

OFFICE OF THE ATTORNEY GENERAL
BUREAU OF SECURITIES
STATE OF NEW JERSEY
153 HALSEY STREET
P.O. BOX 47029
NEWARK, NEW JERSEY 07101

COPY

IN THE MATTER OF: :

Dominic Vricella and :
Anthony Faiola :
: :
: :
: :

Summary Order

BEFORE AMY KOPLETON, ACTING BUREAU CHIEF

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau Chief") by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. ("Securities Law"), and after investigation, review, and due consideration of the facts and statutory provisions set forth below, the Bureau Chief has determined that civil monetary penalties and other remedies be assessed against Dominic Vricella and Anthony Faiola, and accordingly hereby issues this Summary Order to Revoke the agent registration of Dominic Vricella and Summary Order assessing monetary penalties against Vricella and Faiola.

BACKGROUND .

1. The Investment Center, Inc. ("ICI") (CRD #17839) having its principal place of business located at 1420 Route 206 North, Bedminster, NJ 07921 is a broker-dealer registered with the Bureau. At all times relevant herein, ICI conducted its

business through approximately 300 agents working out of about 200 independently owned and operated branch offices.

2. Dominic Vricella ("Vricella") (CRD #1525115) residing in Medford, New Jersey at all relevant times herein was the owner-operator and the branch manager of ICI's 4A Eves Drive, Suite 104, Marlton, New Jersey branch office. As branch manager, Vricella was responsible for the supervision of the ICI's agents working from that office. Vricella was registered with the Bureau as an agent of ICI and as an investment adviser representative until December 31, 2006. The CRD states that he was terminated for cause for failing to abide by the firms policies and procedures. Vricella was also the owner operator and a control person of the Professional Consulting Group, L.L.C.; an executive officer and control person of the North Shore Investment Fund, LP. and an executive officer and control person of the North Shore Investment Group.
3. Anthony Faiola ("Faiola") residing in Cherry Hill, NJ (CRD #2681693) ("Faiola") was registered as an agent of ICI with the Bureau from March 1997 through May 2006. Faiola is not currently registered with the Bureau. Faiola was employed in the Marlton Branch of ICI under the supervision of Vricella. During the relevant period he was a control person and an executive officer of the North Shore Investment Fund, LLP and the North Shore Investment Group, LLC.
4. North Shore Investment Group, LLP ("NSIG") was a limited liability partnership with its principal place of business at 4A Eves Drive, Suite 104, Marlton NJ. The partnership was founded in or around December, 2003 by Ronald Ianieri("Ianieri"), Huan Pham("Pham") and Karl G, Wolfe("Wolfe"). The

partnership issued securities, shares in North Shore Investment Fund, LLP (“Fund”) which was described as a “hedge fund”.

5. At the time of formation, Ianieri, Pham, and Wolfe were the managing partners in charge of trading at NSIG. At least one Private Placement Memorandum stated that the three were the “principal officers of the General Partner as well as the principal officers of the Investment Manager. At least one Private Placement Memorandum stated that “[t]he success of the Partnership is expected to be significantly dependant upon the expertise of Mr. Huan Pham and Mr. Ross Ianieri.”
6. Faiola and Vricella, whose names are not disclosed as principals for either entity in the Private Placement Memorandum, were the promoters of NSIG in charge of operations.
7. On or about April 27, 2004 the three managing partners resigned leaving Vricella and Faiola in sole control of NSIG. Faiola assumed the role of trading partner, although he had little or no experience as a professional trader or in trading options on behalf of a hedge fund. Neither the resignations of the three managing partners, nor that Faiola assumed the trading responsibilities was disclosed to the investors. NSIG was to receive a fee of 1.9% of the money under management and an incentive fee of 20% of the gross profits and income obtained by the Fund. As Vricella and Faiola were the sole control persons and employees of the NSIG, they stood to be the sole recipients of fees obtained from the business.
8. From about December 2003 through April 2005, pursuant to a private offering memorandum Faiola and Vricella raised over \$1.6 million from a total of ten

individuals, including five who were also clients of ICI. Approximately \$1 million of the Fund's assets came from one investor.

9. At least two of the investors lacked the knowledge and experience to fully understand the risks associated with the investment and were otherwise unsuitable in light of their lack of investment experience, financial circumstances and objectives.
10. At least one investor was falsely led to believe that their investment in the fund would be effected through ICI. The investor received statements on NSIG letterhead that stated that investments would be effected through ICI. To further this purpose, Faiola signed the investor's name on documents related to the transfer of funds out of ICI accounts. Had the documents been presented to the investor, the investor would have been put on notice that the investment was not an ICI product or being effectuated by ICI.
11. Material risks including those relating to the ability of the principals to successfully manage the fund over the life of the project were not disclosed and were otherwise concealed.
12. In connection with the offer, sale and management of the Fund, Faiola and Vricella misrepresented material facts and failed to disclose material facts to investors including, but not limited to, the following misrepresentations and omissions:
 - (a) That they had concealed their Fund related activities from ICI in violation of industry rules and the firm's policies and they failed to

disclose to certain investors that an investment in the Fund was unsuitable for them.

- (b) They failed to disclose to one investor that the client's investment accounted for over 60% of the Funds capital and that the over concentration of the Fund's capital exposed that investor to an extraordinary amount of risk not shared by other investors.
- (c) They failed to disclose that after April 2004, Faiola was solely responsible for the Fund's trading activity and that he lacked the requisite experience to trade other people's money.
- (d) Faiola prepared monthly statements for one client's account which were materially misleading in that they understated the losses and overstated the balance in the client's account at NSIG.
- (e) That despite representations in the offering memoranda used in connection with the solicitation of investors funds that the Fund had employed independent accountants and attorneys although the Fund did not retain independent accountants or attorneys.

