

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

BCL, LLC)	ADMINISTRATIVE ORDER
FRANK B. POTICNY)	NO. CO – 2010-0031
SANCTUS PARTNERS LIMITED PARTNERSHIP)	
)	
)	
<u>RESPONDENTS</u>)	

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. BCL, LLC ("BCL") is a Delaware Limited Liability Company with a business address of 2025 Kentucky Avenue, Suite D, Birmingham, AL 35216. BCL is the General Partner of the Limited Partnership, Sanctus Partners, LP. BCL is currently not registered in any capacity with the State of Alabama

2. FRANK B. POTICNY ("POTICNY") is the President and sole member of the General Partner, BCL, LLC, with a business address of 2025 Kentucky Avenue, Suite D, Birmingham, AL 35216. POTICNY manages fifty percent (50%) of the partnership interest in SANCTUS PARTNERS L.P., LIMITED PARTNERSHIP INTEREST. POTICNY was formally registered as a securities agent with Rauscher Pierce Refsnes, Inc., from August 1984 to July 1992; with Lehman Brothers, Inc., from July 1992 to July 1993, and with Prudential Securities, Inc., from March 2000 to September 2002. He is currently not registered with FINRA or the State of Alabama in any capacity.

3. SANCTUS PARTNERS L.P., ("SANCTUS") is a Delaware Limited Partnership formed in September 2002 by the General Partner BCL L.L.C., to invest in publicly traded securities, with a business address of 2025 Kentucky Avenue, Suite D, Birmingham, Alabama, 35216.

STATEMENT OF FACTS

4. On October 23, 2002, POTICNY, as the promoter, beneficial owner, executive officer, and director of SANCTUS PARTNERS L.P., filed a Notice of Sale of Securities pursuant to Regulation D, Section 4(6), and/or Uniform Limited-Offering Exemption for the offering Sanctus Partners L.P., Limited Partnership Interests with the United States Securities and Exchange Commission. On October 23, 2002, a Notice filing was received by the Commission pertaining to the aforementioned 506 filing.

5. The Commission is in receipt of information that beginning in September, 2002, and continuing to the current date, POTICNY, acting in the capacity of an Investment Advisor Representative did, without benefit of registration, make recommendations, or otherwise render advice, and managed the accounts of fourteen (14) Alabama residents that own partnership interest in SANCTUS.

6. As General Partner, BCL LLC, through their agent POTICNY, acted in the capacity of an unregistered Investment Advisor by engaging in the business of advising others for compensation as to the value of securities, or as to the advisability of investing in, purchasing, or selling securities. As per the Private Placement Memorandum dated September 20, 2002, it is stated that the "General Partner will receive annually, an amount equal to 15% of the Net Profits, if any, of the Partnership." "The General Partner would also receive an annual management fee equal to 1% of the total assets of the Partnership as determined, and accrued against the capital accounts of the Partners, at the beginning of each month at the rate of one-twelfth of one percent of the Partnership's total assets."

7. The primary strategy of the Partnership is to invest in companies which the General Partner believes are selling at a discount to their intrinsic value and to sell short the securities of companies that the General Partner believes are selling at a premium to their intrinsic value. The General Partner has sole discretion in selecting Investment Funds and in allocating the Partnership's capital.

8. Information made available to the Commission indicates that POTICNY manages fifty percent (50%) of the partnership interest. According to POTICNY all partnership interests are pooled and the majority of the conducted trades are Options related.

9. On September 30, 2009, a review of the Alabama Securities Commission registration files disclosed no record of registration for BCL, L.L.C., POTICNY, or SANCTUS as a Dealer, Agent, Investment Advisor, or Investment Advisor Representative in the state of Alabama.

10. On June 28, 2010, the Commission issued an Administrative Cease and Desist Order to RESPONDENTS.

11. On August 30, 2010, an informal hearing was held at the Commission office with POTICNY. It was concluded that an audit of the books and records of BCL, LLC would be conducted by agents of the Commission.

12. On January 11, 2011, Commission staff conducted an audit of the offices of BCL, LLC. Many of the documents requested were not on hand in the Birmingham office.

13. On July 26, 2011, additional documents were provided to the Commission staff which assisted in completing the audit trail. Upon review of these additional documents the results of this audit have concluded that invested funds appear to have been used as represented in the Private Placement Memorandum.

