

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

DOCKET No. 17 0023 (SEC-CAO)

v.

S.F. EHRLICH ASSOCIATES, 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 investigation of the business practices of S.F. Ehrlich Associates, Inc. ("SFEA") and its officers and employees. Based on the results of its investigation, the Bureau has concluded that SFEA has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). SFEA, 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. SFEA, CRD #121356, was, at all times material herein, a New Jersey entity with with an address at 37 Elm Street, Suite 5, Westfield, New Jersey 07090.

4. From in or about June 2005 through March 2012, SFEA was 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 was 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 April 2012 until the present, SFEA failed to register as an investment adviser in Pennsylvania.

VIOLATION

6. By engaging in the acts and conduct set forth in paragraphs 4 and 5 above, SFEA transacted business as an investment adviser in violation of Section 301(c) of the 1972 Act, 70 P.S. §1-301(c).

RELIEF

7. Within 30 days of the Effective Date of this Order, as defined in paragraph 15, SFEA shall pay the Department an administrative assessment in the amount of \$85,000 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.

8. SFEA is ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 301(c) of the 1972 Act, 70 P.S. §1-301(c).

9. Should SFEA fail to pay the costs and 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 SFEA the option of either paying the costs and the assessment or being indefinitely subject to the sanctions.

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

FURTHER PROVISIONS

11. Consent. SFEA 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. SFEA, 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 SFEA. 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 SFEA.

13. Binding Nature. The Department, SFEA, and all officers, owners, directors, employees, heirs and assigns of SFEA 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. SFEA hereby stipulates and agrees that the Order shall become effective on the date 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 SFEA in the future regarding all matters not resolved by this Order.

(b) SFEA 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 S.F.Ehrlich Associates, 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. Minasi, Deputy Secretary for Securities

Date:

5/16/17

FOR S.F. EHRLICH ASSOCIATES, INC.

Redacted

(Officer) Signature

Stanley F. Ehrlich

(Print Officer Name)