

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2017 MAY -2 AM 10: 27

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

PA DEPARTMENT OF
BANKING AND SECURITIES

DOCKET No. 17-0018 (SEC-CAO)

v.

PRIVATE ADVISOR GROUP, LLC

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 Private Advisor Group, LLC ("PAG") and its officers and employees. Based on the results of its investigation, the Bureau has concluded that PAG has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). PAG, 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. PAG, CRD #155216, was, at all times material herein, a New Jersey based entity

with an address at 65 Madison Avenue, Ste. 300, Morristown, New Jersey 07960.

4. From in or about January 2011 through the present, PAG 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 May 2011 through the present, PAG 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 December 2014 until the present, PAG 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, PAG employed 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).

RELIEF

8. PAG shall pay the Department an administrative assessment in the amount of \$20,000.00. 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 Licensing, Compliance and Examinations located at 17 N. Second Street, Ste., 1300, Harrisburg, PA 17101

9. PAG 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).

10. Should PAG fail to pay the assessment as set forth in paragraph 8 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 PAG the option of either paying the assessment or being indefinitely subject to the sanctions.

11. Should PAG 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 PAG's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

12. Consent. PAG 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. PAG, 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.

13. Entire Agreement. This Order contains the entire agreement between the Department and PAG. 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 PAG.

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

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

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

17. 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 PAG in the future regarding all matters not resolved by this Order.

(b) PAG 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.

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

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

20. 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.

21. 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. The Department's findings do not allege that PAG made any false statement or omission, or has been dishonest, unfair, or unethical. Further, the Department's findings only pertain to registration-related statutes.

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 Private Advisor Group, LLC 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 for Securities

Date: 5/2/17

FOR PRIVATE ADVISOR GROUP, LLC.

Redacted 4/27/2017
(Officer Signature)

JAMES D. SULLIVAN
(Print Officer Name)