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2016 FEB 22 AM 10:16

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF  
BANKING AND SECURITIES

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|-----------------------------------|---|----------------------------|
| COMMONWEALTH OF PENNSYLVANIA      | : |                            |
| DEPARTMENT OF BANKING AND         | : |                            |
| SECURITIES, BUREAU OF SECURITIES, | : |                            |
| LICENSING, COMPLIANCE AND         | : |                            |
| EXAMINATIONS                      | : | DOCKET No. 16074 (SEC-CAO) |
|                                   | : |                            |
| v.                                | : |                            |
|                                   | : |                            |
|                                   | : |                            |
| ADDISON CAPITAL CO.               | : |                            |

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department), Bureau of Licensing, Compliance and Examinations ("Bureau") has conducted an investigation of the business practices of Addison Capital Co. ("Addison") and its officers and employees. Based on the results of its investigation, the Bureau has concluded that Addison has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). Addison, 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. Addison, CRD #144853, was, at all times material herein, a Pennsylvania entity with an address at 1845 Walnut Street, 22<sup>nd</sup> Floor, Philadelphia, Pennsylvania 19103.

4. From in or about September 2007 through the present, Addison has been registered as an investment adviser with the United States Securities and Exchange Commission (SEC) under Section 203(c) of the Investment Advisers Act of 1940 and is a federally covered adviser as defined under Section 102(f.1) of 1972 Act, 70 P.S. §1-102(f.1).

5. From in or about September 2007 through the present, Addison has been Notice Filed in Pennsylvania as an investment adviser pursuant to Section 301(f) of 1972 Act, 70 P.S. §1-301(f) and is subject to the Notice Filing requirements of Section 303 of the 1972 Act, 70 P.S. §1-303.

6. From in or about January 2009 until the present, Addison failed to register one employee as an investment adviser representative in Pennsylvania.

#### VIOLATION

7. By engaging in the acts and conduct set forth in paragraphs 4 through 6 above, Addison employed at least one unregistered investment adviser representative in violation of Section 301(c.1)(1)(ii) of the 1972 Act, 70 P.S. §1-301(c.1)(1)(ii).

#### AUTHORITY

8. Because Addison employed at least one unregistered investment adviser representative in violation of Section 301 (c.1)(1)(ii) of the 1972 Act, 70 P.S. §1-301(c.1)(1)(ii), the Department has authority to impose sanctions on Addison.

9. Because Addison employed at least one unregistered investment adviser representative in violation of Section 301(c.1)(1)(ii), the Department has the authority to impose an administrative assessment of up to \$100,000.00 for each act or omission that constitutes a

violation, and also order Addison to pay the costs of the investigation, *see* 70 P.S. § 1-602.1(c)(1) and 70 P.S. § 1-602(b).

**RELIEF**

10. Addison shall pay the Department an administrative assessment in the amount of \$175,000.00. Payment shall be wired to the following account:

Name: Wells Fargo Bank  
Branch: 123 South Broad Street  
City: Philadelphia  
State: PA  
Zip Code: 19109  
  
ABA#: Redacted  
Acct#: Redacted

Contact: Beverly Wright  
Title: Commonwealth of PA  
Checking account.

11. The administrative assessment shall be paid as follows:

- a. \$29,166.66 on or before March 15, 2016;
- b. \$29, 166.66 on or before April 16, 2016;
- c. \$29, 166.66 on or before May 16, 2016;
- d. \$29,166.66 on or before June 16, 2016;
- e. \$29, 166.66 on or before July 16, 2016; and
- f. \$29, 166. 70 on or before August 16, 2016.

12. Addison is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 301 (c.1)(1)(ii) of the 1972 Act, 70 P.S. §1-301(c.1)(1)(ii).

13. Should Addison fail to pay the costs and the assessment as set forth in paragraphs 10 and 11 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 Addison the option of either paying the costs and the assessment or being indefinitely subject to the sanctions.

14. Should Addison 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 Addison's right to a hearing pursuant to the 1972 Act.

#### FURTHER PROVISIONS

15. Consent. Addison 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. Addison, 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.

16. Entire Agreement. This Order contains the entire agreement between the Department and Addison. 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 Addison.

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

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

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

20. 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 Addison in the future regarding all matters not resolved by this Order.

(b) Addison 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.

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

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

23. 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.

24. 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 Examinations and Addison Capital Co. 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. Minzi, Acting Deputy Secretary for Securities

✓ Date: 2/22/16

FOR ADDISON CAPITAL CO.

Redacted  
\_\_\_\_\_  
(Officer Signature)

Michael Church  
\_\_\_\_\_  
(Print Officer Name)

