

**NASD
OFFICE OF HEARING OFFICERS**

Market Regulation Department,

Complainant,

v.

Anthony J. Orlando, Jr.
(CRD No. 2839212)

Respondent.

Disciplinary Proceeding
No. CMS 040165
Hearing Officer: SNB

**ORDER ACCEPTING
OFFER OF SETTLEMENT OF
ANTHONY J. ORLANDO, JR.**

Date: September 29, 2005

Disciplinary proceeding number CMS 040165 was filed on October 11, 2004 by the Department of Market Regulation of NASD ("Complainant"). Respondent Anthony J. Orlando, Jr. submitted an Offer of Settlement ("Offer") to Complainant dated August 12, 2005. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of

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Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Anthony J. Orlando, Jr., age 37, entered the securities industry in 1993 as a sales trainee at Smith Barney, Shearson, Inc. In August 1994, he became employed as a registered representative at Nichols, Safina, Lerner & Co., Inc. Between 1994 and 2000, he was employed as a registered representative at several different NASD firms including R.D. White & Co., Inc., Bluestone Capital Partners, L.P., (a.k.a. Whale Securities) Geneva Capital Corp. and The Concord Equity Group, LLC. He joined Park Capital in June 2000 and served as the firm's Chief Operating Officer, Executive Vice President and as a general securities principal until his termination in January 2004.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

Beginning in or about April 2002 and continuing through February 2003, Anthony J. Orlando, Jr., together with others at Park Capital, engaged in a fraudulent scheme to profit from the sale of over \$3.5 million in securities of Cordia Corporation ("Cordia") to customers of the firm through (1) manipulation and (2) the use high-pressure sales practices, baseless price projections, unauthorized trades, and misrepresentations and omissions of material facts.

As part of the manipulative scheme, Anthony J. Orlando, Jr. caused Park Capital to place small buy orders into the market to bid up Cordia's share price. Park Capital and its parent company, Park Capital Financial Group, profited from the manipulation by selling Cordia shares directly to Park Capital's customers at the artificially-inflated prices. Anthony J. Orlando, Jr. also orchestrated

¹ The findings herein are pursuant to Respondent Anthony J. Orlando, Jr.'s Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

the sale of Cordia shares from persons associated with Cordia to certain favored customers at below-market prices. After bidding up Cordia's share price by entering buy orders into the market, Anthony J. Orlando, Jr. caused Park Capital to resell the same shares in cross transactions to other Park Capital customers at inflated prices. On several occasions, Park Capital shared in illegal profits from these transactions by causing a portion of the proceeds from these highly-profitable resales to be transferred to Park Capital's parent company under the guise of loans from the favored customers.

To carry out the scheme to sell Cordia shares to Park Capital's customers, the firm employed two groups of salesmen. Anthony J. Orlando, Jr. served as the leader of his group of salesmen. Each selling group used classic, boiler-room techniques to induce customers to purchase Cordia, to dissuade them from selling Cordia and to avoid responsibility to their customers for their misconduct related to Cordia. These techniques included, among other things, high-pressured sales pitches, material misrepresentations and omissions of fact relating to Cordia and unauthorized transactions in customer accounts.

In addition, Anthony J. Orlando, Jr. failed to:

- Furnish customers, prior to effecting transactions in Cordia, a risk disclosure document containing the information required by the penny stock rules;
- Obtain from customers, prior to effecting customer transactions in Cordia, a manually-signed and dated written statement acknowledging receipt of such risk disclosure document;
- Disclose to customers, either orally or in writing, prior to effecting customer transactions in Cordia, the inside bid and offer quotations for Cordia and failed to

provide the same in writing at or prior to the time of any written confirmation sent to the customer pursuant to SEC Rule 10b-10; and

- Keep and preserve records of such disclosures as required by the penny stock rules.

Finally, Anthony J. Orlando, Jr. participated in an unregistered distribution of Cordia securities by causing Park Capital to sell shares of Cordia without a valid registration statement in effect and without an exemption contrary to Section 5 of the Securities Act of 1933 and in violation of NASD Conduct Rule 2110.

Based on the foregoing, Respondent Anthony J. Orlando, Jr. violated the antifraud provisions of the federal securities laws contained in Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, Section 15(g) of the Exchange Act and the SEC's penny stock rules 15g-2, 15g-3 and 15g-9, and NASD Conduct Rules 2120 and 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD of its regulatory responsibility under the Securities Exchange Act of 1934.

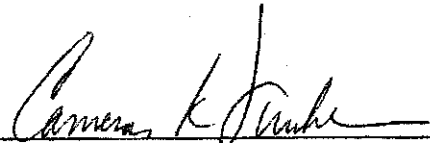
SANCTION

It is ordered that Respondent Anthony J. Orlando, Jr. shall be barred permanently from association with any NASD member in any capacity.

The sanction imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: 

Cameron K. Funkhouser
Senior Vice President
Market Regulation Department

On behalf of the Director of ODA,
pursuant to delegated authority