

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2019 FEB 14 AM 10:03

PA DEPARTMENT OF
BANKING AND SECURITIES

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

v. :

DOCKET No. 180082 (SEC-OSC)

ALDERMAN AND ASSOCIATES, LLC :
RYAN A. THOMPSON :

NOTICE OF RIGHT TO APPEAL

You are hereby notified that you have the right to appeal the attached Order issued by the Commonwealth of Pennsylvania Banking and Securities Commission.

If you wish to appeal the attached Order you may file a petition for review with the Prothonotary of the Commonwealth Court of Pennsylvania that complies with the format and timing requirements of the applicable Pennsylvania Rules of Appellate Procedure. Pa. R.A.P. 1511-1561. Failure to file a petition for review within 30 days of the mailing date of this Order will result in the attached Order becoming final and unappealable. You may reach the Commonwealth Court at 717-255-1650.

Please be advised that this Notice of Right to Appeal is not intended to and does not constitute legal advice. You may consult an attorney regarding your legal rights including your right to appeal the attached Order or your right to file an application for rehearing or reconsideration under the General Rules of Administrative Practice and Procedure, 1 Pa. Code § 35.241.

FILED

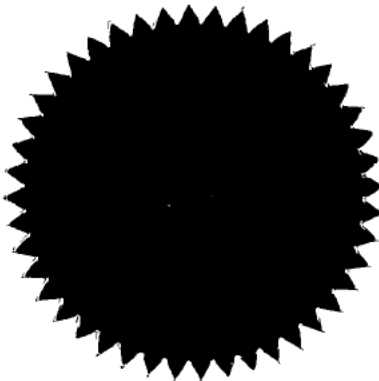
COMMONWEALTH OF PENNSYLVANIA
BANKING AND SECURITIES COMMISSION 2019 FEB 14 AM 10:03

PA DEPARTMENT OF
BANKING AND SECURITIES

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	:

ORDER

Upon review of the attached Consent Agreement and Order (“CAO”) negotiated by the parties to the above-captioned matter now pending before the Pennsylvania Banking and Securities Commission (“Commission”) and proposed as a final resolution of such matter in accordance with its terms, the Commission, with one modification, **APPROVES** the CAO. The single modification relates to paragraph 22 of the CAO, which the Commission amends to make clear that, pursuant to the Commission’s final adjudication authority under Section 1122-A(1) of the Department of Banking and Securities Code, 71 P.S. § 733-1122-A(1), the CAO becomes effective upon approval by this Commission.



BY ORDER OF THE COMMISSION:

Redacted

James R. Biery
Chair
Pennsylvania Banking and Securities Commission

So ORDERED this 14th day of February, 2019

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES 2019 FEB -4 AM 11:07

COMMONWEALTH OF PENNSYLVANIA	:	DEPARTMENT OF BANKING AND SECURITIES
DEPARTMENT OF BANKING AND	:	
SECURITIES, BUREAU OF SECURITIES	:	
COMPLIANCE AND EXAMINATIONS	:	Docket No. : 180082 (SEC-OSC)
	:	
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	:	
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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 Alderman & Associates, LLC ("Alderman") and Ryan A. Thompson ("Thompson"). Based on the results of its investigation, the Bureau has concluded that Alderman and Thompson have operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* ("1972 Act"). Alderman and Thompson, 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. At all times material herein, Alderman (CRD # 156987) was a Pennsylvania limited liability company with an address at Redacted

4. At all times material herein, Thompson (CRD # 5481443) was the owner and principal of Alderman.

5. From in or about April 2011 until the present, Alderman has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

6. From in or about April 2011 until the present, Thompson has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of Alderman.

7. As the owner and principal of Alderman, Thompson acted as an "affiliate" of Alderman within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused Alderman to commit the herein stated acts which violated the 1972 Act.

