

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2018 SEP 21 AM 10:46

PA DEPARTMENT OF
BANKING AND SECURITIES

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

Docket No. : 18 0064 (SEC-CAO)

v.

ROCHE ASSET MANAGEMENT, 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 Roche Asset Management, LLC (“RAM”). Based on the results of its investigation, the Bureau has concluded that RAM has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* (“1972 Act”). RAM, 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. At all times material herein, RAM (CRD # 170528) was a Pennsylvania limited liability company with an address at 121 North Cedar Crest Boulevard, Suite A, Allentown, Pennsylvania 18104.

4. From in or about May 2014 until the present, RAM has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

5. From in or about January 2015 until April 2017, RAM did not maintain a reasonable system for applying and enforcing written procedures pertaining to their sales of complex products.

VIOLATION

6. By engaging in the acts and conduct set forth in paragraphs 3 through 5 above, RAM has failed to reasonably supervise its investment adviser representatives, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of RAM, or to censure RAM pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. § 1-305(a)(vii).

RELIEF

7. RAM shall pay the Department an administrative assessment in the amount of \$30,000.00. 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 Securities Compliance and Examinations located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

8. The administrative assessment shall be paid as follows:

a. \$7,500.00 within 30 days of the Effective Date of this Order, as defined in paragraph 16;

- b. \$7,500.00 on or before January 25, 2019;
- c. \$7,500.00 on or before May 24, 2019; and
- d. \$7,500.00 on or before September 20, 2019.

9. RAM is ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 305(a)(vii) of the 1972 Act, 70 P.S. § 1-305(a)(vii).

10. Should RAM fail to pay the assessment as set forth in paragraphs 7 and 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 RAM the option of either paying the assessment or being indefinitely subject to the sanctions.

11. Should RAM fail to comply with any and/or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to RAM's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

12. Consent. RAM 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. RAM, 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 RAM. 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 RAM.

14. Binding Nature. The Department, RAM, and all officers, owners, directors, employees, heirs and assigns of RAM 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. RAM 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 RAM in the future regarding all matters not resolved by this Order.

(b) RAM 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/or 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.

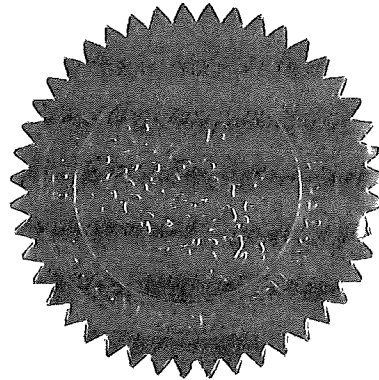
• **WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations and Roche Asset Management, LLC, intending to be legally bound, do hereby execute this Consent 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: 9/21/2018



FOR ROCHE ASSET MANAGEMENT, LLC

Redacted

(Signature)

JOHN L. ROCHE

(Print Office Name)

Chief Compliance Officer

(Title)

Date: 9-20-2018