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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
COMPLIANCE AND EXAMINATIONS

v.

CHANCELLOR FINANCIAL GROUP LP

DOCKET No. 16 005 (SEC-CAO)

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”) has conducted an investigation of the business practices of Chancellor Financial Group LP (Chancellor). Based on the results of its investigation, the Bureau has concluded that Chancellor has engaged in activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. (“1972 Act”). Chancellor, 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. Chancellor (CRD#159563) was, at all times material herein, a Pennsylvania limited liability partnership with an address at 15 Public Square, Suite 400, Wilkes-Barre, Pennsylvania 18701.

4. From in or about June 2012 to the present, Chancellor has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. §1-301(c) as an investment adviser.

5. At certain times between February 2013 and April 2014, Chancellor failed to reasonably supervise one of its investment adviser representatives.

VIOLATIONS

6. By engaging in the acts and conduct set forth in paragraphs 3 through 5 of the Factual Allegations, Chancellor failed to reasonably supervise one of its investment adviser representatives, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Chancellor or to censure Chancellor pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii).

RELIEF

7. Within 30 days of the Effective Date of this Order, as defined in Paragraph 15, Chancellor shall pay the Department an administrative assessment of \$2,500. 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.

8. Chancellor is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii)..

9. Should Chancellor fail to pay the assessment as set forth in paragraph 7, 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 Chancellor the option of either paying the assessment or being indefinitely subjected to the sanctions.

10. Should Chancellor 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 Chancellor's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

11. Consent. Chancellor 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 Chancellor understands all of the terms and conditions contained herein. Chancellor, 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.

12. Entire Agreement. This Order contains the entire agreement between the Department and Chancellor. 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 Chancellor.

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

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

15. Effectiveness. Chancellor hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order (“Effective Date”).

16. 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 Chancellor in the future regarding all matters not resolved by this Order.

(b) Chancellor 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.

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

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

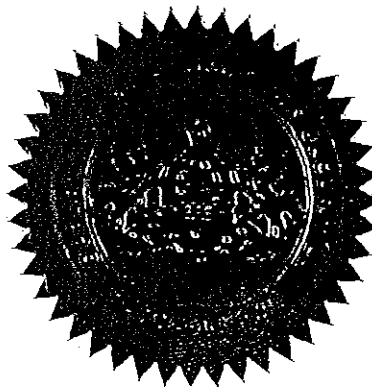
19. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

20. 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 Compliance and Examinations and Chancellor Financial Group LP, 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 COMPLIANCE AND EXAMINATIONS**

Redacted
~~Joseph J. Minasi~~
Deputy Secretary of Securities



Date: 10/17/16

FOR CHANCELLOR FINANCIAL GROUP LP

Redacted
(Officer Signature)

Terrence W. Casey

(Print Officer Name)

President

(Title)

Date: 10/13/2016