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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	:	
	:	DOCKET No. 17 <u>0019</u> (SEC-CAO)
v.	:	
EUSTACE ORIS UKU	:	
EXICO, INC.	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Compliance and Examinations (“Bureau”) has conducted an examination of the business practices of Eustace Oris Uku (“Uku”) and Exico, Inc. (“Exico”) (hereinafter, collectively referred to as “the Respondents”). Based on the results of its examination, the Bureau has concluded that the Respondents have engaged in certain activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. (“1972 Act”). The Respondents, 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. The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, PA 17101.

4. Uku, CRD #5915856, was, at all times material herein, an individual with a residential address of Redacted and a business address of 214 Farmington Road, Pittsburgh, PA 15215.

5. From in or about May 2011 through December 31, 2016, Uku was registered as an investment adviser representative for Exico, CRD #157254, a Pennsylvania registered investment adviser. *See* Section 301 of the 1972 Act, 70 P.S. § 1-301.

6. From in or about May 2011 through December 31, 2016, Exico had a business address of 214 Farmington Road, Pittsburgh, PA 15215.

7. From in or about May 2011 through December 31, 2016, the Respondents held themselves out to the public as conducting and, offering to conduct, business as an investment adviser in Pennsylvania.

8. From in or about May 2011 through December 31, 2016, Uku served as Exico's President, sole "affiliate", and sole "control" person, as those terms are defined by Sections 102(b) and (g) of the 1972 Act, 70 P.S. §§ 1-102(b) and (g).

9. From in or about May 2011 through December 31, 2016, Uku, as President of Exico, was solely responsible for the operation of Exico and its compliance with all laws including, but not limited to, the 1972 Act, 70 P.S. § 1-101. et. seq.

10. In or about January, 2016, the Bureau commenced a routine examination ("Exam") of the Respondents, pursuant to its authority under Section 301 of the 1972 Act, 70 P.S. § 1-301.

11. During the course of the Exam, staff of the Bureau ("Staff") uncovered certain irregularities regarding the operation and books and records of Exico which constitute violations of the 1972 Act, 70 P.S. § 1-101, et. seq.

12. During the course of the Exam, Staff discovered that from in or about May 2011 through December 31, 2016, Uku failed to report each and every lien and judgment filed against him and/or Exico on his Form U-4 and on Exico's Forms ADV.

13. A securities registrant is required to report any unpaid lien or judgment filed against it (within thirty days) to his/her/its securities registration contained within the Investment Adviser Registration Depository system ("IARD") operated by and through the Financial Industry Regulatory Authority ("FINRA"). See Regulations §§ 303.012(d); 303.014(a) and (b), 10 Pa. Code §§ 1-303.012(d), 1-303.014(a) and (b); Instructions and Forms ADV and U-4 at <https://www.sec.gov/about/forms/formadv-instructions.pdf>; <http://www.nasaa.org/wp-content/uploads/2012/10/Form-ADV-Part-1B.pdf>; <https://www.finra.org/sites/default/files/AppSupportDoc/p015111.pdf>; <https://www.finra.org/sites/default/files/form-u4.pdf>.

14. As such, from in or about May 2011 through December 31, 2016, Uku caused Exico to file inaccurate Forms U-4 for himself and inaccurate Forms ADV for the firm.

15. From in or about May 2011 through December 31, 2016, the Respondents maintained inaccurate books and records as a Pennsylvania investment adviser.

16. From in or about December 31, 2016, the Respondents failed to renew Exico's registration as a Pennsylvania investment adviser.

VIOLATION

17. By engaging in the acts and conduct set forth in paragraphs 4 through 15 above, the Respondents have wilfully violated Section 304(c) of the 1972 Act, 70 P.S. § 1-304(c).

AUTHORITY

18. Because the Respondents have wilfully violated Section 304(c) of the 1972 Act, 70 P.S. § 1-304(c), the Department may deny, suspend, revoke, and condition the registration of the Respondents pursuant to Sections 305(a) of the 1972 Act and may permanently bar the Respondents pursuant to Section 512 of the 1972 Act, 70 P.S. §§1-305(a) and 512, respectively.

RELIEF

19. Pursuant to Sections 512(a)(1), (2), (3), (4) and (5) of the 1972 Act, 70 P.S. §§1-512(a)(1), (2), (3), (4), and (5), Exico and Uku are each BARRED for a period of FIVE YEARS from the date of this Order 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.

20. The Respondents are ORDERED to comply with the 1972 Act, and Regulations adopted by the Department.

21. Should Exico and/or Uku 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 their right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

22. 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 rights to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

23. 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.

24. Binding Nature. The Department, the Respondents, and all officers, owners, directors, employees, heirs and assigns of the Respondents 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 that 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, Compliance and Examinations and Eustace Oris Uku and Exico, Inc., 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: 5/2/17

FOR EXICO, INC.

Redacted

Date: 4-20-17

FOR EUSTACE ORIS UKU

Redacted

Date: 4-20-17