

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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IN THE MATTER OF: Frank J. Cilento  
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FILE NO. 1200069

**CONSENT ORDER OF WITHDRAWAL**

TO THE RESPONDENT: Frank J. Cilento  
(CRD#: 1485262)  
455 Powell St.  
Staten Island, NY 10312

Frank J. Cilento  
(CRD#: 1485262)  
C/o Chelsea Financial Service  
242 Main St.  
Staten Island, NY 10307

WHEREAS, Respondent on the day 25<sup>th</sup> of April, 2012 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated March 15, 2012 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on February 7, 2012 FINRA entered a Letter of Acceptance, Waiver and Consent (“AWC” or “Order”) submitted by the Respondent regarding Disciplinary Proceeding No. 20090196911204 which sanctioned the Respondent as follows:
  - a) A 4-month suspension from association with any FINRA member firm in any capacity;
  - b) A fine of \$10,000; and
  - c) Disgorgement of \$5,100 of Agape-related compensation to the court-appointed chapter 7 trustee in the matter involving Agape debtors, Case 8-09-70660-dte.
3. That the Order found:

### **OVERVIEW**

#### **Cilento Borrowed Customer Funds**

In May 2007, Cilento invested \$20,000 of his own money in Agape through an individual associated with Agape who was his client. Thereafter, he and another broker jointly borrowed \$236,000 from two Park Avenue’s customers in order to make an additional investment in Agape. Shortly after the Agape scheme collapsed, Cilento and the other broker fully repaid the customers. Park Avenue’s procedures expressly prohibited borrowing money from clients. Accordingly, Cilento violated NASD Rules 2370 and 2110.

#### **Cilento Failed to Disclose Private Securities Transactions**

Also, starting in 2001, Cilento referred fourteen individuals, including ten Park Avenue customers to Agape. In return for arranging these transactions, Cilento received a total of \$5,100 in compensation. Cilento neither provided his firm with written notice of his investments and his referrals, nor received from his firm written authorization to engage in these transactions. Accordingly, Cilento violated NASD Rules 3040 and 2110.

4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory Organization.

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5. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

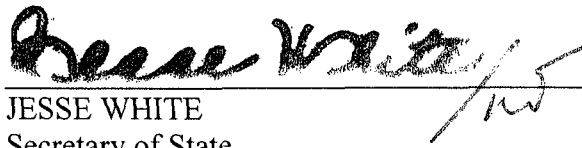
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 26<sup>th</sup> day of April 2012.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

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