixty (60) clients holding these Non-Traditional ETFs, that only seven (7) RCA clients reported having more than limited investment experience in options; only two (2) clients reported having more than a limited investment experience level in futures; only three (3) clients had investment objectives of "speculation"; and finally, only three (3) clients reported having an objective of "hedging".

33. Bureau Staff's analysis of Non-Traditional ETF suitability for RCA clients showed that clients were inadequately experienced and did not possess investment objectives consistent for investing in Non-Traditional ETFs.

34. At all times material herein, RCA could not provide Bureau Staff with sufficient proof that RCA met its fiduciary duty as an investment adviser and/or provided suitable investment advice to its clients, despite charging an investment advisory fee to clients, regarding investments in Non-Traditional ETFs.

Timothy Fife

35. At all times material herein, RCA through Camirand employed and compensated Timothy Fife ("Fife").

36. From a nine month period of August 2009 through April 2010, RCA and Camirand compensated Fife for securities activities which required registration as an investment adviser representative.

37. During the period of August 2009 through April 2010, Fife was not registered as an investment adviser representative, and no exemption from registration was available to him.

38. During the period of August 2009 through April 2010, Fife solicited clients for RCA from his former employer, Wells Fargo Advisors and provided investment advice to those clients.

39. During the period of August 2009 through April 2010, Fife provided investment advice to RCA clients regarding Non-Traditional ETFs .

40. Currently, Fife is the subject of administrative charges filed by the Ohio Securities Division.¹

Investment Adviser Performance Based Fees

41. At all times material herein, RCA entered into advisory agreements with clients, including at least one (1) Pennsylvania client, for which the firm charged a performance based investment advisory fee.

¹ A Notice of Opportunity for Hearing and Notice of Intent to Suspend or Revoke the Ohio Investment Adviser License of Timothy K. Fife, with a principal business address in Westlake, Ohio. The Notice was filed in Division Order No. 14-018, which alleges that Mr. Fife provided false information in his application for licensure and fraudulently induced an elderly client to invest \$400,000 as a long-term investment in leveraged and inverse exchange traded funds by telling him that the investment was low-risk and would contain a stop-loss feature. Based on additional considerations - including complaints filed with FINRA that were settled for over \$1.14 million - the Ohio Securities Division alleges that Mr. Fife is not of good business repute. Three of the FINRA complaints involved claims of unsuitable ETF investments.

42. At all times material herein, RCA's investment advisory contracts were not in compliance with SEC Rule 205-3, *See* Investment Advisers Act of 1940, 17 CFR 275.205-3.

43. SEC Rule 205-3 provides a definition of a "qualified client" for purposes of determining whether a client is appropriate for being charged a performance based investment advisory fee. In part, SEC Rule 205-3 defines a "qualified client" as one with a specific level of net worth or assets under management with the adviser.

44. SEC Rule 205-3 was amended, effective as of May 2012, and the SEC issued the amendment through the Investment Advisers Act Release No. 3372 "Investment Adviser Performance Compensation." SEC Rule 205-3, as amended, revises the net worth test for the definition of a "qualified client" (to exclude the value of a natural person's primary residence) and increases the net worth standard to \$2 million. It also increases the assets under adviser management standard to \$1 million from \$750,000.

45. SEC Rule 205-3 is incorporated into the 1972 Act in Section 405(1), 70 P.S. § 1-405(1).

46. At all times material herein, Camirand and RCA charged performance based fees in violation of SEC Rule 205-3 and Section 405(1) of the 1972 Act to at least one Pennsylvania client.

47. At all times material herein, RCA did not obtain or maintain information which would support either the net worth or asset under management standards promulgated in SEC Rule 205-3.

48. Bureau Staff analyzed a sample group of clients (sixty (60) clients in total) which RCA was charging a performance-based fee. The sample audited by Bureau Staff was for a period of November 2011 to January 2014.

49. Bureau Staff determined that of the sixty (60) clients, fifty-three (53) of the clients reported a net worth at or below \$1 million. Of five (5) accounts opened after the May 2012 Rule 205-3 amendment, four (4) client accounts reported a net worth of \$1 million or below.

50. Bureau Staff determined that with reference to the asset under adviser management test, that three (3) clients maintained assets at or above \$750,000 with RCA. For accounts opened after May 2012, none of the clients maintained at least \$1 million in assets under management at the firm.

51. Despite the vast majority of the clients not satisfying the definition of a “qualified client”, all sixty (60) of the clients were being assessed performance based fees and these clients include at least one (1) Pennsylvania resident.

