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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. : 220027 (SEC-CAO)

v.

ADV, LLC
G2BIO, 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 ADV, LLC ("ADV") and G2BIO, LLC ("G2BIO"). Based on the results of its investigation, the Bureau has concluded that ADV and G2BIO operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* ("1972 Act"). ADV and G2BIO, in lieu of litigation, and without admitting or denying the allegations contained 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. ADV was at all times material herein, a New Jersey limited liability company with an address at 2663A Whitehorse-Hamilton Square Road, Hamilton, New Jersey 08690, and was the majority owner of G2BIO.

4. G2BIO was at all times material herein, a New Jersey limited liability company with address at 90 US Highway 130, Bordentown, New Jersey 08505.

5. As ADV is the majority owner of G2BIO, G2BIO acted as an "affiliate" of ADV within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused ADV to commit the herein stated acts which violated the 1972 Act.

6. At all times material herein, to fund the operations of G2BIO, ADV offered for sale limited liability company membership interests ("Interests") in ADV.

7. From in or about June 2012 through March 2018, ADV offered and sold at least 35 Interests to at least 22 investors ("Investors") for an aggregate amount of at least \$4,657,875.

8. From in or about June 2012 through March 2018, ADV offered and sold at least 20 Interests to at least 16 Pennsylvania Residents ("PA Residents") for an aggregate amount of at least \$3,340,000.

9. The Interests are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. § 1-102(t).

10. ADV is the "issuer" of the Interests within the meaning of Section 102(l) of the 1972 Act, 70 P.S. § 1-102(l).

11. The Interests were: (a) not registered under Section 201 of the 1972 Act, 70 P.S. § 1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. § 1-202; (c) not federally covered securities under Section 211 of the 1972 Act, 70 P.S. § 1-211; and, further,

the securities transactions relating to the Interests were not exempt under Section 203 of the 1972 Act, 70 P.S. § 1-203.

12. ADV failed to provide some or all of the Investors with financial statements regarding ADV, which disclosure would have been material to a reasonable investor to make an informed investment decision. To the extent that ADV did not have disclosure documents, ADV failed to disclose their nonexistence, which would have been material for a reasonable investor to make an informed investment decision.

13. In connection with offer and sale of the Interests, ADV failed to disclose the following information concerning ADV to some or all of the Investors:

- a. The financial condition of ADV and G2BIO;
- b. The financial risk of ADV's Interests; and
- c. ADV's and G2BIO's operating history.

14. To date, ADV has been unable to fulfill its financial obligations to some or all of the Investors, and ADV has consequently defaulted on payments to some or all of the Investors.

VIOLATION

15. By engaging in the acts and conduct set forth in paragraphs 3 through 11 above, ADV and G2BIO offered and sold the Interests to Pennsylvania residents in violation of Section 201 of the 1972 Act, 70 P.S. § 1-201.

16. By engaging in the acts and conduct set forth in paragraphs 3 through 12 above, ADV and G2BIO, in connection with the offer and sale of the Interests, omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in wilful violation of Section 401(b) of the 1972 Act, 70 P.S. § 1-401(b).

17. By engaging in the acts and conduct set forth in paragraphs 3 through 14 above, ADV and G2BIO, in connection with the offer and sale of the Interests, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person, in wilful violation of Section 401(c) of the 1972 Act, 70 P.S. § 1-401(c).

RELIEF

18. ADV and G2BIO shall pay the Department an administrative assessment in the amount of \$197,500. 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, PA 17101.

19. The administrative assessment shall be paid as follows:

- a. \$25,000.00 on or before January 15, 2023;
- b. \$25,000.00 on or before April 15, 2023;
- c. \$25,000.00 on or before July 15, 2023;
- d. \$25,000.00 on or before October 15, 2023;
- e. \$25,000.00 on or before January 15, 2024;
- f. \$25,000.00 on or before April 15, 2024;
- g. \$25,000.00 on or before July 15, 2024; and
- h. \$22,500.00 on or before October 15, 2024.

20. ADV and G2BIO are ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Sections 201, 401(b), and 401(c) of the 1972 Act, 70 P.S. §§ 1-201, 1-401(b), 1-401(c).

21. Should ADV and G2BIO fail to pay the administrative assessment as set forth in paragraphs 18 and 19 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 ADV and G2BIO the option of either paying the assessment or being indefinitely subject to the sanctions.

22. Should ADV and G2BIO 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 ADV's and G2BIO's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

23. Consent. ADV and G2BIO 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. ADV and G2BIO, 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.

24. Entire Agreement. This Order contains the entire agreement between the Department and ADV and G2BIO. 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 ADV and G2BIO.

25. Binding Nature. The Department and ADV and G2BIO, and all officers, owners, directors, employees, heirs and assigns of ADV and G2BIO intend to be and are legally bound by the terms of this Order.

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

27. Effectiveness. ADV and G2BIO hereby stipulate and agree that the Order shall become effective on the date the Bureau executes the Order.

28. 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 ADV and G2BIO in the future regarding all matters not resolved by this Order.

b. ADV and G2BIO 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.

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

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

31. 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.

32. 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

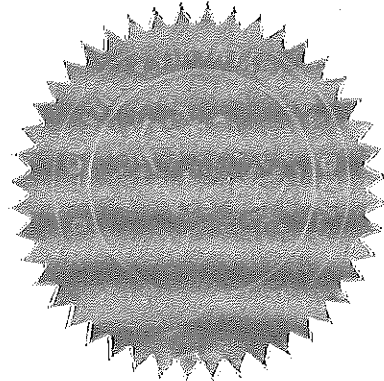
Compliance and Examinations and ADV, LLC and G2BIO, LLC, intending to be legally bound,
do hereby execute this Consent Agreement and Order.

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

Redacted

Eric Pistilli, Deputy Secretary for Securities

Date: 12/27/2022



FOR ADV, LLC

Redacted

(Signature)

R. [unclear] for ADV LLC
(Print Officer Name)

Date: 12/23/22

FOR G2BIO, LLC

Redacted

(Signature)

R. [unclear] for G2BIO LLC
(Print Officer Name)

Date: 12/23/22