

Once you file your Answer, you will be notified of pertinent information such as the name of the presiding officer designated by the Commission to hear this matter and, if a hearing is scheduled, the date, time, and location of the hearing. You have the right to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa.C.S §§ 501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§ 31.1-35.251

FILED

2019 NOV 15 AM 8:40

DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

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

Docket No. : 19 0091 (SEC-OSC)

v.

VITRUVIUS CAPITAL CONSULTANTS
DENNIS D. CROWLEY

ORDER TO SHOW CAUSE

You, Vitruvius Capital Consultants (“Respondent Vitruvius”) and Dennis D. Crowley (“Respondent Crowley”) are notified that the Department of Banking and Securities (“Department”), through the Bureau of Securities Compliance and Examinations (“Bureau”) hereby **ORDERS YOU TO SHOW CAUSE** why the Banking and Securities Commission (“Commission”) should not impose the sanctions and remedies described below. Specifically, this proceeding is instituted pursuant to 1 Pa. Code § 35.14 to determine:

- (1) whether the allegations set forth below are true; and
 - (2) if these allegations are true, whether there has been a violation of the Pennsylvania Securities Act of 1972 (“1972 Act”) or of the regulations promulgated thereunder;
- and

- (3) if so, whether the sanctions and remedies proposed by the Bureau should be imposed by the Commission.

The Bureau alleges the following facts and violations of law for the purpose of tentatively framing the issues for consideration by the Commission. The Commission may consider this matter directly, or may designate a hearing officer to issue a recommended decision prior to the Commission issuing a final order.

STATEMENT OF THE PARTICULARS AND MATTERS
CONCERNING WHICH THE BUREAU IS INQUIRING

PARTIES

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 The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

4. Respondent Vitruvius (CRD # 283619) was, at all relevant times herein, a Pennsylvania company with an address at Redacted .

5. Respondent Crowley (CRD # 4254714), was at all material times herein, the direct owner and chief compliance officer of Respondent Vitruvius.

FACTUAL ALLEGATIONS

6. From in or about July 2018 until present, Respondent Vitruvius has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser.

7. From in or about July 2018 until present, Respondent Crowley 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 Vitruvius.

8. As the direct owner and chief compliance officer of Respondent Vitruvius, Respondent Crowley acted as an “affiliate” of Respondent Vitruvius within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused Respondent Vitruvius to commit the herein stated acts which violated the 1972 Act

9. At all times material herein, Respondent Vitruvius had discretionary authority over client funds or securities.

10. Pursuant to Regulation 304.022(b), 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). 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).

11. Respondent Vitruvius’ fiscal year ended on December 31, 2018.

12. On or about June 5, 2019, the Department contacted Respondent Vitruvius using the email address provided on the Uniform Application for Investment Adviser Registration, to inform Respondent Vitruvius that the Department had not received a balance sheet for the fiscal year ending on December 31, 2018.

13. On or about July 9, 2019, the Department mailed Respondent Vitruvius a second notice to the address listed in the Uniform Application for Investment Adviser Registration.

14. On or about July 30, 2019, a Bureau staff member contacted Respondent Vitruvius by telephone and left a message requesting the balance sheet.

15. On or about October 7, 2019, a Bureau staff member mailed Respondent Vitruvius a third notice to the address listed in the Uniform Application for Investment Adviser Registration.

16. On or about October 16, 2019, the Bureau received a hand-written note from an unidentified individual who indicated that Respondent Crowley moved to Dallas, Texas and has not lived in Pennsylvania since July 2018.

17. Regulation 303.012(i) provides that “[a]n investment adviser registered under the act shall take steps necessary to ensure that material information contained in its Form ADV and exhibits remains current and accurate. If a material statement made in Form ADV and exhibits becomes incorrect or inaccurate the investment adviser shall file with the Commission an amendment on Form ADV within 30 days of the occurrence of the event which requires the filing of the amendment.” 10 Pa. Code § 303.012(i).

18. Respondent Vitruvius and Respondent Crowley failed to file with the Department an amendment to the address listed on Form ADV as required by Regulation 303.012(i). 10 Pa. Code 303.012(i).

19. To date, Respondent Vitruvius has not filed a balance sheet with the Department for the fiscal year ending on December 31, 2018, as required by Regulation 304.022. 10 Pa. Code § 304.022(b), (d).

COUNTS

Conduct Forming Basis to Deny, Suspend, Revoke, or Condition the Registration of or Censure Respondent Vitruvius and Respondent Crowley Pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.022(b), (d), 10 Pa. Code § 304.022(b), (d)

1 Count

20. Paragraphs 1 through 19 are incorporated herein by reference as if set forth in their entirety.

21. By engaging in the acts and conduct set forth in paragraphs 4 through 19 above, Respondent Vitruvius and Respondent Crowley have failed to file with the Commission a balance sheet, prepared in accordance with generally accepted accounting principles, within 120 days of the investment adviser's fiscal year end, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Respondent Vitruvius and Respondent Crowley or censure Respondent Vitruvius and Respondent Crowley pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.022(b), (d), 10 Pa. Code § 304.022(b), (d).