Agent of Issuer

52. While Staff noted numerous private securities offerings, solicitor activities (without disclosure), and unlicensed sales activities occurring through RCA, in or about July 2011, Camirand, through RCA, was compensated approximately \$33,000 by Timothy Burns for sales and solicitation activities which required that Camirand be registered as an “agent” of an “issuer”, as those terms are defined by the 1972 Act.

53. At all times material herein, Camirand was not registered as an “agent” of an “issuer”, as those terms are defined by the 1972 Act and no exemption from registration as an “agent” of an “issuer” existed for Camirand.

54. In or about July 2011, Camirand, through RCA, was compensated by Timothy Burns for finding an investor, an RCA client, to purchase pre-IPO shares of Facebook stock for issuers controlled by Mr. Burns, ESG Capital Partners, LP I and II.

55. In or about November 2013, the Department permanently barred Timothy Burns from the securities business in Pennsylvania due to securities misconduct related to the offers and sales of pre-IPO shares of Facebook stock.

56. Moreover, in or about September 2015, Timothy Burns was sentenced to five (5) years of prison and ordered to make restitution of over \$11,000,000 to investors to whom he offered and sold pre-IPO shares of Facebook stock by United States District Court Judge Legrome D. Davis.

57. In or about April 2012, Camirand, through RCA, was compensated \$33,000 by Timothy Burns for finding investor(s) to purchase pre-IPO Facebook stock.

Form U-4 Disclosure Deficiencies and ADV Inaccuracies

58. During a period of November 2009 through the present, Camirand failed to disclose a lien or judgment and to properly file on his own Form U-4 and/or RCA's Form ADV. In particular, Camirand failed to report an unsatisfied lien or judgment on his Form U-4 and/or RCA's Form ADV. The lien/judgment was \$25,000 and was filed in Allegheny County, Pennsylvania by Federated Financial in or about November 2009.

59. At all times material herein, Camirand's Form U-4 and/or RCA's Form ADV also failed to report outside business activities and private securities transactions in which he was engaged. Such business activities and private securities transactions were numerous and include, but are not limited to: (1) Notley Investments; (2) Transicott Capital; (3) Camirand, Mogy, Fife and Freemon (CMFF); (4) CMF Investments; and (5) the offers and sales of proprietary software programs, publications, products and services.

60. At all times material herein, Camirand caused RCA to file inaccurate Form U-4s for himself and inaccurate Form ADVs for RCA.

61. At all times material herein, Fife's Form U-4 also contained inaccuracies and failed to disclose unsatisfied liens and judgments which totaled approximately \$68,000.

62. At all times material herein, Camirand caused RCA to file inaccurate Form U-4s for Fife.

63. Moreover, at all times material herein, because of the inaccuracies of Camirand and Fife's Form U-4s, Camirand and RCA also failed to file an accurate Form ADV for RCA.

Books and Records Violations

64. At all times material herein, RCA had systemic and significant failures to adhere to the books and records requirements for a Pennsylvania registered investment adviser.

65. At all times material herein, Camirand, by failing to have RCA abide by the books and records requirements for the operation of an investment adviser in Pennsylvania, failed to supervise RCA.

66. At all times material herein, RCA and Camirand failed to make and keep, accurate and current: (1) cash receipts and disbursements; (2) ledger entries; (3) memorandum regarding securities purchases; (4) bills and statements related to the business of the investment adviser; (5) written communications sent by RCA; (6) investment advisory written contracts; (7) records of securities transactions; (8) revisions to investment adviser contracts; (9) records of delivery of Forms ADV and brochures to clients; (10) any and all suitability information for client accounts; (11) securities transaction blotters; and (12) ownership of current positions for each individual client.

67. At all times material herein, in addition to RCA and Camirand failing to make and keep, accurate and current required books and records to handle the affairs of the firm.

68. At all times material herein, Camirand also failed to effectuate policies and procedures and to apply and enforce those policies and procedures for the recordkeeping activities of the firm.

Comprehensive Failure to Supervise

69. At all times material herein, Camirand failed to (1) have his firm RCA make and keep accurate records; (2) maintain and enforce an appropriate compliance manual and policies; (3) ensure that a person who required registration (Fife) held registration; (4) ensure that compensation accepted by his firm for agent of issuer activities was in compliance with the 1972 Act; (5) charge and assess his clients an investment advisory fee which was lawful; (6) recommend suitable investments to his clients; and (7) oversee whether RCA as an investment adviser was provide suitable advice to clients in keeping with its fiduciary duty.

