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PA DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
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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

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Examinations ("Bureau"), has conducted an investigation and an examination of the securities activities of Ronald Richard Camirand ("Camirand") and Ron Camirand & Associates, LLC ("RCA") (hereinafter, collectively referred to as "the Respondents") pursuant to the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101, et. seq. ("1972 Act").¹

Camirand and RCA, without admitting or denying the allegations contained herein, voluntarily consent to the entry of this Consent Agreement and Order ("CAO"), and waive any right to a hearing or to judicial review regarding this CAO.

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act and its Regulations.

¹ The examination and investigation resulted in the Bureau filing an Order to Show Cause against the Respondents on November 2, 2015.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act and its Regulations for the Department.

3. Camirand, CRD #1058151, was, at all times material herein, an individual with a residential and business address of Redacted

4. From in or about September 2007 to the present, 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, RCA, CRD #142532.

5. At all times material herein, Camirand held Series 24, 63, and 65 securities licenses.

6. At all times material herein, RCA had a business address of 111 Canter Lane, Gibsonia, PA 15044.

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

8. At all times material herein, RCA employed Timothy Karl Fife ("Fife") (CRD #2437888) as an investment adviser representative.

9. 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).

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

² At the time of entry of this CAO, the Respondents are no longer conducting business from Redacted Respondents' current address is Redacted

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

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

13. In or about September 18, 2015, 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. The withdrawal from registration is not yet effective.

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

15. In or about November 30, 2015, Respondents filed a Response to Order to Show Cause with the Bureau responding to all allegations contained in the Order to Show Cause dated November 2, 2015.

Inverse Exchange Traded Funds

16. At all times material herein, RCA recommended to certain clients, including at least one Pennsylvania client, the purchase of non-traditional, leveraged, and inverse Exchange Traded Funds ("Non-Traditional ETFs").

17. At all times material herein, RCA did not have an internal compliance policy regarding suitability of Non-Traditional ETFs despite the fact that certain clients were invested in Non-Traditional ETFs.

18. Moreover, at all times material herein, the Respondents did not document whether they had evaluated or analyzed their clients' suitability to purchase Non-Traditional ETFs.

Form U-4 and ADV Disclosures

19. 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 a \$25,000 lien or judgment filed in Allegheny County, Pennsylvania by Federated Financial on his Form U-4 and/or RCA's Form ADV.

20. 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 included, but are not limited to, the offers and sales of proprietary software programs, publications and services.

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

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

23. At all times material herein, because of the inaccuracies contained on Camirand and Fife's Form U-4s, the Respondents also failed to file inaccurate Form ADVs for RCA despite the fact that the 1972 Act and its regulations 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 Form ADV remains current and accurate.

Books and Records

24. At all times material herein, the Respondents 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.

25. At all times material herein, the Respondents failed to make and keep accurate and current the required books and records to handle the affairs for a Pennsylvania registered investment adviser.

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

Supervision

27. At all times material herein, Camirand failed to (1) have RCA make and keep accurate records; and (2) maintain and enforce an appropriate compliance manual and policies.

28. At all times material herein, Camirand failed to reasonably supervise the agents and activities of RCA.

VIOLATIONS

29. By engaging in the acts and conduct set forth in paragraphs 1 through 28 above, the Respondents are subject to a sanction under Section 305(a)(vii) of the 1972 Act, 70 P.S. § 1-305(a)(vii) and Regulation 305.011, 10 Pa Code § 1-305.011 for a failure to reasonably supervise the agents and activities of RCA.

30. By engaging in the acts and conduct set forth in paragraphs 1 through 28 above, the Respondents are subject to a sanction under 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.

31. By engaging in the acts and conduct set forth in paragraphs 1 through 28 above, the Respondents are subject to a sanction under 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.

AUTHORITY

32. The Department has authority in Section 305(a) of the 1972 Act to deny, suspend, revoke or condition a securities registration, *see* 70 P.S. § 1-305(a).

33. The Department has authority in Section 602.1(b) of the 1972 Act to assess legal and investigative costs to a registrant upon whom the Bureau has conducted an examination, audit, investigation or prosecution, *see* 70 P.S. § 1-602.1(b).

34. The Department has authority in Section 512 of the 1972 Act to issue a statutory bar, *see* 70 P.S. § 1-512.

RELIEF

35. Pursuant to Section 512(a) of the 1972 Act, 70 P.S. § 1-512(a), Camirand is barred 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.

36. RCA's withdrawal from registration as an investment adviser is hereby effective and RCA is simultaneously barred in Pennsylvania, pursuant to Section 512(a) of the 1972 Act, 70 P.S. § 1-512(a). RCA is barred 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.

37. Pursuant to Section 602.1(b) of the 1972 Act, 70 P.S. §1-602.1(b), the Respondents are ordered, jointly and severally, to pay \$7,500 to the Commonwealth of Pennsylvania which represents the costs of the investigation conducted by Staff. Payment shall be made by certified check or money order that is made payable to the Department of Banking and Securities and shall be mailed or delivered, in person, to the Bureau of Licensing, Compliance and Examinations located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

38. Camirand shall comply with the 1972 Act, and its Regulations as adopted by the Department, 70 P.S. § 1-101, et. seq.

39. RCA shall comply with the 1972 Act, and its Regulations as adopted by the Department, 70 P.S. § 1-101, et. seq.

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

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

FURTHER PROVISIONS

42. 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.

43. 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.

44. Binding Nature. The Department and the Respondents and all heirs and assigns of them intend to be and are legally bound by the terms of this Order.

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

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

47. 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.
- c. The Respondents acknowledge and agree that this Order does not preclude any other agency from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Order.

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

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

50. 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.

51. 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, inconsideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Examinations, Ronald Richard Camirand, and Ron Camirand & Associates, LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

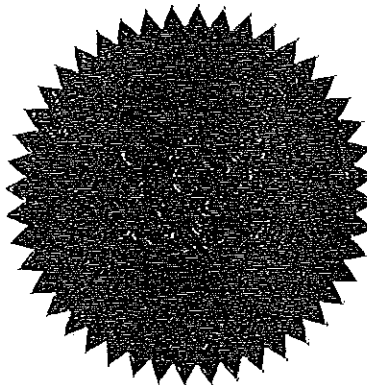
**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES,
BUREAU OF SECURITIES LICENSING,
COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. Minisi, ~~J~~
Acting Deputy Secretary of Securities

Date:

1/6/16



Ron Camirand & Associates, I.I.C

Redacted

(Signature)

RONALD CAMIRAND

(Print Name)

MANAGING MEMBER

(Title)

Date: 12/23/2015

Ronald Richard Camirand

Redacted

(Signature)

Date: 12/23/2015