Conduct Forming Basis to Deny, Suspend, Revoke, or Condition the Registration of or Censure Respondent Vitruvius and Respondent Crowley Pursuant to Section 305(a)(xiii) of the 1972 Act, 70 P.S. § 1-305(a)(xiii)

1 Count

22. Paragraphs 1 through 21 are incorporated herein by reference as if set forth in their entirety.

23. By engaging in the acts and conduct set forth in paragraphs 4 through 19 above, Respondent Vitruvius and Respondent Crowley have refused to furnish information reasonably requested by the Department, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Respondent Vitruvius and Respondent Crowley or censure Respondent Vitruvius and Respondent Crowley pursuant to Section 305(a)(xiii) of the 1972 Act, 70 P S § 1-305(a)(xiii).

**Conduct Forming Basis to Deny, Suspend, Revoke, or Condition the Registration of
or Censure Respondent Vitruvius and Respondent Crowley Pursuant to Section
305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 303.012(i), 10 Pa.**

Code § 303.012(i)

1 Count

24. Paragraphs 1 through 23 are incorporated by reference as if set forth in their entirety.

25. By engaging in conduct set forth in paragraphs 4 through 18 above, Respondent Vitruvius and Respondent Crowley have failed to take steps necessary to ensure that material information contained in the Form ADV and exhibits remains current and accurate, which acts and conduct form the basis to deny, suspend, revoke, or condition the registration of Respondent Vitruvius and Respondent Crowley pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305 (a)(v), and Regulation 303.012(i), 10 Pa Code § 303.012(i).

SANCTIONS AND REMEDIES

WHEREAS, the Bureau respectfully requests the penalties and relief pursuant to its authority under the 1972 Act:

1. That an order be issued pursuant to Section 305 of the 1972 Act, 70 P.S. § 1-305, that the registration of Respondent Vitruvius and Respondent Crowley be suspended, revoked, or conditioned, or that Respondent Vitruvius and Respondent Crowley be censured.

2. That an order be issued pursuant to Section 512 of the 1972 Act, 70 P.S. § 1-512, which bars, conditionally or unconditionally, and either permanently or for such period of time as may be determined, Respondent Vitruvius and Respondent Crowley from.

- a. Representing an issuer offering or selling securities in this State;
- b. Acting as a promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities in this State or of a person who controls or is controlled by such issuer;
- c. Being registered as a broker-dealer, agent, investment adviser or investment adviser representative under Section 301 of the 1972 Act;
- d. Being an affiliate of any person registered under Section 301 of the 1972 Act; or
- e. Relying upon an exemption from registration contained in Section 202, 203 or 302 of the 1972 Act;

3. That Respondent Vitruvius and Respondent Crowley be ordered to pay the costs of the investigation pursuant to Section 602.1(b) of the 1972 Act, 70.P.S. § 1-602.1(b).

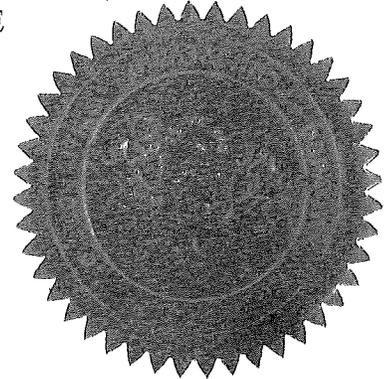
4. That Respondent Vitruvius and Respondent Crowley be ordered to pay an administrative assessment of up to \$100,000.00 for each act or omission constituting a willful violation of the 1972 Act, pursuant to Section 602.1(c) of the 1972 Act, 70 P.S. § 1-602.1(c).

IT IS SO ORDERED.

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

Redacted

Joseph J. Minisi,
Deputy Secretary of Securities



Dated: 11/15/19

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

FILED

2019 NOV 15 AM 8:40

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

PA DEPARTMENT OF
BANKING AND SECURITIES

Docket No. : 19 0091 (SEC-OSC)

v.

VITRUVIUS CAPITAL CONSULTANTS

DENNIS D. CROWLEY

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Order to Show Cause** upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35, 33.36 and 33.37:

BY CERTIFIED AND FIRST CLASS MAIL

Vitruvius Capital Consultants

Redacted

Dennis D. Crowley

Redacted

Dennis D. Crowley

Redacted

Dated this 15th day of November, 2019

Redacted

Eileen Smith
Executive Secretary
Commonwealth of Pennsylvania
Department of Banking and Securities
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471