



Stradley Ronon Stevens & Young, LLP

Suite 2600

2005 Market Street

Philadelphia, PA 19103-7018

Telephone 215.564.8000

Fax 215.564.8120

www.stradley.com

Steven B. Davis

sdavis@stradley.com

215.564.8714

December 8, 2016

**Via Overnight Mail**

Kathryn Belfi  
Director of Financial Regulation  
Connecticut Insurance Department  
153 Market Street  
Hartford, Connecticut 06103

**Re: Amended and Restated Form A Statement Regarding the Proposed  
Acquisition of Vantis Life Insurance Company by the Penn Mutual Life  
Insurance Company – Docket # EX 16-11**

---

Dear Ms. Belfi:

Enclosed please find six copies of a December 2, 2016 letter with attachments to the Connecticut Insurance Department authored by Ricardo Nunez, General Counsel – Securities and Regulatory and Chief Privacy Officer for Penn Mutual. The letter disclosed certain administrative actions in Oklahoma involving Hornor, Townsend & Kent, Inc. (a subsidiary of Penn Mutual Life Insurance Company). After discussion with Jared Kosky, Esquire, we ask that this information be included as part of the above-referenced Form A Application record. We have also enclosed a USB drive containing an electronic version of the same. The password for the USB drive is the same as the password for previous USB drives submitted to the Department.

Please do not hesitate to contact me if you have any questions regarding this filing or if you would like any additional information.

Respectfully submitted,

Steven B. Davis

Enclosures

cc: Jared Kosky, Esquire (via e-mail w/enclosure)  
Lynn Hein (via e-mail w/enclosure)  
Kevin Reynolds, Esquire

Philadelphia, PA • Harrisburg, PA • Malvern, PA • Cherry Hill, NJ • Wilmington, DE • Washington, DC

A Pennsylvania Limited Liability Partnership

**MERITAS** LAW FIRMS WORLDWIDE



December 2, 2016

Ricardo J. Núñez  
General Counsel - Securities & Regulatory  
Chief Privacy Officer

Connecticut Insurance Department  
Attn: Katharine L. Wade, *Commissioner*  
153 Market Street, 7th Floor  
Hartford, Connecticut 06103

RE: Administrative Action Notification

Dear Commissioner Wade:

I write on behalf of Hornor, Townsend & Kent, Inc. ("HTK") in regard to its insurance license in your jurisdiction, and certain disclosures involving HTK. The Penn Mutual Life Insurance Company is the parent company of HTK. HTK's primary business is as a broker-dealer, but does hold an insurance license for each of the states and the District of Columbia.

After a recent review, HTK learned that during the last five years it may not have been properly notifying the several jurisdictions of any administrative action taken against HTK in other jurisdictions. HTK is in the process of making this same notification to all other jurisdictions. HTK has taken the appropriate steps so that timely notifications are made to the applicable jurisdictions going forward.

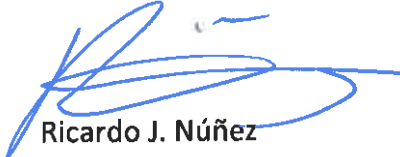
I am notifying you of an administrative action taken by Oklahoma in August 2016, and include a copy of the Conditional Administrative Order and Notice of Right to be Heard (Attachment "A"). As you will see, Oklahoma fined HTK \$500 for providing incorrect, incomplete or materially untrue information in its license renewal application, and for failing to report the administrative action within 30 days of the final disposition of the matter. HTK had failed to report two previous administrative actions to Oklahoma, which it now discloses here to your jurisdiction:

1. On or about October 2, 2012, HTK signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA by which the Firm neither admitted nor denied allegations that it failed to establish and maintain a supervisory system and establish, maintain and enforce written supervisory procedures that were reasonably designed to achieve compliance with the rules and regulations concerning subsequent transactions in direct application business involving previously purchased mutual funds. In addition, the Firm failed to prepare blotters as required by Rule 17a-3(a) (1) promulgated under the Securities Exchange Act of 1934 ("Exchange Act"). This conduct violated NASD Conduct Rules 3010 and 3110, FINRA Rule 2010, MSRB Rules G-27 and G-8, and Exchange Act Rule 17a-3. Pursuant to the AWC, the Firm agreed to a censure and a fine of \$150,000 (\$75,000 of which pertains to the violations of MSRB Rules G-8 and G-27). Enclosed is a copy of the executed "Consent Order" (Attachment "B").

