

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2008011678302**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Anthony F. Lodati, Respondent
CRD No. 4877082

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Anthony F. Lodati ("Lodati" or "Respondent") submits this Letter of Acceptance, Waiver and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

1. Lodati became registered with FINRA through New Castle Financial Services LLC (BD No. 102380) (now known as "Brookville Capital Partners LLC") ("New Castle" or the "Firm"). He was first registered through New Castle as a Financial and Operations Principal ("FINOP") in February 2006, as a General Securities Representative in July 2006, and as a General Securities Principal in September 2006. He remains registered in those capacities. Since February 2008, Lodati has been President of New Castle.

RELEVANT DISCIPLINARY HISTORY

2. Lodati has no relevant disciplinary history.

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OVERVIEW

3. In December 2007, while registered through and acting on behalf of New Castle, Lodati sold securities to 50 public investors using a private placement memorandum that omitted to disclose a convicted felon's association with the issuer, a material fact to any reasonable investor.
4. From September 2007 through March 2008, Lodati and SK failed to establish and maintain a supervisory system at New Castle for determining whether customer securities were properly registered or exempt from registration.
5. From February to June 2008, Lodati and SK, the firm's Chief Compliance Officer, failed to (a) clearly assign each registered person to an appropriately registered representative and/or principal responsible for supervising that person's activities, and (b) designate principals with actual authority to carry out the supervisory responsibilities over the Firm's business.

FACTS AND VIOLATIVE CONDUCT

Unregistered Securities

6. Section 5 of the Securities Act of 1933 ("Section 5") prohibits the sale of securities in interstate commerce without an effective registration statement, unless an exemption applies. Moreover, under Section 5, before selling unregistered securities, a broker-dealer has a duty to conduct a searching inquiry to determine that the securities are exempt from registration.
7. From approximately September 2007 through March 2008, Lodati and SK failed to establish and maintain a supervisory system at New Castle to address the Firm's responsibilities for determining whether customer securities were properly registered or exempt from registration under Section 5. By reason of the foregoing, Lodati violated NASD Conduct Rules 3010 and 2110.

Private Placements

8. On December 20, 2007, Lodati, while registered through and acting on behalf of New Castle, sold shares of Chromadex, Inc. securities to 50 public investors using a private placement memorandum that omitted DB's association with the issuer, a material fact. Such fact was material due to DB's disciplinary history which included a criminal securities fraud conviction in 1998 involving manipulation of bio-tech stocks, and a bar in

2000 by the SEC from associating with any broker or dealer. By reason of the foregoing, Lodati violated NASD Conduct Rule 2110.

Other Supervisory Deficiencies

9. From February through June 2008, Lodati and SK failed to clearly assign each registered person to an appropriately registered representative and/or principal responsible for supervising that person's activities as required by NASD Conduct Rule 3010(a)(5). Indeed, the Firm's records did not accurately reflect the Firm's actual supervisory structure and Firm personnel were confused regarding who was responsible for supervising whom. By reason of the foregoing, Lodati violated NASD Conduct Rules 3010 and 2110.

B. Lodati also consents to the imposition of the following sanctions:

1. Lodati to be fined \$30,000.
2. Lodati to be suspended from associating with any FINRA member firm in any principal capacity for two months.
3. Lodati agrees and undertakes to complete 16 hours of AML continuing education training within 120 days of FINRA's acceptance of this AWC.
4. Additionally, Lodati agrees and undertakes to fully and promptly cooperate with FINRA in any and all investigations and/or disciplinary proceedings, of any person, concerning conduct at and/or relating to New Castle in connection with past events set forth in this AWC. In connection with such cooperation:
 - Lodati agrees, without the necessity of a FINRA Rule 8210 request, to produce promptly information and documents as requested by FINRA staff.
 - Furthermore, Lodati agrees, without the necessity of a FINRA Rule 8210 request, to appear and testify fully, completely and truthfully at any interview and/or disciplinary hearing as requested by FINRA staff.
 - Lodati agrees that notice by FINRA staff requesting its cooperation may be served on him by regular mail or facsimile, at his current mailing address, as reflected in the Central Registration Depository ("CRD").

Lodati agrees to pay the monetary sanctions upon notice that this AWC has been accepted and that such payments are due and payable. Lodati has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanctions imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against Respondent;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudice of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

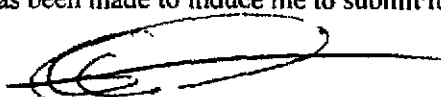
OTHER MATTERS

Respondent understands that:

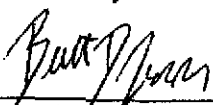
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

4/14/10
Date


Anthony F. Lodati, Respondent

Reviewed by:


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Counsel for Respondent
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Accepted by FINRA:

6/7/10
Date

Signed on behalf of the
Director of ODA, by delegated authority


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