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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.: 230012 (SEC-OSC)**

**v.**

**WDC ADVISORS, 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 WDC Advisors LLC ("WDCA"). Based on the results of its investigation, the Bureau has concluded that WDCA has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. ("1972 Act"). WDCA, 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. WDCA, CRD #309577, was, at all times material herein, a Pennsylvania limited liability company with an address at 704 Lisburn Road, Suite 101, Camp Hill, Pennsylvania.

4. From in or about October 2020 until present, WDCA has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. §1-301(c), as an investment adviser.

5. Regulation 305.011(a), 10 Pa. Code §305.011(a), requires registered investment advisers to establish and maintain written procedures and a system for applying and enforcing those written procedures which are reasonably designed to achieve compliance with the 1972 Act and regulations adopted thereunder.

6. From about October 2020 until April 2023, WDCA failed to establish and maintain written procedures and a system for applying and enforcing those written procedures, pursuant to Regulation 305.011(a), 10 Pa. Code §305.011(a), with respect to inverse exchange-traded funds.

#### **VIOLATION**

7. By engaging in the acts and conduct set forth in paragraphs 3 through 6 above, WDCA failed to establish and maintain written procedures with respect to inverse exchange-traded funds and a system for applying and enforcing those written procedures which are reasonably designed to achieve compliance with the 1972 Act and regulations adopted thereunder which forms a basis to deny, suspend, revoke or condition the registration of WDCA or censure WDCA pursuant to Section 305(a)(v) of the 1972 Act, 70 P.S. § 305(a)(v) and Regulation 305.011(a), 10 Pa. Code §305.011(a).

#### **RELIEF**

8. WDCA shall pay the Department an administrative assessment in the amount of \$50,000.00. Payment shall be made by certified check or money order 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 N. Second Street, Suite 1300, Harrisburg, PA 17101. The assessment shall be paid as follows:

- a) 5,555.55 on or before August 1, 2023;
- b) 5,555.55 on or before November 1, 2023;
- c) 5,555.55 on or before February 1, 2024;
- d) 5,555.55 on or before May 1, 2024;
- e) 5,555.55 on or before August 1, 2024;
- f) 5,555.55 on or before November 1, 2024;
- g) 5,555.55 on or before February 1, 2025;
- h) 5,555.55 on or before May 1, 2025; and
- i) 5,555.60 on or before June 1, 2025.

9. WDCA is ordered to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Regulation 305.011(a), 10 Pa. Code §305.011(a).

10. Should WDCA fail to pay the assessment as set forth in paragraph 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 WDCA the option of either paying the assessment or being indefinitely subjected to sanctions.

11. Should WDCA 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 WDCA's right to a hearing pursuant to the 1972 Act.

#### **FURTHER PROVISIONS**

12. Consent. WDCA 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. WDCA, 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 WDCA. 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 WDCA.

14. Binding Nature. The Department, WDCA, and all officers, owners, directors, employees, heirs and assigns of WDCA 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. WDCA 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 WDCA in the future regarding all matters not resolved by this Order, except that the Department will not institute a proceeding against WDCA under Section 305(a) of the 1972 Act, 70 P.S. § 1-305(a), on the basis of any information obtained by the Department from the investigation by the Bureau of WDCA which formed the basis of this Order.

(b) WDCA 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.

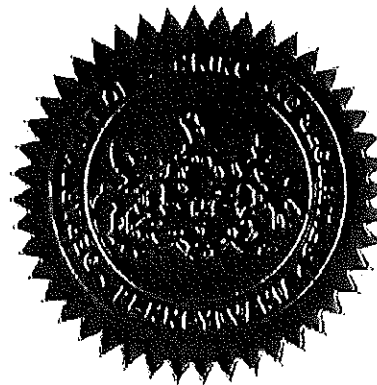
19. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

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 WDC Advisors, 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 R. Pistilli  
Deputy Secretary for Securities

Date: 06/27/2023

**FOR WDC ADVISORS, LLC:**

Redacted

(Signature)

James D. Good

(Print Name)

Managing Member

(Title)

Date: 6/26/2023