2. In August of 2012, the Firm entered into a Consent Order with the State of New Hampshire (Department of State Bureau of Securities Regulation) for failing to amend two registered representative's Form U4s in a timely manner to reflect a complaint against the registered representatives. The Firm paid a fine in the amount of \$1750. I am enclosing a copy of the signed "Consent Order" (Attachment C).

Please contact me at your convenience, if you require additional information.

Sincerely,



Ricardo J. Núñez

Enclosures

Attachment "A"

AUG 10 2016

INSURANCE COMMISSIONER  
OKLAHOMA

**Case No. 16-0727-DEN**

**Respondent.**

## JURISDICTION

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Act and/or may levy a

fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code. 36 O.S. § 1435.13(A) and (D).

#### ALLEGATIONS OF FACT

1. On or about July 11, 2016, Respondent applied for renewal of a nonresident business entity insurance producer license with the Oklahoma Insurance Department ("OID"). On the application form, the second question asks the following: "Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a Financial Industry Regulatory Authority ("FINRA") sanction or arbitration proceeding regarding any professional or occupational license, or registration, which has not been previously reported to this insurance department?" Respondent answered "no" to this question.

2. The application form defines being "involved" in an administrative proceeding as the following: "having a license censured, suspended, revoked, canceled, terminated; or, being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering a license to resolve an administrative action. 'Involved' also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license or registration." 'Involved' also means having a license, or registration application denied or the act of withdrawing an application to avoid a denial." Applicants may only exclude "terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee."

3. A background check conducted by the OID Licensing Division showed that Respondent had the following administrative history listed on its record: a consent order with the State of New Hampshire Department of State Bureau of Securities Regulation ("NHSBS") on or about April 26, 2012, which resulted in a monetary penalty/fine of \$1,750.00; and a voluntary entry of an Acceptance, Waiver, & Consent ("AWC") disciplinary action with the FINRA on or about October 2, 2012, which resulted in a censure and monetary penalty/fine of \$150,000 against Respondent.

4. Pursuant to 36 O.S. § 1435.18(A), "[a] producer shall report to the Insurance Commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within thirty (30) days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other relevant legal documents."

5. As per 36 O.S. § 1435.18(A), Respondent was required to report the aforementioned NHSBS consent order to the OID on or before May 28, 2012. Additionally, Respondent was required to report the aforementioned FINRA AWC to the OID on or before November 1, 2012. Respondent did not disclose the aforementioned administrative actions to the OID until the date of its renewal application on July 11, 2016.

#### ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1); by providing incorrect, misleading, incomplete or materially untrue information in the license application.

2. Respondent violated 36 O.S. § 1435.18(A); by failing to report to the Insurance Commissioner any administrative action taken against the producer in another jurisdiction within thirty (30) days of the final disposition of the matter.

ORDER

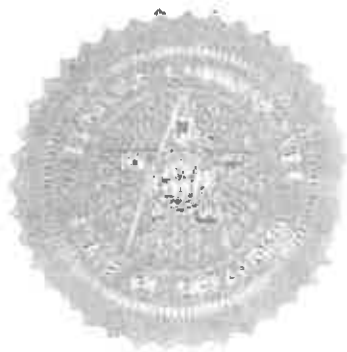
IT IS THEREFORE ORDERED by the Insurance Commissioner that Respondent is CENSURED and FINED FIVE HUNDRED DOLLARS (\$500.00) for a violation of 36 O.S. §§ 1435.13(A)(1) and 1435.18(A). The \$500.00 fine is to be paid within thirty (30) days made payable to the Oklahoma Insurance Department. The \$500.00 civil fine shall be paid by money order or cashier's check. Respondent's application for renewal of a nonresident business entity insurance producer license may be granted upon receipt of payment of the fine and reporting of the administrative action. Failure to pay the civil fine or request a hearing within thirty (30) days will result in your license application being withdrawn.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Barron B. Brown, Oklahoma Insurance Department, Legal Division, 3625 NW 56<sup>th</sup> St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.



Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 10<sup>th</sup> day of August, 2016.



JOHN DOAK  
INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

Barron B. Brown  
Assistant General Counsel  
3625 NW 56<sup>th</sup> St., Suite 100  
Oklahoma City, OK 73112  
(405) 521-2746

CERTIFICATE OF MAILING

I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 10<sup>th</sup> day of August, 2016, to:

Honor, Townsend & Kent, Inc.  
600 Dresher Rd.  
Suite C2F  
Horsham, PA 19044

**CERTIFIED MAIL NO.**

and a copy was delivered to:

Licensing Division

Barron B. Brown  
Assistant General Counsel

Attachment "B"

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2011023591901**

**TO:** Department of Enforcement  
Financial Industry Regulatory Authority ("FINRA")

**RE:** Horner, Townsend & Kent, Inc., Respondent  
Member Firm  
CRD No. 4031

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against it alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

**BACKGROUND**

Horner, Townsend & Kent, Inc. ("Firm") has been a FINRA member since June 1969. The Firm's main office is in Hersham, Pennsylvania, and it has 158 registered branch offices. It conducts a general securities business and employs 1,185 registered persons. The Firm is also registered with the Municipal Securities Rulemaking Board ("MSRB").

**RELEVANT DISCIPLINARY HISTORY**

On October 10, 2006, NASD issued an AWC in which the Firm agreed, without admitting or denying the findings, to a censure and \$125,000 fine for failing to maintain a supervisory system or written supervisory procedures reasonably designed to achieve compliance with applicable securities laws, regulations and rules related to the sale of group variable annuity contracts and failing to properly record such transactions on its books and records.

On July 6, 2005, NASD issued an AWC in which the Firm agreed, without admitting or denying the findings, to a censure and \$325,000 fine for, among other violations, failing to maintain a supervisory system and procedures that were reasonably designed to achieve compliance with the non-earn compensation rule (NASD Conduct Rule 2820).

On July 6, 2005, NASD issued an AWC in which the Firm agreed, without admitting or denying the findings, to a censure and \$150,000 fine for failing to maintain a supervisory system and written procedures reasonably designed to detect and prevent late trading in mutual fund transactions.

### OVERVIEW

The Firm failed to establish and maintain a supervisory system and establish, maintain and enforce written supervisory procedures that were reasonably designed to achieve compliance with the rules and regulations concerning its direct application transactions involving mutual funds. In addition, the Firm failed to prepare blotters as required by Rule 17a-3(a)(1) promulgated under the Securities Exchange Act of 1934 ("Exchange Act"). This conduct violated NASD Conduct Rules 3010 and 3110, FINRA Rule 2010, MSRB Rules G-27 and G-8, and Exchange Act Rule 17a-3.

### FACTS AND VIOLATIVE CONDUCT

#### Deficient Supervision of Direct Mutual Fund Transactions

From at least July 23, 2009 to July 11, 2011, the Firm failed to establish and maintain a supervisory system and establish, maintain and enforce written supervisory procedures reasonably designed to achieve compliance with applicable rules and regulations concerning subsequent transactions in direct application business involving previously purchased mutual funds. Specifically, the Firm's system and procedures failed to provide for the following:

- The review and endorsement by a registered principal of all direct application subsequent transactions involving previously purchased mutual funds, including those in 529 college savings plans; and
- A suitability review of all direct application subsequent transactions involving previously purchased mutual funds, including procedures designed to review the source of funds and review of sales charges (breakpoints).

Throughout that time period, the Firm did not supervise subsequent transactions for direct application business in previously purchased mutual funds. Rather, it relied on its representatives to make the appropriate suitability determination

when recommending any subsequent transactions. The Firm also relied on the fact that one of its principals had conducted a supervisory review for the initial direct application mutual fund transaction. There was, however, no supervisory review by a Firm principal of any subsequent transactions in previously purchased mutual funds. Moreover, Firm principals did not receive or review account statements for direct application products.

By failing to establish and maintain a supervisory system and establish, maintain and enforce written procedures reasonably designed to achieve compliance with applicable rules and regulations concerning its direct application transactions involving mutual funds, the Firm violated NASD Conduct Rule 3010, FINRA Rule 2010 and MSRB Rule G-27.

