

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 EXAMNATIONS

DOCKET No. 17 0074 (SEC-CAO)

v.

BRANDYWINE FINANCIAL GROUP, INC.
RAYMOND CAROTA

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 Brandywine Financial Group, Inc. (“Brandywine”) and Raymond Carota (“Carota”). Based on the results of its investigation, the Bureau has concluded that Brandywine and Carota have engaged in activity in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. (“1972 Act”). Brandywine and Carota, 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. Brandywine Financial Group, Inc. CRD#127344 was, at all material times herein, a Pennsylvania corporation with an address and principal place of business at 1777 Sentry Parkway West, Ste. 205, Bldg. 12, Blue Bell, Pennsylvania 19422.

4. Raymond Noah Carota CRD#2784250 was, at all material times herein, president and chief compliance officer of Respondent Brandywine and an individual with an address at 1777 Sentry Parkway West, Ste. 205, Bldg. 12, Blue Bell, Pennsylvania 19422.

5. From in or about September 2012 until the present, Respondent Brandywine has been registered in Pennsylvania an investment adviser pursuant to Section 301(c) of the 1972 Act, 70 P.S. §1-301(c).

6. From in or about September 2012 until the present, Respondent Carota has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. §1-301(c) as an investment adviser representative of Respondent Brandywine.

7. As the president of Respondent Brandywine, Respondent Carota acted as an “affiliate” of Respondent Brandywine within the meaning of Section 102(b) of the Act, 70 P.S. §1-102(b), and, as such, caused Respondent Brandywine to commit the herein stated acts which violated the 1972 Act.

8. Respondent Brandywine has discretionary authority over client funds or securities.

9. Pursuant to 10 Pa. Code §303.042(a)(4), an investment adviser that has its principal place of business in this Commonwealth and has discretionary authority over client funds or securities shall maintain at all times a minimum net worth of \$10,000.

10. On February 13, 2017, pursuant to 10 Pa. Code §304.022(a)(2), Brandywine submitted to the Department a balance sheet for the period ending December 31, 2016 that disclosed a net worth deficiency.

VIOLATION

11. Paragraphs 1 through 10 are incorporated herein by reference as if set forth in their entirety.

12. By engaging in the acts and conduct set forth in paragraphs 3 through 10 of the Factual Allegations, Respondent Brandywine and Respondent Carota have willfully violated provisions of the 1972 Act, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Respondent Brandywine and Respondent Carota or censure Respondent Brandywine and Respondent Carota pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. §1-305(a)(v).

RELIEF

13. Brandywine and Carota shall pay the Department an administrative assessment in the amount of \$34,500.00. 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 Securities Compliance and Examinations located at 17 N. Second Street, Ste., 1300, Harrisburg, PA 17101.

14. The administrative assessment shall be paid as follows:

- a. \$8,625.00 due on January 2, 2018;
- b. \$8,625.00 due on April 2, 2018;
- c. \$8,625.00 due on July 2, 2018;
- d. \$8,625.00 due on October 2, 2018;

15. Brandywine and Carota are ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 305 of the 1972 Act, 70 P.S. §1-305.

16. Should Brandywine or Carota fail to pay the assessment as set forth in paragraphs 13-14 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 Brandywine and Carota the option of either paying the assessment or being indefinitely subject to the sanctions.

17. Should Brandywine or Carota 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 Brandywine's or Carota's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

18. Consent. Brandywine and Carota 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 the terms and conditions contained herein. Brandywine and Carota, by voluntarily entering into this Order, waive any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

19. Entire Agreement. This Order contains the entire agreement among the Department, Brandywine, and Carota. 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 agreement by the Department, Brandywine, and Carota.

20. Binding Nature. The Department, Brandywine, Carota and all assigns of Brandywine and Carota intend to be and are legally bound by the terms of this Order.

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

22. Effectiveness. Brandywine and Carota hereby stipulate and agree that the Order shall become effective on the date the Bureau executes the Order (“Effective Date”).

23. 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 Brandywine and Carota in the future regarding all matters not resolved by this Order.

(b) Brandywine and Carota 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.

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

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

26. 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.

27. 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

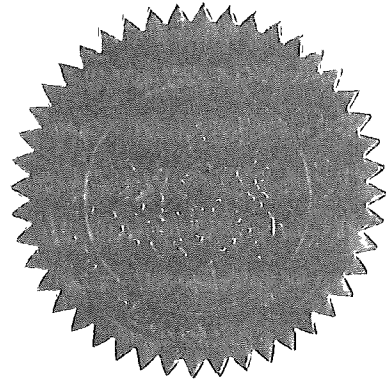
Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations and Brandywine Financial Group, Inc. and Raymond Carota, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**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: 12/14/17



FOR BRANDYWINE FINANCIAL GROUP, INC.

Redacted

(Officer Signature)

Raymond Carota

(Printed Officer Name)

RAYMOND CAROTA

Redacted

(Individual Signature)

Raymond Carota

(Printed Name)