70. For all of these reasons, Camirand failed to reasonably supervise the agents and activities of RCA.

COUNTS

Registration Requirement **Section 301(a), 70 P.S. § 1-301(a)**

71. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

72. By engaging in the acts and conduct set forth paragraphs 35 through 40 of the Factual Allegations, Camirand has transacted business in this State as a broker-dealer or agent ~~without being registered in violation of Section 301(a) of the 1972 Act, 70 P.S. § 1-301(a).~~

Registration Requirement **Section 301(c)(1)(i), 70 P.S. § 1-301(c)(1)(i)**

73. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

74. By engaging in the acts and conduct set forth paragraphs 35 through 40 of the Factual Allegations, RCA has violated Section 301(c)(1)(i) of the 1972 Act, 70 P.S. § 1-301(c)(1)(i) which states that it is unlawful for any person required to be registered as an investment adviser under this act to employ an investment adviser representative unless the investment adviser representative is registered under this act or exempted from registration.

Post-registration Provisions
Books and Records Requirements
Section 304(c), 70 P.S. § 1-304(c)

Regulations §§ 303.012(d) and 303.014(b), 10 Pa Code §§ 303.014(b) and 303.012(d)

75. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

76. By engaging in the acts and conduct set forth paragraphs 58 through 63 of the Factual Allegations, RCA has violated Section 304(c) of the 1972 Act, 70 P.S. §1-304(c) and Regulations 303.014(b) and (d), 10 Pa Code §§ 303.014(b) and 303.012(d) which require that an investment adviser and an investment adviser representative take necessary steps to ensure that material information contained on a Form U-4 remains current and accurate and that an investment adviser ensure that material information contained in its Form ADV remains current and accurate.

77. By engaging in the acts and conduct set forth paragraphs 58 through 63 of the Factual Allegations, Camirand has violated Section 304(c) of the 1972 Act, 70 P.S. §1-304(c) and Regulations 303.014(b) and (d), 10 Pa Code §§ 303.014(b) and 303.012(d) which require that an investment adviser and an investment adviser representative take necessary steps to ensure that material information contained on a Form U-4 remains current and accurate and that an investment adviser ensure that material information contained in its Form ADV remains current and accurate.

Post-registration Provisions
Books and Records Requirements
Section 304, 70 P.S. § 1-304(a) and (c)
Regulations 304.012(a)(c) and (e), 10 Pa Code §§ 1-304.012(a)(c) and (e)

78. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

79. By engaging in the acts and conduct set forth paragraphs 64 through 68 of the Factual Allegations, RCA has violated Section 304(a) and (c) of the 1972 Act, 70 P.S. §1-304(a) and (c) and Regulations 304.012(a)(c) and (e), 10 Pa Code §§ 1-304.012(a)(c) and (e) which require that an investment adviser make and keep all accounts, correspondence, memoranda, papers, books and other records.

Failure to Supervise
Section 305(a)(vii), 70 P.S. § 1-305(a)(vii)
Regulation § 305.011, 10 Pa Code § 305.011

80. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

81. By engaging in the acts and conduct set forth paragraphs 8 through 70 of the Factual Allegations, Camirand, has failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii) and Regulation § 305.011, 10 Pa Code § 305.011.

82. By engaging in the acts and conduct set forth paragraphs 8 through 70 of the Factual Allegations, RCA has failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii) and Regulation § 305.011, 10 Pa Code §§ 305.011.

Dishonest or Unethical Business Practices
Section 305(a)(ix), 70 P.S. § 1-305(a)(ix)
Regulation § 305.019, 10 Pa Code § 1-305.019

83. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

84. By engaging in the acts and conduct set forth paragraphs 15 through 34 and 41 through 5 of the Factual Allegations, Camirand has engaged in dishonest or unethical practices in the securities business or has taken unfair advantage of a customer pursuant to Section 305(a)(ix) of the 1972 Act, 70 P.S. §1-305(a)(ix) and Regulation § 305.019, 10 Pa Code §§ 305.019.

85. By engaging in the acts and conduct set forth paragraphs 15 through 34 and 4 through 51 of the Factual Allegations, RCA has engaged in dishonest or unethical practices in the securities business or has taken unfair advantage of a customer pursuant to Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix) and Regulation § 305.019, 10 Pa Code §§ 305.019.

