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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
EXAMINATIONS

Docket No. : 16 0040 (SEC-CAO)

v.

GORDON DENLINGER
ANTHONY HAHN
NORMAN HAHN
BUCHANAN CAPITAL LLC
MICHAEL T. BENDER

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 certain securities-related activities relating to the purchase of the outstanding shares of Stonebridge Bank (the "Bank") of Gordon Denlinger ("Denlinger"), Anthony Hahn ("A. Hahn"), Norman Hahn ("N. Hahn"), Buchanan Capital LLC ("Buchanan") and Michael T. Bender ("Bender"). Based on the results of its investigation, which included the full cooperation of Denlinger, A. Hahn, N. Hahn (hereinafter collectively referred to as the "Denlinger Group"), Buchanan, and Bender, the Bureau has concluded that the Denlinger Group, Buchanan, and Bender acted in violation of Section 201 of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-201 ("1972 Act"). The Denlinger Group, Buchanan, and Bender, in lieu of litigation, and without admitting or denying 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. Denlinger was, at all times material herein, an individual with an address at Redacted Redacted Ephrata, Pennsylvania 17522. At all times material herein, Denlinger was a co-owner of Buchanan.

4. A. Hahn was, at all times material herein, an individual with an address at Redacted Redacted , East Earl, Pennsylvania 17519.

5. N. Hahn was, at all times material herein, an individual with an address at Redacted Redacted , East Earl, Pennsylvania 17519.

6. Buchanan was, all times material herein, a Pennsylvania limited liability corporation with an address at Redacted , Ephrata, Pennsylvania 17522.

7. Bender was, at all times material herein, an individual with an address at Redacted Redacted , Ephrata, Pennsylvania 17522. At all times material herein, Bender was a co-owner of Buchanan.

8. In June 2015, Stonebridge Financial Corp. ("SFC"), the parent bank holding company of the Bank, a Pennsylvania chartered bank, filed for bankruptcy protection under Chapter 11 of Title II of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of Pennsylvania.

9. Following a bankruptcy auction in November 2015, the Denlinger Group entered into a stock purchase agreement for the purpose of buying all outstanding capital stock of the Bank (the "Bank Purchase") from SFC. Pursuant to the Bank Purchase, SFC agreed to sell all of the outstanding capital stock of the Bank to the Denlinger Group.

10. The Bank Purchase is conditioned upon, among other things, the Denlinger Group obtaining regulatory approval from both the Federal Deposit Insurance Corporation and the Department. One of the necessary factors for regulatory approval was the infusion of additional capital into the Bank upon, or immediately after, the completion of the Bank Purchase.

11. In order to raise sufficient new capital for the Bank and obtain regulatory approval, the Denlinger Group and Buchanan, relying on advice of counsel, offered for sale subordinated debt (Notes) and shares of stock (Shares) to investors.

12. From in or about February 2016 until May 2016, the Denlinger Group and Buchanan offered and sold Notes to at least 39 Pennsylvania residents (PA Residents) for an aggregate amount of at least \$3,270,000, and the Denlinger Group and Buchanan offered and sold Shares to at least 107 Pennsylvania residents for an aggregate amount of at least \$7,465,000.

13. The Notes and Shares described above are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t) of the 1972 Act, 70 P.S. §1-102(t). The Denlinger Group is the "issuer" of the Notes and Shares described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. §1-102(l).

14. Bender acted as an "affiliate" of Buchanan within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused Buchanan to commit the herein stated acts which violated the 1972 Act.

15. The Notes and Shares 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 Notes and Shares were not exempt from registration under Section 203 of the 1972 Act, 70 P.S. §1-203.

VIOLATIONS

16. By engaging in the acts and conduct set forth in paragraphs 1 through 15 above, the Denlinger Group, Buchanan, and Bender offered and sold the Notes and Shares to Pennsylvania residents in violation of Section 201 of the 1972 Act, 70 P.S. §1-201.

RELIEF

17. Within 30 days of the Effective Date of this Order, as defined in Paragraph 26, the Denlinger Group, Buchanan, and Bender shall pay the Department an administrative assessment in the amount of \$190,000.00. 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.

18. The Denlinger Group, Buchanan, and Bender 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. §201.

19. Should the Denlinger Group, Buchanan, and Bender fail to pay the costs and the assessment as set forth in paragraph 17 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 the Denlinger Group, Buchanan, and Bender the option of either paying the costs and the assessment or being indefinitely subject to the sanctions.

20. Should the Denlinger Group, Buchanan, and Bender 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 the Denlinger Group's right, Buchanan's right, and Bender's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

21. Consent. The Denlinger Group, Buchanan, and Bender (collectively "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 both 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.

22. Full Resolution. The Order resolves all issues with the Bureau concerning the investigation referenced on page 1, conduct specified in paragraphs 1 through 15, the Respondents, and all matters referenced herein.

23. Entire Agreement. This Order contains the entire agreement among 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 Respondents.

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

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

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

27. 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.

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

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

30. 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.

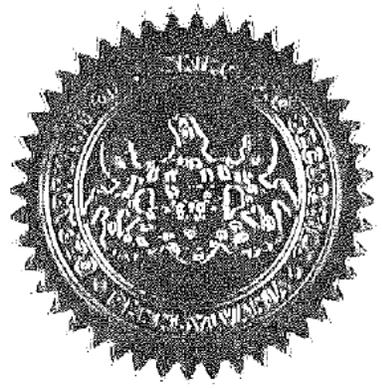
31. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

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, Gordon Denlinger, Anthony Hahn, Norman Hahn, Buchanan Capital LLC, and Michael T. Bender, 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. Minzisi, Deputy Secretary for Securities

Date: 7/12/14



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FOR GORDON DENLINGER

Redacted

Date:

July 1, 2016

FOR ANTHONY HAHN

Redacted

Date:

July 1, 2016

FOR NORMAN HAHN

Redacted

Date:

July - 1 - 2016

FOR BUCHANAN CAPITAL LLC

Redacted

(Officer Signature)

Michael T. Bender

(Print Officer Name)

Member

(Title)

Date:

July 1, 2016

FOR MICHAEL T. BENDER

Redacted

Date: July 1, 2016
