

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2018 FEB -8 PM 12:59

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

PA DEPARTMENT OF
BANKING AND SECURITIES

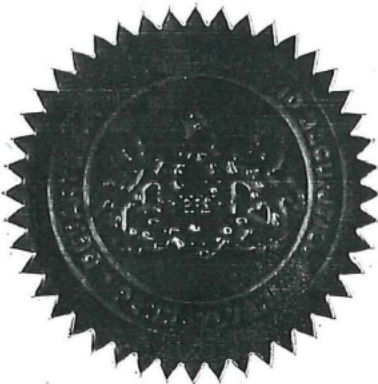
v. :

Docket No.: 170010 (SEC-OSC)

AITKEN RESEARCH GROUP LLC :
CHAD K. AITKEN :

ORDER

NOW, this 7th day of February, 2018, upon review of the attached Consent Agreement and Order (“Order”) executed by the above parties to the litigation matter now pending before a hearing officer and proposed as a final resolution of such matter in accordance with its terms; the Banking and Securities Commission of the Commonwealth of Pennsylvania (“Commission”) hereby **APPROVES** the Order pursuant to the final adjudication authority granted to the Commission under Section 1122-A of the Department of Banking and Securities Code, 71 P.S. § 733-1122-A.



BY ORDER OF THE COMMISSION:

Redacted

James R. Biery
Chair
Department of Banking and Securities Commission

So ORDERED this 7th day of February, 2018

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	:	
AITKEN RESEARCH GROUP LLC	:	
CHAD K. AITKEN	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Examinations ("Bureau"), has conducted an investigation and an examination ("Exam") of the securities activities of Aitken Research Group LLC ("ARG" or "Respondent ARG") and Chad K. Aitken ("Aitken" or "Respondent Aitken") (hereinafter collectively referred to as "the Respondents") Based on the results of its investigation, the Bureau has concluded that the Respondents have operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101, et seq ("1972 Act").

Respondents ARG and Aitken, in lieu of litigation, and without admitting or denying the allegations contained herein, and intending to be legally bound, voluntarily consent to the entry of this Consent Agreement and Order ("CAO"), and waive any right to a hearing or to judicial review regarding this CAO.

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act and its regulations.

2. The Bureau is primarily responsible for administering and enforcing the 1972 Act and its regulations 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. Respondent ARG was, at all times material herein, a Pennsylvania entity with a business address of 718 West Ingomar Road, Pittsburgh, PA 15237.

5. Respondent Aitken was, at all times material herein, the president and chief compliance officer of ARG. At all times material herein, Respondent Aitken had a business address of 718 West Ingomar Road, Pittsburgh, PA 15237.

FACTUAL ALLEGATIONS

6. From on or about January 4, 2011, through the present, Respondent ARG (CRD # 154502) has been registered and transacted business in Pennsylvania as an investment adviser pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c).

7. From on or about January 4, 2011, through the present, Respondent Aitken (CRD # 2319648) has been registered and transacted business in Pennsylvania as an investment adviser representative pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c).

8. At all times material herein, Aitken has "controlled" ARG, as that term is defined by Section 102(g) of the 1972 Act, 70 P.S. § 1-102(g), and as such, has caused Respondent ARG to commit the herein alleged acts which violate the 1972 Act, 70 P.S. § 1-101, et seq., and its regulations

9. On or about July 25, 2016, the Bureau commenced its Exam of ARG and Aitken which revealed that Respondents' investment adviser business was deficient in several areas including maintenance of required books and records and misrepresentations concerning the Respondents' advisory business on the firm's website.

VIOLATIONS

10 By engaging in the acts and conduct set forth in paragraph 9 above, the Respondents have willfully violated Section 304(c) of the 1972 Act and Regulation 303.012(d) which require that an investment adviser ensure that material information contained in its Form ADV remains current and accurate. 70 P.S. § 1-304(c), 10 Pa. Code § 303.012(d)

11. By engaging in the acts and conduct set forth in paragraph 9 above, the Respondents have willfully violated Section 304(a) of the 1972 Act and Regulation 304.012(a) which require that an investment adviser make and keep all accounts, correspondence, memoranda, papers, books and other records which the Department by regulation prescribes. 70 P.S. § 1-304(a), 10 Pa. Code § 1-304.012(a).

