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PA 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.: 220041 (SEC-CAO)**
v.	:	
DEDICATED INVESTMENT ADVISERS LLC STEVEN M. CLOTT	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau"), investigated the business practices of Steven M. Clott ("Clott"), Dedicated Investment Advisers LLC ("Dedicated"), and its officers and employees. Based on the results of its investigation, the Bureau has concluded that Clott and Dedicated operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* ("1972 Act"). Clott and Dedicated, 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. The Bureau operates from the Department's main office located at 17 North Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

4. Dedicated (CRD # 128626) was, at all times material herein, a Pennsylvania limited liability company with an address at 2024 Darby Road, Havertown, Pennsylvania 19083-2305.

5. Clott (CRD # 1439761) was, at all times material herein, an individual with an address at 2024 Darby Road, Havertown, Pennsylvania 19083-2305. Clott was, at all times material herein, the chief compliance officer, owner, and manager of Dedicated.

FACTUAL ALLEGATIONS

6. From in or about October 2003 until the present, Dedicated was 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 October 2003 until the present, Clott was registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. § 1-301(c), as an investment adviser representative of Dedicated.

8. As the chief compliance officer, owner, and manager of Dedicated, Clott acted as an "affiliate" of Dedicated within the meaning of Section 102(b) of the 1972 Act, 70 P.S. § 1-102(b), and, as such, caused Dedicated to commit the herein stated acts which violated the 1972 Act.

9. Regulation 304.012(a)(18), 10 Pa. Code § 304.012(a)(18), requires that every investment adviser registered under the 1972 Act shall make and keep true, accurate and current certain books, ledgers and records, including written information about an investment advisory client that is the basis for making a recommendation or providing investment advice to the client.

10. From in or about April 2011 until the present, Dedicated did not make and keep written information about its investment advisory clients that was the basis for making the

recommendations for the purchase, sale, or exchange of shares of BITQ, MSTR, GBTC, and ETHE.

11. Regulation 303.012(i), 10 Pa. Code § 303.012(i), requires that an investment adviser registered under the 1972 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 Department an amendment on Form ADV within 30 days of the occurrence of the event which requires the filing of the amendment.

12. From in or about September 2019 to April 2022, Dedicated's Form ADV contained the following deficiencies:

a. On Form ADV Part 1A Item (5)(E), Dedicated did not disclose that it charges an hourly fee for investment advisory services;

b. On Form ADV Part 1A Item (5)(G), Dedicated incorrectly stated that it provides advisory services related to pension consulting services;

c. On Form ADV Part 1A Item (5)(G), Dedicated did not disclose that it provides financial planning services;

d. On Form ADV Part 2A Item (5), Dedicated did not disclose that it charges an hourly fee for investment advisory services; and

e. On Form ADV Part 2A Item (10), Dedicated did not disclose that it has a financial industry affiliation as a real estate agent.

VIOLATIONS

13. By engaging in the acts and conduct set forth in paragraphs 6 through 10 above, Dedicated and Clott failed to make and keep true, accurate and current written information about

investment advisory clients that was the basis for making recommendations or providing investment advice to the clients, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Dedicated and Clott or to censure Dedicated and Clott pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.012(a)(18), 10 Pa. Code § 304.012(a)(18).

14. By engaging in the acts and conduct set forth in paragraphs 6 through 8 and paragraphs 11 and 12 above, Dedicated and Clott failed to take steps necessary to ensure that material information contained in Form ADV and exhibits remained current and accurate, and file with the Department an amendment on Form ADV within 30 days of the occurrence of the event which requires the filing of the amendment, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Dedicated and Clott or censure Dedicated and Clott 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).

RELIEF

15. Clott and Dedicated shall pay the Department an administrative assessment in the amount of $20,000. 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. The assessment shall be paid as follows:

a. $833.33 on or before March 1, 2023;

b. $833.33 on or before April 1, 2023;

c. $833.33 on or before May 1, 2023;

d. $833.33 on or before June 1, 2023;

e. $833.33 on or before July 1, 2023;

f. $833.33 on or before August 1, 2023;

g. $833.33 on or before September 1, 2023;

h. $833.33 on or before October 1, 2023;

i. $833.33 on or before November 1, 2023;

j. $833.33 on or before December 1, 2023;

k. $833.33 on or before January 1, 2024;

l. $833.33 on or before February 1, 2024;

m. $833.33 on or before March 1, 2024;

n. $833.33 on or before April 1, 2024;

o. $833.33 on or before May 1, 2024;

p. $833.33 on or before June 1, 2024;

q. $833.33 on or before July 1, 2024;

r. $833.33 on or before August 1, 2024;

s. $833.33 on or before September 1, 2024;

t. $833.33 on or before October 1, 2024;

u. $833.33 on or before November 1, 2024;

v. $833.33 on or before December 1, 2024;

w. $833.33 on or before January 1, 2025; and

x. $833.41 on or before February 1, 2025.

16. Clott and Dedicated are ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305 of the 1972 Act and Regulation Sections 304.012(a)(18) and 303.012(i).

17. Should Clott and Dedicated fail to pay the assessment as set forth in paragraph 15 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 Clott and Dedicated the option of either paying the assessment or being indefinitely subject to the sanctions.

18. Should Clott and Dedicated 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 Clott's and Dedicated's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

19. Consent. Clott and Dedicated 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 the terms and conditions contained herein. Clott and Dedicated, 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, Clott, and Dedicated. 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, Clott, and Dedicated.

21. Binding Nature. The Department, Clott, and Dedicated, and all officers, owners, directors, employees, heirs and assigns of Dedicated 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. Clott and Dedicated hereby stipulate and agree that the Order shall become effective on the date the Bureau executes the Order.

24. Other Enforcement Action.

(a) The Department reserves all its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against Clott and Dedicated in the future regarding all matters not resolved by this Order.

(b) Clott and Dedicated 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.

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/or 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 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 Examination, Clott, and Dedicated, 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: 02/15/2023

FOR DEDICATED INVESTMENT ADVISERS LLC

Redacted

(Signature)

MANAGING MEMBER

STEVEN MARK CLOTT

(Print Officer Name)

Date: 2/15/2023

STEVEN M. CLOTT

Redacted

(Signature)

STEVEN MARK CLOTT

(Print Name)

Date: 2/15/2023