

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

BANKING AND SECURITIES COMMISSION MEETING 2017-3

WEDNESDAY, August 16, 2017

PUBLIC SESSION

The meeting of the Banking and Securities Commission was held on August 16, 2017 in the First Floor Hearing Room of the Department's offices at Market Square Plaza, 17 North Second Street, Harrisburg, PA 17101. The public session was called to order at 1:09 p.m. by Chairman Biery. The following were in attendance:

CHAIRMAN JAMES R. BIERY
VICE-CHAIR ROBIN L. WIESSMANN
COMMISSIONER VINCENT J. GASTGEB
PAUL H. WENTZEL, JR., Senior Legislative and
Policy Director

LEO PANDELADIS, Chief Counsel
EDWARD NOVAK, Director of Press and
Communications
JENNIFER COX, Non-Depository and Securities
Compliance Examiner I

CALL TO ORDER AND APPROVAL OF MINUTES FOR PREVIOUS MEETING

1. Chairman Biery called the meeting of the Banking and Securities Commission to order. It was noted that, pursuant to the requirement of Section 709 "Public Notice" of the Sunshine Act of 1998, a Sunshine Law meeting notice notifying the public of the rescheduled August 16, 2017 commission meeting was (1) **PUBLISHED** in **THE PATRIOT-NEWS**, Harrisburg, PA, Tuesday, August 15, 2017 edition; and on the same date (2) **POSTED** in the lobby of Market Square Plaza, 17 N. Second Street, Harrisburg, PA 17101; and (3) in furtherance of government transparency, also **POSTED** on the Department's webpage.

2. With three commissioners attending, a quorum was present for purposes of taking official action pursuant to Section 1121-A(f) of the Department of Banking and Securities Code. The Chairman further noted that there continues to be a vacancy on the commission, as well as a vacancy for the governor's designee.

3. With the retirement of Byron Clement, Administrative Assistant, Jennifer Cox, Examiner for Non-Depository Licensing Division, will be serving as Secretary for the Commission and taking the minutes of this meeting. All commission members had received copies of the minutes for the public commission meeting held on May 17, 2017. Pursuant to a motion made by Vice-Chair Wiessmann and seconded by Commissioner Gastgeb, the commission unanimously agreed to adopt the minutes as final.

4. At 1:12 p.m., the commission directed that it would leave public session and enter executive session in order to discuss an item on the executive session agenda.

ADOPTION OF CONSENT AGREEMENT AND ORDER

IN THE MATTER OF ECONOMIC ADVANTAGES CORPORATION

5. At 1:21 p.m., the commission re-entered public session to act in the matter of *Economic Advantages Corporation* (Docket No. 160044). The following commissioners and staff remained in the meeting: Chairman Biery, Vice-Chair Wiessmann, Commissioner Gastgeb, Chief Counsel Pandeladis, and Jennifer Cox.

6. Chairman Biery requested a motion to adopt the Consent Agreement and Order in the matter of *Economic Advantages Corporation* (Docket No. 160044). Vice-Chair Wiessmann motioned and Commissioner Gastgeb seconded.
7. Having a motion and second, a roll call was conducted for the adoption of the Consent Agreement and Order in the matter of *Economic Advantages Corporation* (Docket No. 16044). The Consent Agreement and Order in the matter of Economic Advantages Corporation (Docket No. 16044) was unanimously approved.

NEW BUSINESS

8. Chairman Biery referenced a quarterly report dated June 30, 2017 provided by Byron Clement showing several Department adjudications which have occurred over the past months. Mr. Biery acknowledged that the fines levied appeared appropriate for the offenses and the action taken against these companies by the Department was well done.

9. Chairman Biery brought up the numerous regulatory changes that continuously occur as they relate both directly and indirectly to the Department and its regulatory purview. In an effort to stay abreast of these changes, the Chairman would like to add a Regulatory Review item at future Commission hearings. Vice-Chair Wiessmann agreed that it is very important to the Department to stay up to date on these regulatory changes. However, the largest challenge is how to select which types of regulatory challenges should rise to the level of review and discussion at the hearings. Chairman Biery will rely on Vice-Chair Wiessmann, Chief Counsel Pandeladis, and designated staff to monitor these regulatory changes to determine which should be discussed as potentially affecting the Department or examples of actions that may come before the Commission.

10. Chairman Biery also asked how the minutes of the Commission hearings are disseminated. Chief Counsel Pandeladis explained that minutes adopted during hearings become public record and can be made available to any person upon request.

11. Discussion was held about the Statewide Securities Compliance Conference scheduled for October 26, 2017 at the Radisson Hotel Harrisburg, in Camp Hill which will be attended by the Chairman and Vice-Chair Wiessmann. This is the first meeting of its kind to be held since the merger with the Department of Banking and the Securities Commission and represents the Department’s continued effort to provide financial education and outreach to the community.

12. Chief Counsel Pandeladis provided an update on the proposed securities regulations. The second round of internal review received approval from the Office of General Counsel, the Department’s budget office, and the Department’s Policy Office. The regulations were then delivered to the Independent Regulatory Review Commission by Scott Lane and to the General Assembly by Paul Wentzel during the week of August 7, 2017. The Department’s proposed regulations should be listed on the Independent Regulatory Review Commission’s September docket. Chief Counsel Pandeladis is hopeful the proposed regulations will move quickly through Independent Regulatory Review Commission’s process since many of the issues in a previous review by the Independent Regulatory Review Commission have been addressed.

CLOSING COMMENTS

- 13.* Having no further business, Chairman Biery asked for a motion to adjourn the meeting. Pursuant to a motion made by Vice-Chair Wiessmann and seconded by Commissioner Gastgeb, the meeting was adjourned at 1:37 p.m.

Transcribed by:

JENNIFER E. COX, Secretary for
Commission

Reviewed and respectfully submitted by:

ROBIN L. WIESSMANN, Vice-Chair