#### **Recordkeeping Violations**

The Firm allowed its registered representatives to maintain individual Checks Received and Forwarded blotters. All transactions reflected on the blotter were processed by the registered representative on a weekly basis and were submitted to a principal at the Firm for review. From at least June 1, 2010 through June 30, 2011, however, the Firm failed to prepare blotters as required by Exchange Act Rule 17a-3(a)(1). A review of the blotters for that time period in two of the Firm's Offices of Supervisory Jurisdiction revealed the deficiencies listed below:

- In approximately 474 instances, the amount of funds received and forwarded was not recorded;
- In approximately 458 instances, the customer account number at which the funds and securities was located was not recorded;
- In approximately 33 instances, the date the customer funds were forwarded was not recorded; and
- In approximately 32 instances, the identity of the seller to which the funds were forwarded was not recorded.

By failing to prepare adequate blotters, the Firm violated NASD Conduct Rule 3110, FINRA Rule 2010, MSRB Rule G-8 and Exchange Act Rule 17a-5.

B. Respondent also consents to the imposition of the following sanctions:

- a censure and \$150,000 fine (\$75,000 of which pertains to the violations of MSRB Rules G-27 and G-8).

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;**
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;**
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and**
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.**

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Council, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

### III.

#### OTHER MATTERS

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent;
- C. If accepted:
  - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
  - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
  - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
  - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of

FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

Hornor, Townsend & Kent, Inc.

09/25/2012  
Date (mm/dd/yyyy)

By: Michelle A. Barry  
Michelle A. Barry  
President and Chief Executive Officer

Reviewed by:

LBK  
Ivan B. Knaus, Esq.  
Counsel for Respondent  
Pepper Hamilton LLP  
600 Fourteenth Street, N.W.  
Washington, D.C. 20005-2004  
(202) 220-1200

Accepted by FINRA:

October 2, 2012  
Date

Signed on behalf of the  
Director of ODA, by delegated authority  
David F. Newman  
David F. Newman  
Senior Regional Counsel  
FINRA Department of Enforcement  
1835 Market Street, Suite 1900  
Philadelphia, Pennsylvania 19103  
Phone: (215) 963-2602  
Fax: (215) 496-0434



## Attachment "C"

APR 23 2011  
PENNY  
AW DEPT OF STATE

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF STATE  
BUREAU OF SECURITIES REGULATION  
CONCORD, NEW HAMPSHIRE

IN THE MATTER OF:

Hornor, Townsend & Kent, Inc.

I-2012000006

Respondent

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Hornor Townsend & Kent, Inc. (hereinafter referred to as "Respondent", has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, Respondent do hereby consent to the entry of this Consent Order as set forth below:

Statement of Facts

1. Respondent (CRD # 4031) is located at 600 Dresher Road, Ste. C1C, Horsham, Pennsylvania 19044. Respondent has been licensed as a broker-dealer with New Hampshire since February 1982.
2. Respondent had a branch office located at 104 Congress Street, Suite 201, Portsmouth, New Hampshire 03801. Notice of the branch office opening was provided to the Bureau on April 20, 2010. Notice of the branch closing was provided to the Bureau on December 3, 2010.
3. On November 2, 2010, the Bureau commenced an examination of the Respondent's branch office in Portsmouth, New Hampshire.
4. On May 20, 2011, the Bureau sent a Report of Examination to Lisa Gottlieb at the Horsham, Pennsylvania headquarters of Respondent. The Report of

Examination included as Finding #1 that Respondent failed to report a complaint against James Archibald to FINRA on the Web CRD system by filing an amended U-4 within the thirty-day timeframe required by FINRA.

5. On June 15, 2011, the Bureau received a response to the Report of Examination from James Yoakum, Retail Chief Compliance Officer. In response to Finding #1 of the Report of Examination, Mr. Yoakum stated, "The firm acknowledges that the Form U-4 for James Archibald was not filed in a timely manner."
6. On June 21, 2011, the assigned examiner for the Portsmouth office responded to Mr. Yoakum's letter acknowledging the Respondent's response to Finding #1 and stating, "The alleged compensatory damage amount for the complaint is \$2,200,000 and was not reported to FINRA until over four months after learning of the complaint." No further communication was received from the Respondent.

