

1 **I. JURISDICTION AND VENUE**

2 1. The Commissioner brings this action to bar Anthony Ottimo from any position of
3 employment, management or control of any broker-dealer or investment adviser pursuant to
4 Corporations Code sections 25212 and 25213, and the rules and regulations promulgated thereunder.

5 2. The Commissioner is authorized to administer and enforce the provisions of the
6 Corporate Securities Law of 1968, Corporations Code section 25000 et seq., and the regulations
7 thereunder at California Code of Regulations, title 10, section 260.000 et seq.

8 **II. STATEMENT OF FACTS**

9 3. This action is brought in order to bar Respondent Anthony Ottimo (“Ottimo”) from
10 any position of employment, management or control of any broker-dealer or investment adviser
11 pursuant to Corporations Code sections 25212 and 25213.

12 4. From November 27, 2001 to October 12, 2012 EKN Financial Services, Inc. f/k/a
13 Ehrenkrantz King Nussbaum, Inc. (“EKN Financial”) was a Financial Industry Regulatory Authority
14 (“FINRA”) regulated broker dealer with an office first in Garden City and then in Melville, New
15 York. FINRA is a national self-regulatory membership association of broker-dealers, authorized by
16 the 1938 Maloney Act amendments to the Securities Exchange Act of 1934 to supervise the conduct
17 of its members subject to the oversight of the United States Securities and Exchange Commission
18 (“SEC”).

19 5. Ottimo (CRD No. 2974369) was registered with FINRA from October 15, 1997 to
20 October 12, 2012. As an employee of EKN Financial, and as 45% owner of EKN Financial’s parent
21 company, from June 30, 2001 through October 12, 2012 Ottimo was subject to FINRA’s jurisdiction
22 as well.

23 6. On June 6, 2008, EKN Financial and Ottimo consented to the entry of an SEC Order
24 Instituting Administrative and Cease-And-Desist Proceedings, Making Findings, and Imposing
25 Remedial Sanctions and A Cease-And-Desist Order Pursuant to Section 8A of the Securities Act of
26 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934, as to EKN Financial
27 Services, Inc. F/K/A Ehrenkrantz King Nussbaum, Inc. and Anthony Ottimo, dated June 6, 2008. In
28 this Order the SEC found that between January 2003 and November 2003, EKN Financial and

1 Ottimo, through a person associated with EKN Financial who performed the functions of a registered
2 representative, defrauded mutual funds and their shareholders by engaging in a variety of deceptive
3 acts and practices, including creating multiple “cloned” accounts in order to continue to engage in
4 market timing concealed from the funds and evade restrictions of the funds on market timing and
5 exchanges in a given fund family. Ottimo was an officer of EKN Financial at this time and was aware
6 of the improper activities of this associated person, and as a result Ottimo was barred from
7 associating with any broker or dealer in a supervisory capacity.

8 7. On October 12, 2012 FINRA issued an Order Accepting Offer of Settlement wherein
9 EKN Financial and Ottimo consented to the entry of findings as follows: In violation of the June 6,
10 2008 SEC bar, Ottimo continued to act as EKN Financial’s Chief Executive Officer, a general
11 securities principal, and in a supervisory capacity, and engaged in other conduct showing an ongoing
12 defiance of securities laws, securities regulations and FINRA rules, including the failure to detect and
13 report suspicious transactions that may indicate money laundering, the failure to report judgments
14 and liens filed against Ottimo, the failure to maintain required net worth minimums, and numerous
15 other compliance violations. In this Order EKN Financial was expelled from membership in FINRA,
16 and Ottimo was barred from association in any capacity with a FINRA member firm.

17 **III. ANTHONY OTTIMO SHOULD BE BARRED FROM ANY POSITION OF**
18 **EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY BROKER-DEALER OR**
19 **INVESTMENT ADVISER**

20 8. Corporations Code section 25213 provides, in pertinent part:

21 The commissioner may, after appropriate notice and opportunity for hearing, by order
22 censure, or suspend for a period not exceeding 12 months or deny or bar from any
23 position of employment, management or control of any broker-dealer or investment
24 adviser, any officer, director, partner, agent, employee of, or person performing
25 similar functions for, a broker-dealer, or any other person, if the commissioner finds
26 that the . . . bar is in the public interest and that the person . . . is subject to any order
27 specified in subdivision (d) of section 25212.”

26 9. Corporations Code section 25212 provides in pertinent part:

27 “The commissioner may, after appropriate notice and opportunity for hearing, by order
28 censure, deny a certificate to, suspend for a period not exceeding 12 months or revoke
the certificate of, any broker-dealer if the commissioner finds that the censure, denial,

1 suspension, or revocation is in the public interest and that the broker-dealer, whether
2 prior or subsequent to becoming a broker-dealer, or any partner, officer, director, or
3 branch manager of the broker-dealer, whether prior or subsequent to becoming
4 associated with the broker-dealer, or any person directly or indirectly controlling the
broker-dealer, whether prior or subsequent to becoming such, or any agent employed
by the broker-dealer while so employed has done any of the following:....

5 (d) Is or has been subject to (1) any order of the Securities and Exchange
6 Commission or the securities administrator of any other state denying registration to,
7 or revoking or suspending the registration of the person as a broker, dealer, agent or
8 investment adviser; (2) any order of any national securities association... suspending
9 or expelling that person from membership in the association ... or from association
10 with any member thereof, or (3) any other order of the commission or any
11 administrator, association, or exchange referred to in this subdivision which is or has
12 been necessary for the protection of any investor.”

13 10. In an order dated June 6, 2008, the SEC barred Ottimo from associating with any
14 broker or dealer, including EKN Financial, in a supervisory capacity. In an order dated October 12,
15 2012, FINRA, a national securities association, barred Ottimo from association in any capacity with a
16 FINRA member firm. The FINRA order alone is sufficient to bar Ottimo from any position of
17 employment, management or control of any broker dealer or investment adviser under Corporations
18 Code sections 25213 and 25212(d).

19 **IV. PRAYER FOR RELIEF**

20 WHEREFORE, based on the foregoing, the Commissioner of Business Oversight finds that
21 grounds exist and that it is in the public interest to bar Anthony Ottimo from any position of
22 employment, management or control of any broker-dealer or investment adviser, pursuant to
23 Corporations Code sections 25213 and Corporations Code section 25212 subdivision (d). The
Commissioner hereby notifies Anthony Ottimo of its intention to make such Order final.

24 Dated: December 18, 2015
25 San Francisco, California

JAN LYNN OWEN
Commissioner of Business Oversight

26 By: _____
27 EDWARD KELLY SHINNICK
28 Senior Enforcement Counsel