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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

DOCKET No. 180005 (SEC-CAO)

v.

MICHAEL DANIEL NEFT

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 Michael Daniel Neft ("Neft"). Based on the results of its investigation, the Bureau has concluded that Neft has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq* ("1972 Act"). Neft, 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. SRS Wealth Management, LLC (CRD # 171771) ("SRS") was, at all times material herein, a Pennsylvania limited liability company with an address at 196 West Ashland Street, Doylestown, Pennsylvania 18901.

4. Neft (CRD # 345660) was, at all times material herein, an individual with an address at 196 West Ashland Street, Doylestown, Pennsylvania 18901. At all times material herein, Neft was the managing partner and chief compliance officer of SRS.

5. From in or about June 2014 until April 2016, Neft was registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of SRS.

6. Neft was the sole registered investment adviser representative of SRS.

7. From in or about April 2016 to July 2017, Neft was registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of Retirement Wealth Advisors, Inc. (CRD # 351638).

8. From in or about April 2016 until August 2017, Neft was neither registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), nor exempt from registration as an investment adviser representative of SRS.

9. From in or about April 2016 until March 2017, SRS collected advisory fees from clients.

VIOLATION

10. By engaging in the acts and conduct set forth in paragraphs 3 through 9 above, Neft transacted business in Pennsylvania while neither registered nor exempt from registration in willful violation of Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c).

RELIEF

11. Neft shall pay the Department an administrative assessment in the amount of \$7,500.00. 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, Suite 1300, Harrisburg, Pennsylvania 17101.

12. The administrative assessment shall be paid as follows:

(a) \$2,500.00 within 30 days of the Effective Date of this Order, as defined in paragraph 20;

(b) \$2,500.00 on or before April 2, 2018; and

(c) \$2,500.00 on or before July 2, 2018.

13. Neft 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).

14. Should Neft fail to pay the assessment as set forth in paragraphs 11 and 12 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 Neft the option of either paying the assessment or being indefinitely subject to the sanctions.

15. Should Neft 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 Neft's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

16. Consent. Neft 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 he understands all of the terms and conditions contained herein. Neft, 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.

17. Entire Agreement. This Order contains the entire agreement between the Department and Neft. 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 Neft.

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

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

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

21. 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 Neft in the future regarding all matters not resolved by this Order.

(b) Neft 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.

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

23. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

24. 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.

25. 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 Michael Daniel Neft, 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, LICENSING, COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. ~~Minisi~~ Deputy Secretary for Securities

Date: 2/6/18



FOR MICHAEL DANIEL NEFT

Redacted

(Signature)

Date: 2/5/18