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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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PA DEPARTMENT OF
BANKING AND SECURITIES

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

DOCKET No. 14 0016 (SEC-CAO)

v.

SINCLAIR HATHAWAY HOLDINGS, LLC
GERALD J. LODOVICO

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 Sinclair Hathaway Holdings, LLC ("Sinclair") and Gerald J. Lodovico ("Lodovico") (collectively, "the Respondents"). Based on the results of its investigation, the Bureau has concluded that Sinclair and Lodovico have engaged in conduct in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). The Respondents, in lieu of litigation and admitting the allegations herein, and intending to be legally bound, hereby agree 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. Sinclair was, at all times material herein, an entity with an address at 3074 Marie Drive, Gibsonia, Pennsylvania 15044.

4. At all times material herein, Sinclair was formed for the purpose of pooling funds from private investors to invest in real estate, private business opportunities, and other related investment opportunities through accounts maintained at discount broker-dealers with any profits to be generated through the efforts of Lodovico (“Sinclair Program”).

5. Lodovico, CRD # 2623141, was, at all times material herein, an individual with addresses at 3074 Marie Drive, Gibsonia, Pennsylvania 15044 and 1001 E. Entry Drive, Suite 300, Pittsburgh, Pennsylvania 15216. At all times material herein, Lodovico was the CEO and Managing Member of Sinclair.

6. At all times material herein, Sinclair was the “issuer” of the Sinclair Program pursuant to Section 102(l) of the 1972 Act, 70 P.S. § 1-102(l).

7. At all times material herein Lodovico was an “affiliate” of Sinclair pursuant to Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b) and, as such, caused Sinclair to commit the herein stated acts which violated the 1972 Act.

8. At all times material herein, Lodovico was registered as an “agent” pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301 for Trustmont Financial Group, Inc. (Trustmont) CRD # 18312.

9. At all times material herein, Lodovico was registered as an “investment adviser representative” pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301 for Trustmont Advisory Group, Inc. CRD # 106015.

10. In or about May 2011, Lodovico notified Trustmont in writing that he would be engaged in an outside business activity involving Sinclair.

11. In or about May 2011, in response to Lodovico's notification, Trustmont approved Lodovico's outside business activity request subject to the conditions that Lodovico was not permitted to add Trustmont clients to Sinclair and that Lodovico was required to immediately notify Trustmont if there was any change in his outside business activities.

12. From in or about May 2011 through October 2011, in violation of the conditions placed on his outside business activity with Sinclair, Lodovico sold interests ("Interests") in the Sinclair Program to three (3) Trustmont clients and failed to notify Trustmont of any change in his business activities with Sinclair.

13. The records of the Department disclose that the Interests were (a) not registered under Section 201 of the 1972 Act, 70 P.S. § 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. § 1-202; and (c) not federally covered securities; and further the securities transactions relating to the Interests were not exempt under Section 203 of the 1972 Act, 70 P.S. § 1-203.

VIOLATIONS

14. By engaging in the acts and conduct set forth in paragraphs 3 through 13 above, the Department finds that the Respondents offered for sale the Interests in Pennsylvania in wilful violation of Section 201 of the 1972 Act, 70 P.S. § 1-201.

15. By engaging in the acts and conduct set forth in paragraphs 3 through 13 above, the Department finds that Lodovico engaged in dishonest or unethical practices in the securities business or took unfair advantage of a customer by failing to adhere to the conditions placed upon his outside business activity and failing to comply with FINRA Rule 3270, in violation of Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305(a)(ix) and Regulation 305.019 (c)(2)(vi), through Regulation 305.019 (c)(1)(xxi); 10 Pa. Code §§ 305.019(c)(2)(vi), 305.019(c)(1)(xxi).

AUTHORITY

16. The Department has the authority to suspend or revoke a registration for violating FINRA's Rules of Fair Practice pursuant to Section 305 (a)(ix) of the 1972 Act, 70 P.S. § 1-305 (a)(ix) and Regulation 305.019 (c)(2)(vi), through Regulation 305.019 (c)(1)(xxi), 10 Pa. Code §§305.019(c)(2)(vi), 305.019(c)(1)(xxi).

