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**COMMONWEALTH OF PENNSYLVANIA**  
**DEPARTMENT OF BANKING AND SECURITIES**

PA DEPARTMENT OF  
BANKING AND SECURITIES

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

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Docket No.: 170012 (SEC-CAO)

v.

**ELISH & ELISH, INC. d/b/a**  
**PETER ELISH INVESTMENTS SECURITIES**

**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 and an examination (“Exam”) of the securities activities of Elish & Elish, Inc. d/b/a Peter Elish Investments Securities (hereinafter collectively “Elish” or “the Respondent”) and its officers and employees. Based on the results of its investigation, the Bureau has concluded that Elish has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101, et. seq. (“1972 Act”).

Elish, in lieu of litigation, and without admitting or denying the allegations contained herein, and intending to be legally bound, voluntarily consents to the entry of this Consent Agreement and Order (“CAO”), and waives 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.

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

3. Elish, CRD # 24409, was, at all times material herein, a Pennsylvania corporation with an address at 165 East Pike Street, Canonsburg, Pennsylvania 15317.

4. From in or about October 1989 to the present, Elish has been in the business of effecting securities transactions in Pennsylvania as a "broker-dealer" within the meaning of Section 102(e) of the 1972 Act, 70 P.S. § 1-102(e) and was registered pursuant to Section 301 of the 1972 Act, 70 P.S. § 1-301.

5. In or about March 2016, the Bureau commenced an Exam into the securities activities of Elish that led to the discovery of evidence that Elish failed to reasonably supervise its agents and failed to maintain and enforce its written supervisory procedures (WSP) in various ways, including, but not limited to, the following:

a. The Elish WSP were disorganized and failed to keep abreast of changes to applicable FINRA Rules and, as a result, were not reasonably designed to achieve compliance with the 1972 Act and to detect and prevent violations of statutes, rules, regulations or orders described in section 305(a)(v) and (ix) of the act (70 P.S. § 1-305(a)(v) and (ix)), FINRA Conduct Rules, or any applicable fair practice or ethical standard promulgated by the United States Securities and Exchange Commission or by a National Securities Exchange registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78kk).

b. Elish failed to comply with FINRA Rule 3270 regarding the supervision of outside business activities (“OBA”) and its own WSP concerning OBA.

c. Elish failed to take necessary steps to ensure that material information contained in its Form BD and in its agents’ Form U-4s remained current and accurate.

d. Elish maintained WSP for the review of outgoing electronic correspondence but failed to comply with the requirements set forth in FINRA Rule 3110(b)(4)(A) that such WSP must also provide for the review of incoming electronic correspondence.

e. The Elish WSP pertaining to the supervision of its registered representatives’ e-mails were deficient in allowing the use of personal e-mail accounts without having a system in place reasonably designed to detect and prevent violations of the 1972 Act and FINRA Rule 3110(b)(4)(A).

f. Elish failed to comply with the requirements of FINRA Rule 3110(b)(4) requiring that the member be able to evidence its review of correspondence and advertising and the requirements of FINRA Rule 2210(d) pertaining to proper disclosure of the member’s name and ensuring that member communications comply with principles of fair dealing and good faith.

### VIOLATIONS

6. By engaging in the acts and conduct set forth in paragraphs 4 through 5 above, Elish failed to reasonably supervise its agents which acts and conduct for a basis to sanction Elish pursuant to 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.

### AUTHORITY

7. Because Elish failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to deny, suspend, revoke or condition the securities registration of Elish or censure Elish.

8. Because Elish failed to reasonably supervise its agents pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to order Elish to pay the costs of the investigation and also order Elish to pay an administrative assessment of up to \$100,000 for each act or omission that constitutes a violation, to deny, suspend, revoke or condition the securities registration of Elish or censure Elish. *See* 70 P.S. § 1-602.1(c)(1)(i).

### RELIEF

9. Contemporaneously with the submission of an executed Consent Agreement and Order, Elish shall pay the Department investigative and legal costs in the amount of \$5,000. 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 Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101.

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

11. Should Elish fail to pay investigative and legal costs as set forth in paragraph 9 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 Elish the option of either paying the costs and the assessment or being indefinitely subject to the sanctions.

12. Should Elish 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 Elish's right to a hearing pursuant to the 1972 Act.

#### **FURTHER PROVISIONS**

13. Consent. Elish hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agree that it understands all of the terms and conditions contained herein. Elish, 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.

14. Entire Agreement. This Order contains the entire agreement between the Department and Elish. 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 Elish.

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

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

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

18. 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 Respondent in the future regarding all matters not resolved by this Order.
- b. The Respondent 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.
- c. The Respondent acknowledges and agrees 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.

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

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

21. 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.

22. 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 and Elish & Elish, Inc. d/b/a Peter Elish Investments Securities, 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. Minisi,  
Deputy Secretary of Securities

Date: 3/29/17



**Elish & Elish, Inc. d/b/a Peter Elish Investments Securities**

Redacted  
(Signature)

Peter M Elish  
(Print Name)

President  
(Title)

Date: March 25, 2017