Prohibited Advisory Activities
Section 404, 70 P.S. § 1-404

86. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

87. By engaging in the acts and conduct set forth in paragraphs 41 through 51 of the Factual Allegations, Camirand has received, directly or indirectly, consideration from another person for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, in this State and (1) employed a device, scheme, or artifice to defraud the other person; (2) engaged in a transaction, act, practice, or course of business which operates as a fraud or deceit upon another person; and/or (4) engaged in an act, practice, or course of business which is fraudulent, deceptive, or manipulative in violation of Section 404(a)(1), (2) and/or (4) of the 1972 Act, 70 P.S. § 1-404.

88. By engaging in the acts and conduct set forth in paragraphs 41 through 51 of the Factual Allegations, RCA has received, directly or indirectly, consideration from another person

for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, in this State and (1) employed a device, scheme, or artifice to defraud the other person; (2) engaged in a transaction, act, practice, or course of business which operates as a fraud or deceit upon another person; and/or (4) engaged in an act, practice, or course of business which is fraudulent, deceptive, or manipulative in violation of Section 404(a)(1), (2) and/or (4) of the 1972 Act, 70 P.S. § 1-404.

Contract Requirements
Section 405, 70 P.S. § 1-405

89. Paragraphs 1 through 70 are incorporated herein by reference as if set forth in their entirety.

90. By engaging in the acts and conduct set forth paragraphs 41 through 51 of the Factual Allegations, RCA has entered into, extended, or renewed an investment advisory contract which provides for compensation to the investment adviser on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of a client in violation of Section 405(1) of the 1972 Act, 70 P.S. § 1-405(1).

SANCTIONS AND REMEDIES

WHEREAS, the Bureau respectfully requests the penalties and relief pursuant to its authority under the 1972 Act:

1. That an order be issued revoking the securities registration of Camirand in Pennsylvania pursuant to Sections 305(a) and/or 305(h) of the 1972 Act, 70 P.S. § 1-305(a) and (h);

2. That an order be issued revoking the securities registration of RCA in Pennsylvania pursuant to Section 305(a) of the 1972 Act, 70 P.S. § 1-305;

3. That an order be issued pursuant to Section 512 of the 1972 Act, 70 P.S. § 1-512, barring Camirand in Pennsylvania from:

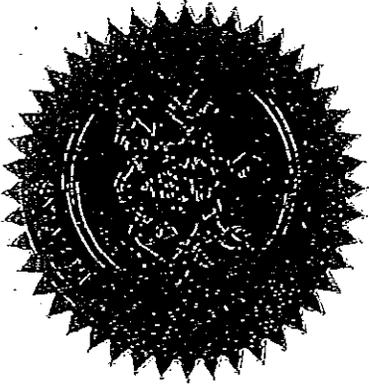
- a. Representing an issuer offering or selling securities in this State;
- b. Acting as a promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities in this State or of a person who controls or is controlled by such issuer;
- c. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act;
- d. Being an affiliate of any person registered under Section 301 of the 1972 Act; or
- e. Relying upon an exemption from registration contained in Section 202, 203 or 302 of the 1972 Act;

4. That Camirand and/or RCA be ordered to pay the costs of the investigation and examination conducted by Staff pursuant to Section 602.1(b) of the 1972 Act, 70 P.S. § 1-602.1(b); and

5. That Camirand and/or RCA be ordered to pay an administrative assessment of up to \$100,000 for each act or omission constituting a wilful violation of the 1972 Act, pursuant to Section 602.1(c) of the 1972 Act, 70 P.S. § 1-602.1(c).

IT IS SO ORDERED.

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



COMPLIANCE AND EXAMINATIONS:

Redacted

Joseph Mihisi
Acting Deputy Secretary of Securities

Dated: 10/27/15

FILED

2015 NOV -2 AM 11:47

PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

Docket No. : 150034 (SEC-OSC)

v.

RONALD RICHARD CAMIRAND
RON CAMIRAND & ASSOCIATES, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the attached Order to Show Cause in accordance with the requirements of 1 Pa. Code § 33.35, 33.36, and 33.37 (relating to service by agency), in the manner indicated below:

BY CERTIFIED AND FIRST CLASS MAIL:

Matthew Hardin, Esq.
Hardin Law Group LLC
290 Northgate Drive
Suite 100
Warrendale, PA 15086

Redacted

Dated this 2nd day of November 2015

Fran Beers, Administrative Officer
Office of Chief Counsel
FOR: Commonwealth of Pennsylvania
Department of Banking and Securities
Market Square Plaza
17 North Second Street, Suite 1300
Harrisburg, PA 17101