8. At all times material herein, Alderman has had discretionary authority over client funds or securities.

9. Pursuant to Regulation 304.022(b)(1), an investment adviser with discretionary authority over client funds or securities shall file with the Department a balance sheet, prepared in accordance with generally accepted accounting principles. 10 Pa. Code § 304.022(b)(1). The balance sheet shall be filed with the Department within 120 days of the investment adviser's fiscal year end. 10 Pa. Code § 304.022(d).

10. Alderman's fiscal year ended on December 31, 2017.

11. On or about June 22, 2018, Alderman submitted to the Department a balance sheet that was not prepared in accordance with generally accepted accounting principles.

VIOLATION

12. By engaging in the acts and conduct set forth in paragraphs 3 through 11 above, Alderman and Thompson have failed to file with the Department a balance sheet, prepared in accordance with generally accepted accounting principles, within 120 days of Respondent Alderman's fiscal year end, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Alderman and Thompson or to censure Alderman and Thompson pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.022(b)(1), 10 Pa. Code § 304.022(b)(1).

RELIEF

13. Within 30 days of the Effective Date of this Order, as defined in paragraph 22, Alderman and Thompson shall pay the Department an administrative assessment in the amount of \$2,000.00. Payment shall be made by certified check or money order that is 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.

14. Alderman and Thompson shall submit a balance sheet, prepared in accordance with generally accepted accounting principles, by February 12, 2019.

15. Alderman and Thompson are ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Regulation 304.022(b)(1), 10 Pa. Code § 304.022(b)(1).

16. Should Alderman and Thompson fail to pay the assessment as set forth in paragraph 13 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 Alderman and Thompson the option of either paying the assessment or being indefinitely subject to the sanctions.

17. Should Alderman and Thompson 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 Alderman's and Thompson's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

18. Consent. Alderman and Thompson 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. Alderman and Thompson, 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 between the Department, Alderman, and Thompson. 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, Alderman, and Thompson.

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

b. Alderman and Thompson 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/or 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.

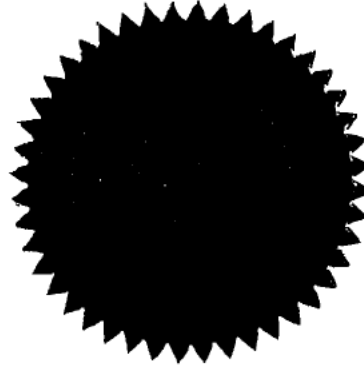
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, Alderman & Associates, LLC, and Ryan A. Thompson, intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS

Redacted _____

Joseph J. Minsi, Deputy Secretary for Securities

Date: 2/4/19



FOR ALDERMAN & ASSOCIATES, LLC

Redacted _____ ON BEHALF OF ALDERMAN & ASSOCIATES LLC.
(Signature)

RYAN THOMPSON
(Print Officer Name)

DIRECTOR
(Title)

Date: 2/3/2019

FOR RYAN A. THOMPSON

Redacted _____
(Signature)

Date: 2/3/2019

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BANKING AND SECURITIES COMMISSION

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CERTIFICATE OF SERVICE

On behalf of the agency, I certify that I have this day caused to be served a copy of the foregoing *Order* upon the following persons pursuant to 1 Pa. Code §§ 33.31:

BY CERTIFIED AND FIRST CLASS MAIL:

Alderman and Associates, LLC
 Redacted
 Redacted

Ryan A. Thompson
 Redacted
 Redacted

BY HAND-DELIVERY:

David Murren, Assistant Counsel
 Commonwealth of Pennsylvania
 Department of Banking and Securities
 17 North Second Street, Suite 1300
 Harrisburg, PA 17101
*Counsel for the Bureau of Securities
 Compliance and Examinations*

Dated this 14th day of February, 2019

Redacted _____

Linnea Freeberg, Docket Clerk
 PA Banking and Securities Commission
 17 N. 2nd Street, Suite 1300
 Harrisburg, PA 17101
 Telephone: (717) 787-5783