13. December 2005, approximately \$325,596 had been paid back to the investors, and the remaining invested money had been lost in trading or taken as fees.

14. Faiola prepared monthly statements for NSIG's clients on the computers in the Marlton ICI office and sent those statements to clients on NSIG letterhead which displayed the address of ICI's Marlton office. Some of the statements created and sent to clients were materially false and misleading in that they overstated the balance and understated the losses for the period in the client's account at NSIG.

15. Neither Vricella nor Faiola disclosed to ICI any of their activities relating to NSIG or the Fund despite ICI's policy and regulatory requirements that they do so. Vricella and Faiola falsified ICI's records by concealing their outside activities on the annual compliance questionnaires filed with ICI in January and December 2004.
16. At all times relevant hereto Faiola and Vricella were prohibited by the rules of the National Association of Securities Dealers ("NASD") and the policies and practices of ICI from participating in securities transactions away from ICI ("selling away") without prior written disclosure of the details of their participation to the firm and the firm's authorization of the activity. The selling away provisions of these rules are designed to protect the public from the fraud and abuse which frequently occurs when agents sell products which have not been reviewed and approved by the employing broker dealer.
17. NASD Rules also prohibited Vricella and Faiola from recommending securities transactions to their clients unless they had reason to believe that the recommendation was suitable for the client. The suitability provisions of the NASD Rules similarly act to protect customers from fraud and abuse which accompany the over aggressive recommendations of an agent who may be seeking to obtain high commissions or fees or who for any other reason may attempt to sell a security which is unsuitable under the circumstances for the client.

**FAIOLA AND VRICELLA MADE MATERIAL MISSTATEMENTS OF FACT AND
CONCEALED MATERIAL FACTS IN CONNECTION WITH THE OFFER, SALE
AND MANAGEMENT OF THE FUND**

N.J.S.A. 49:3-52 and N.J.S.A. 49:3-53

18. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
19. Faiola and Vricella failed to disclose and otherwise attempted to conceal from ICI their activities involving the Fund thereby depriving investors in the Fund of the protections accompanying ICI's due diligence and its review of the product and appropriateness for its sale to clients.
20. Faiola and Vricella sold investments in the fund to certain clients, including one client whose investment accounted for about 60% of the Funds capital at the time, which they knew of should have known were unsuitable at the time and in light of the clients' circumstances and the speculative nature of the investment.
21. As previously enumerated, in connection with the offer, sale and management of the Fund, Faiola and Vricella misrepresented material facts and failed to disclose material facts to investors.
22. Each and every misrepresentation of material fact and each omission of material fact constitutes a separate and distinct violation of N.J.S.A. 49:3-52 and N.J.S.A. 49:3-53 which is cause pursuant to N.J.S.A. 49:3-67, 58 and 70 for the entry of an Order assessing a monetary penalty against Vricella and Faiola; for the entry of an order revoking the agent registration of Vricella and for the entry of an Order to cease and Desist against Faiola barring him from any association with a broker-dealer or investment adviser conducting business in New Jersey.

FAIOLA AND VRICELLA CREATED FALSE BUSINESS RECORDS

N.J.S.A. 49:3-52

23. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
24. As part of their compliance review each year Faiola and Vricella were required to complete and submit an annual certification to ICI disclosing, among other things, whether or not they had engaged in any outside business or participated in any securities transactions away from the firm. Both Vricella and Faiola falsely omitted and otherwise concealed their involvement in the activities of the Fund and NSIG on the annual certifications dated January 16, 2004 and December 24, 2004 submitted to ICI.
25. The ICI annual certifications are internal communications of the firm which are part of the books and records of ICI required to be maintained by state and federal securities laws. By misrepresenting their involvement with the Fund and NSIG Faiola and Vricella falsified the books and records of ICI and thereby engaged in a course of conduct which acted as a fraud or deceit on ICI in violation of N.J.S.A. 49:3-52.
26. Each and every attempt to falsify the records of ICI constitutes a separate and distinct violation of N.J.S.A. 49:3-52 which is cause pursuant to N.J.S.A. 49:3-67, N.J.S.A. 49:3-58 and N.J.S.A. 49:3-70 for the entry of an order revoking Vricella's registration and an order assessing Vricella and Faiola a monetary penalty.

THEREFORE: it is on this 31st day of December, 2008 hereby

ORDERED that Dominic Vricella be, and hereby is assessed a civil monetary penalty in the amount of \$100,000; and further

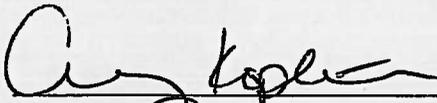
ORDERED that the agent registration of Dominic Vricella be and hereby is revoked; and further

ORDERED that Anthony Faiola be, and hereby is assessed a civil monetary penalty in the amount of \$150,000; and further

ORDERED that Faiola be, and hereby is barred from association in any capacity with any broker dealer or investment adviser conducting business in New Jersey; and further

ORDERED, that Dominic Vricella and Anthony Faiola are denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b); and further

ORDERED that the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked as to Dominic Vricella and Anthony Faiola.



Amy Kopleton
Acting Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the bureau chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.