14. On January 4, 2012, an informal hearing was conducted in which POTICNY provided documentation which represented that legal counsel had been acquired by BCL, LLC. According to POTICNY; the legal counsel never advised that BCL, POTICNY or SANCTUS was required to be registered in the state of Alabama.

CONCLUSIONS OF LAW

15. Pursuant to Section 8-6-2(18) Code of Alabama 1975, the definition of "Investment Advisor" includes any individual who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analysis or reports concerning securities. RESPONDENT, BCL, L.L.C., through its agent POTICNY, provided investment advisory services for compensation and is an Investment Advisor under the Act.

16. Pursuant to Section 8-6-2(19), Code of Alabama 1975, the definition of "Investment Advisor Representative" includes an individual employee by or associated with an Investment Advisor that makes any recommendation or renders advice regarding securities, determines which recommendation or advice regarding securities should be given, and manages accounts or portfolios involving securities. POTICNY, acted in the capacity of an Investment Advisor Representative of BCL, LLC as defined under the Act.

17. Pursuant to Section 8-6-3(b), Code of Alabama 1975, it is unlawful for any person to transact business in this state as an Investment Advisor or Investment Advisor Representative unless he is registered in this state. Without benefit of registration RESPONDENTS have transacted investment advisory business into, within, or from the State of Alabama in violation of the Act.

WHEREAS, POTICNY admits that he acted as an "Investment Advisor Representative" for BCL, and the information and assertions presented to the Commission during its investigation of this matter are true and correct. POTICNY understands the Commission relied upon such information and assertions in its determination to accept this Order. Should the information or assertions prove to be incorrect or misrepresented the Commission may seek other administrative, civil, or criminal remedies that may be available to it under provisions of the Act; and

WHEREAS, RESPONDENTS have voluntarily waived all rights to a formal hearing and have consented to the entry of this Order; and

WHEREAS, the Commission finds this Order necessary and appropriate, in the public interest, and consistent with the purposes fairly intended by the policy and provisions of the Act; and

WHEREAS, the Commission and RESPONDENTS are desirous of settling this matter as hereafter set forth and agree to the entry of this Order;

ACCORDINGLY, IT IS HEREBY AGREED:

1. That RESPONDENTS shall adopt proper procedures to preclude any future non-compliance with the Act.

2. That the entry of this Consent Order shall not prejudice any rights as it relates to any non-party. Nor shall it constitute a defense against any potential action commenced by any non-party to this agreement.

3. That in settlement of the issues raised by these facts, in accordance with Code of Alabama 1975, §8-6-19(j) (1), RESPONDENTS shall pay to the **State of Alabama** an administrative assessment in the sum amount of Five Thousand Dollars (\$5,000.00), said funds to be tendered in certified funds payable to the State of

Alabama contemporaneously with the entry of this Order. These funds may not be paid from funds associated with the investment activities of SANCTUS or BCL; except as may be attributed to distributions made to POTICNY consistent to the contractual provisions of the PPM for services rendered to SANCTUS.

4. That in settlement of the issues raised by these facts, in accordance with Code of Alabama 1975, § 8-6-19(k) (1), RESPONDENTS shall pay to the Alabama Securities Commission as partial reimbursement for the Commission's cost for investigating this matter, the sum of Two Thousand Five Hundred Dollars (\$2,500.00), said funds to be tendered in certified funds contemporaneously with the entry of this Order. These funds may not be paid from funds associated with the investment activities of SANCTUS or BCL; except as may be attributed to distributions made to POTICNY consistent to the contractual provisions of the PPM for services rendered to SANCTUS.

5. Until Respondent POTICNY is properly registered with the Alabama Securities Commission, POTICNY will not conduct any securities business into, within or from the state of Alabama.

6. That the entry of this Order resolves the Cease and Desist Order, Administrative Order No. 2010-0031, issued June 28, 2010, as it pertains to **BCL, POTICNY and SANCTUS** only.

This Order does not prevent the Alabama Securities Commission from seeking such other civil or criminal remedies that are available to it under the Act against the other Respondents in any respect or against POTICNY for any violation by him of the terms of this order.

AGREED AND CONSENTED to on the date indicated:

BCL, LLC

SANCTUS PARTNERS LIMITED PARTNERSHIP

Frank Poticny
FRANK POTICNY
PRESIDENT

1-31-12
Date

Frank Poticny
FRANK POTICNY

1-31-12
Date

APPROVED AND AGREED this 7th day of February, 2012



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BY:

Joseph P. Borg
JOSEPH P. BORG
Director