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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Frank Joseph DeFelice, aka Frank DelFelice
San Jose, California

DESIST AND REFRAIN ORDER
(For violation of section 25230 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Frank Joseph DeFelice, also known as Frank DelFelice (“DeFelice”) is a resident of San Jose, California.

2. Approximately two years ago, DeFelice became acquainted with an elderly recent widow, now aged 83, when he gave her dance lessons while working as an instructor at a ballroom dance studio. DeFelice offered to manage the woman’s finances, including handling her securities investments, at an initial rate of \$50 per hour. That amount was subsequently raised to \$60 per hour. Thereafter, as the number of hours provided by DeFelice increased, he took a cut in salary to \$45 per hour.

3. DeFelice’s services have included and currently include market research, researching investment opportunities, market monitoring and portfolio management, including trading on the woman’s behalf pursuant to a limited power of attorney. Effective November 1, 2004, DeFelice

1 receives a 20 percent bonus based on the net investment profits realized during each month from his
2 services relating to two of the woman's securities accounts.

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4 5. DeFelice has neither applied for nor secured from the California Corporations
5 Commissioner a certificate authorizing him to conduct business as an investment adviser.

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7 Based upon the foregoing findings, the California Corporations Commissioner is of the
8 opinion that Frank Joseph DeFelice, also known as Frank DeFelice, is conducting business in
9 California as an investment adviser without having first applied for and secured a certificate
10 authorizing him to do so, in violation of Corporations Code section 25230. Pursuant to section 25532
11 of the Corporate Securities Law of 1968, Frank Joseph DeFelice, also known as Frank DeFelice, is
12 hereby ordered to desist and refrain from charging compensation for managing or providing advice
13 concerning securities and/or securities portfolios or as to the advisability of investing in, purchasing
14 or selling securities and/or securities portfolios unless and until he has been appropriately licensed.

15
16 This Order is necessary, in the public interest, for the protection of investors and consistent
17 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

18
19 Dated: April 4, 2005
20 Los Angeles, California

21 WILLIAM P. WOOD
22 California Corporations Commissioner

23 By _____
24 ALAN WEINGER
25 Supervising Counsel
26 Enforcement Division
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