

FILED

2023 DEC 18 AM 11:35

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF BANKING AND SECURITIES

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

Docket No.: 230024 (SEC-OSC)

v.

MUNTZ FINANCIAL, 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 Muntz Financial, LLC (“Muntz”). Based on the results of its investigation, the Bureau has concluded that Muntz operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* (“1972 Act”). Muntz 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. Muntz, CRD # 145971, was, at all material times herein, a Pennsylvania limited liability company with an address at 25 Skippack Pike, Suite 204, Ambler, Pennsylvania 19002.

4. From in or about January 2008 until the present, Muntz has been registered pursuant to Section 301(c) of the 1972 Act, 70 P.S. §1-301(c), as an investment adviser.

5. Regulation 303.012(i) provides that “[a]n 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.” 10 Pa. Code § 303.012(i).

6. On Form ADV Part 1A Item 9 (A-F) and Part 2A Item 15, Muntz indicated that it does not maintain custody of client funds. However, Muntz does maintain custody of client funds as defined in Regulation 102.021, 10 Pa. Code § 102.021.

7. Regulation 304.022(a)(1), 10 Pa. Code § 304.022(a)(1), requires that an investment adviser that has custody of client funds shall file with the Department an audited balance sheet as of the end of its fiscal year.

8. Muntz’s fiscal year ends on December 31.

9. Muntz did not file an audited balance sheet with the Department as of the end of its fiscal year.

#### **VIOLATIONS**

10. By engaging in the acts and conduct set forth in Paragraphs 3 through 9 above, Muntz has not taken steps necessary to ensure that material information contained in Form ADV remains current and accurate and had not filed with the Department an amendment on Form ADV within 30 days of the occurrence of the event which requires the filing of the amendment, in violation of 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).

11. By engaging in the acts and conduct set forth in Paragraphs 3 through 9, Muntz failed to file with the Department an audited balance sheet as of the end of its fiscal year as required for an investment adviser that has custody of client funds or securities, in violation of Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulation 304.022(a)(1), 10 Pa. Code § 304.022(a)(1).

**RELIEF**

12. Muntz shall pay the Department an administrative assessment in the amount of \$80,000.00. 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 N. Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

13. The administrative assessment shall be paid as follows:

- a. \$5,000 on or before January 15, 2024;
- b. \$7,500 on or before April 15, 2024;
- c. \$7,500 on or before July 15, 2024;
- d. \$7,500 on or before October 15, 2024;
- e. \$12,500 on or before January 15, 2025;
- f. \$12,500 on or before April 15, 2025
- g. \$12,500 on or before July 15, 2025
- h. \$15,000 on or before October 15, 2025

14. Muntz is ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 305(a)(v) of the 1972 Act, 70 P.S. § 1-305(a)(v), and Regulations 303.012(i) and 304.022(a)(1), 10 Pa. Code §§ 303.012(i), 304.022(a)(1).

15. Should Muntz fail to pay the assessment as set forth in Paragraphs 12 and 13 above, the sanctions set forth elsewhere in this Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording Muntz the option of either paying the assessment or being indefinitely subject to the sanctions.

16. Should Muntz 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 Muntz's right to a hearing pursuant to the 1972 Act.

17. This Order is not intended to constitute and shall not be interpreted to constitute a basis for disqualification of Muntz or any affiliates under Federal or State securities laws, rules, or regulations or any regulatory organization rules or regulations.

#### **FURTHER PROVISIONS**

18. Consent. Muntz 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. Muntz, 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.

19. Entire Agreement. This Order contains the entire agreement between the Department and Muntz. 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 Muntz.

20. Binding Nature. The Department and Muntz and all officers, owners, directors, employees, heirs and assigns of Muntz 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. Muntz hereby stipulates and agrees 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 Muntz in the future regarding all matters not resolved by this Order.
- b. This Order resolves all matters raised in the Order to Show Cause docketed on July 18, 2023.
- c. Muntz 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.

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.

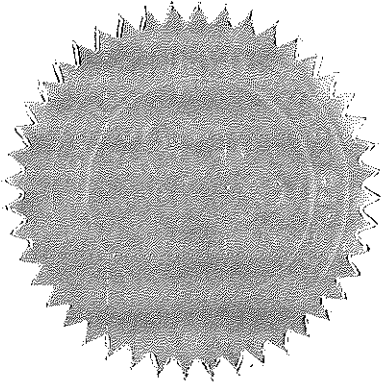
**WHEREFORE**, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examination and Muntz Financial, LLC, intending to be legally bound, do hereby execute this Consent Agreement 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

12/18/23  
Date: \_\_\_\_\_



**FOR MUNTZ FINANCIAL, LLC**

Redacted

\_\_\_\_\_  
(Signature)

David Muntz  
\_\_\_\_\_  
(Print Officer Name)

Date: 12/13/2023 \_\_\_\_\_