17. The Department has the authority in Section 512(a) of the 1972 Act to issue a statutory bar when it determines that a person willfully violated the 1972 Act or any rule or order thereunder, see 70 P.S. § 1-512(a) and 70 P.S. § 1-102(w).

18. The Department has the authority to impose an administrative assessment for violations of Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305 (a)(ix) and order the payment of costs of an investigation for violations of Section 201 of the 1972 Act, 70 P.S. § 1-201, and Section 305(a)(ix) of the 1972 Act, 70 P.S. § 1-305 (a)(ix) , *see* 70 P.S. § 1-602.1(c)(1)(i) and 70 P.S. § 1-602.1(b).

RELIEF

19. The Department hereby SUSPENDS the agent registration of Lodovico for a period of one (1) year from the effective date of this Order pursuant to Section 305(a) of the 1972 Act, 70 P.S. § 1-305(a).

20. The Department hereby SUSPENDS the investment advisor representative registration of Lodovico for a period of one (1) year from the effective date of this Order pursuant to Section 305(a) of the 1972 Act, 70 P.S. § 1-305(a).

21. Pursuant to Section 512 (a) of the 1972 Act, 70 P.S. § 1-512(a), the Department hereby BARS Sinclair and Lodovico for a period of one (1) year from the date of the execution of this Order from:

a. Representing an issuer offering or selling securities in the Commonwealth of Pennsylvania; and

b. Acting as a promoter, officer, director or partner of an issuer (or individual occupying a similar status or performing similar functions), offering or selling securities in the Commonwealth of Pennsylvania or of a person who controls or is controlled by such issuer.

22. Within 60 days of the effective date of this Order, as defined in paragraph 29, Sinclair and Lodovico shall pay the Department an administrative assessment in the amount of \$2,500. 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 Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

23. Sinclair and Lodovico are ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 201 of the 1972 Act, 70 P.S. § 1-201 and Section 305(a)(ix), 70 P.S. § 1-305(a)(ix), Regulations 305.019(c)(2)(vi), 10 Pa. Code § 305.019(c)(2)(vi) through Regulation 305.019 (c)(1)(xxi), 10 Pa. Code §§305.019(c)(2)(vi), 305.019(c)(1)(xxi).

24. Should Sinclair and Lodovico 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 their right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

25. Consent. The Respondents hereby knowingly, willingly, voluntarily and irrevocably consent to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that they understand all of the terms and conditions contained herein. The Respondents, by voluntarily entering into this Order; waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

26. Entire Agreement. This Order contains the entire agreement between the Department and the Respondents. 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 the Respondents.

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

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

29. Effectiveness. The Respondents hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

30. 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 the Respondents in the future regarding all matters not resolved by this Order.

(b) The Respondents acknowledge and agree 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.

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

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

33. 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.

34. 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.

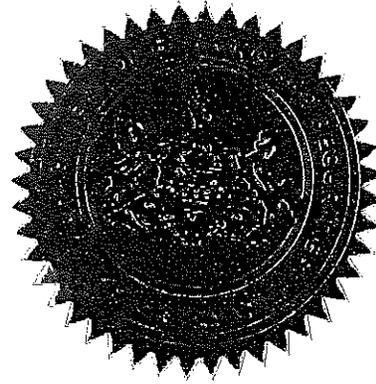
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Enforcement, Sinclair Hathaway Holdings, LLC and Gerald J. Lodovico, intending to be legally bound, do hereby execute this Consent Agreement and Order.

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

James Klutinoty
Chief, Western Region
Bureau of Securities Licensing, Compliance and Enforcement
Department of Banking and Securities

Date: 04/09/2014

FOR SINCLAIR HATHAWAY HOLDINGS, LLC



(Signature)

GERALD J. LODOVICO
(Print Name)

Date: 04/09/2014

GERALD J. LODOVICO

(Signature)

GERALD J. LODOVICO
(Print Name)

Date: 04/09/2014