#### Statement of Law

1. Pursuant to RSA 421-B:2, XVI, "person" means an individual, corporation, partnership, association, joint stock company, trust where the interests of the beneficiaries are evidenced by a security, unincorporated organization, a government, political subdivision of a government, or any other entity. The Respondents are persons within the meaning of RSA 421-B:2, XVI.
2. Pursuant to RSA 421-B:8, A, persons licensed under the New Hampshire Uniform Securities Act to conduct securities business shall abide by the rules of the Securities and Exchange Commission, National Association of Securities Dealers, national and regional stock exchanges, and other self-regulating organizations which have jurisdiction over the licensee, which set forth standards of conduct in the securities industry. Respondent violated this provision by violating Article V, Section 3(b) of the FINRA By-Laws and FINRA Rule 1010(a).
3. Pursuant to Article V, Section 3(b) of the FINRA (formerly NASD) By-Laws, every application for registration filed with the Corporation shall be kept current at all times by supplementary amendments via electronic process or such other process as the Corporation may prescribe to the original

application. Such amendment to the application shall be filed with the Corporation not later than 30 days after learning of the facts or circumstances giving rise to the amendment. Respondent violated this provision by failing to file an amendment to the U-4 application record of James Archibald within 30 days after learning of facts or circumstances giving rise to an amendment of Mr. Archibald's U-4.

4. Pursuant to FINRA Rule 1010(a), all forms required to be filed by Article V, Section 3 of the FINRA By-Laws shall be filed through an electronic process or such other process FINRA may prescribe to the Central Registration Depository. Respondent violated this provision by failing to file the required supplementary amendment within 30 days after learning of the facts or circumstances giving rise to the amendment through the electronic process FINRA prescribes to the Central Registration Depository.
5. Pursuant to RSA 421-B:23, I, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of chapter 421-B or any rule or order under this chapter, the secretary of state shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. The Respondents are subject to this provision.
6. Pursuant to RSA 421-B:26, III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, including the forfeiture of any application fee, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. The Respondents are subject to this provision.

II. In view of the foregoing, the Respondent acknowledges and agrees to the following undertakings and sanctions:

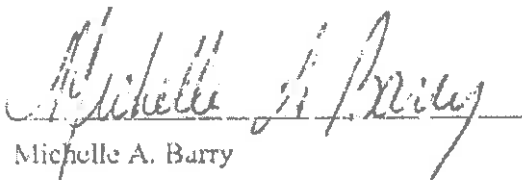
1. The Respondent acknowledges that it has voluntarily consented to the entry of this settlement with the State of New Hampshire and avers that no

employee or representative of the Bureau has made any promise, representation or threat to induce it to execute this Agreement.

2. The Respondent agrees to waive its rights to an administrative hearing and any appeal under the New Hampshire Uniform Securities Act.
3. The Respondent agrees to cease and desist from all further violations of the New Hampshire Uniform Securities Act.
4. Upon execution of this Order, Respondent agrees to pay a settlement fine in the amount of One Thousand Seven Hundred and Fifty Dollars (\$1,750) to the State of New Hampshire. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire 03301.
5. The Respondent acknowledges that this Agreement is entered into only with respect to the matters described herein. The Bureau agrees further that no action, investigation or proceeding will be taken or initiated by the Bureau against the Respondent with respect to these matters. Notwithstanding the preceding provision, this Agreement shall not be construed to restrict the Bureau's right to initiate any action, investigation or proceeding relative to conduct by the Respondent or any other party with respect to matters unrelated to those set forth herein.
6. The Respondent agrees not to take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any statement contained herein or create the impression that this Agreement is without factual basis. Nothing in this provision affects the Respondent's testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Agreement. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent will cease and desist from violations of the Uniform Securities Act.
2. Respondent will pay an administrative fine in the amount of One Thousand Seven Hundred and Fifty Dollars (\$1,750).
3. The Respondent will comply with all of the above-referenced undertakings.



Michelle A. Barry

President/CEO of Hornor, Townsend & Kent, Inc

Dated: 4/26/12



Bureau of Securities Regulation,

David M. Seanlan, Deputy Secretary of State

Director, NH Bureau of Securities

Dated: 8/7/12