12 By engaging in the acts and conduct set forth in paragraph 9 above, the Respondents have engaged in dishonest or unethical practices in the securities business or have taken unfair advantage of a customer pursuant to Section 305(a)(ix) of the 1972 Act and Regulation 305.019(c)(3)(viii). 70 P.S. § 1-305(a)(ix), 10 Pa. Code § 305.019(c)(3)(viii)

13 By engaging in the acts and conduct set forth in paragraph 9 above, the Department may, by order, deny, suspend, revoke or condition the registration or censure the Respondents if it finds that such order is in the public interest and that the Respondents have refused to furnish information reasonably requested by the Department within the previous ten years pursuant to Section 305(a)(xiii) of the 1972 Act, 70 P.S. § 1-305(a)(xiii).

AUTHORITY

14. The Department has authority in Section 512 of the 1972 Act to issue a statutory bar. 70 P.S. § 1-512.

RELIEF

15. Pursuant to Section 512(a) of the 1972 Act, 70 P.S. § 1-512(a), Respondent Aitken is barred in Pennsylvania for 10 years from:

- a. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act, except that Respondent Aitken may be registered during the period specified herein provided that he is subject to supervision by a person with whom he is not affiliated;
- b. Being an affiliate of any person registered under Section 301 of the 1972 Act, subject to the exception set forth in paragraph 15a above; or
- c. Relying upon an exemption from registration contained in Section 202, 203 or 302 of the 1972 Act or the exclusion set forth in Section 102(j)(vii) of the 1972 Act.

16. Respondent ARG shall comply with the 1972 Act and its Regulations as adopted by the Department, 70 P.S. § 1-101, et. seq.

17. Respondent Aitken shall comply with the 1972 Act, and its Regulations as adopted by the Department, 70 P.S. § 1-101, et. seq.

18. Should Respondents ARG or Aitken fail to comply with any or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to the right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

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

20. 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.

21. Binding Nature. The Department and the Respondents and all heirs and assigns of them intend to be and are legally bound by the terms of this Order.

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

23. Effectiveness. The Respondents hereby stipulate and agree that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

24. 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.
- c. The Respondents acknowledge and agree that this Order does not preclude any other agency from instituting administrative, civil or criminal proceedings that may be related to matters addressed by this Order.

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

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

27. 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.

28. 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.

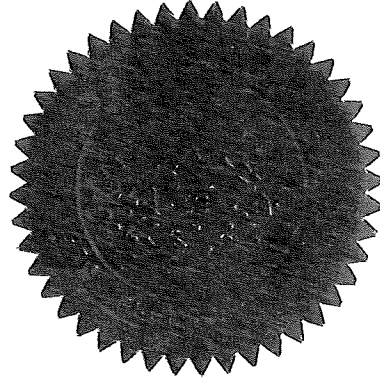
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Examinations, Aitken Research Group, LLC, and Chad K. Aitken, intending to be legally bound, do hereby 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, Jr.
Deputy Secretary of Securities

Date: 1/31/18



CHAD K. AITKEN

AITKEN RESEARCH GROUP, LLC

Redacted

Redacted

(Signature)

(Signature)

CHAD K. AITKEN
(Print Name)

CHAD K. AITKEN
(Print Name)

Sec
(Title)

Pres
(Title)

Date: NOV 15 2017

Date: NOV 15 2017

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

**COMMONWEALTH OF PENNSYLVANIA :
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Docket No.: 170010 (SEC-OSC)

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served a copy of the foregoing *Order* upon counsel for the parties who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY FIRST CLASS MAIL:

Aitken Research Group LLC
Chad K. Aitken
718 West Ingomar Road
Pittsburgh, PA 15237
caitken@live.com

BY HAND-DELIVERY:

John Chiappetta, Counsel
Commonwealth of Pennsylvania
Department of Banking and Securities
301 Fifth Avenue, Room 290
Pittsburgh, PA 15222
jchiappett@pa.gov
*Counsel for the Department of
Banking and Securities*

Dated this 8th day of February, 2018

Redacted

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