

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4261 / November 10, 2015

In the Matter of an Application Filed Under
Rule 193 of the Commission's Rules of
Practice on behalf of

GARY L. PITTSFORD

For Consent to Associate with Castle
Investment Advisory, LLC

ORDER GRANTING APPLICATION
FOR MODIFICATION OF CONSENT
TO ASSOCIATE

Gary L. Pittsford has submitted an application ("Application") seeking modification of an order granting him consent to associate with Castle Investment Advisory, LLC ("Castle"), a registered investment adviser. Gary L. Pittsford, Investment Advisers Act Release No. 2933 (Oct. 7, 2009) ("Order"). The relief granted by the Order was required because Pittsford is subject to a Commission bar from association with any investment adviser. Gary L. Pittsford, Investment Advisers Act Release No. 1830 (Sept. 22, 1999).¹

At the time of the Commission's proceedings, Pittsford was the sole shareholder, president and director of G.L. Pittsford & Associates, Inc., which was an investment adviser registered with the Commission. The Commission found that, among other things, Pittsford raised funds from investors through a series of private placements of the common stock and promissory notes of a privately-held corporation, which he and others controlled, and that he had failed to disclose a material conflict of interest in recommending those investments to his advisory clients.

To address possible future conflicts of interest similar to those found in the Commission's bar order, the Order granted consent to associate based in part on certain representations summarized as follows in the Order:

Castle will not be involved in the management or creation of new stock offerings or new limited partnerships. In addition, Pittsford will not be involved in private securities transactions while associated with Castle, and will not be making Initial Public Offerings or drafting or assisting with Private Placement Memoranda. Pittsford further represents that he will not provide advice to any client where he

¹ The bar provided that Pittsford could reapply for association one year after the date of the bar. Pittsford was first granted consent to associate in 2005. Gary L. Pittsford, Investment Advisers Act Release No. 2431 (Sept. 16, 2005).

or Castle has a conflict of interest regarding a security, e.g., where he or Castle has a beneficial interest in a security (emphasis added).

The Application represents that the highlighted sentence prohibits Pittsford from providing advice, not merely about offerings of the type that gave rise to the Commission's bar order, but also about any public company in which he or Castle own or may obtain shares, even if that company is an issuer of widely-traded securities and is not subject to control by him or Castle. The Application requests that the sentence be replaced with the following representations:

Pittsford represents that he will not provide advice to any client where he or Castle has a material conflict of interest regarding a security. In addition, he represents that he will not provide advice regarding a security in which he or Castle has a beneficial interest unless the issuer has an unadjusted market capitalization of \$1.4 billion or greater, a public float of 50% or greater, and a trading volume of at least 250,000 shares over the 6-months preceding the provision of advice.

Rule 193 requires an applicant to demonstrate that "the proposed supervision, procedures, or terms and conditions of employment are reasonably designed to prevent a recurrence of the conduct that led to imposition of the bar."² If modified, the Order would continue to prohibit private placements such as those that gave rise to the bar order, and would continue to prohibit transactions in which Pittsford or Castle would have a material conflict of interest.

The Order further provides that Darren Nyce and Michael Kalscheur, members of Castle's Investment Committee, will oversee all trading activity by the firm, with authority to override any investment decision by Pittsford, and that Renee Christner will serve as Castle's Chief Compliance Officer. The Application requests that Darren Nyce be permitted to replace Renee Christner as Chief Compliance Officer.

Rule 193 requires consideration of the qualifications, experience, and disciplinary records of the individuals who will be responsible for supervision of the applicant. Darren Nyce was previously approved as a member of the Investment Committee, and the Application represents that he has the experience to serve as Chief Compliance Officer.

The Division of Enforcement, pursuant to delegated authority, has reviewed the Application,³ and has concluded that it is appropriate to modify the Order by modifying the conflict of interest language as indicated above, and to permit Darren Nyce to replace Renee Christner as Chief Compliance Officer.

All other requirements and conditions of the Order shall remain in full force and effect.

² 17 C.F.R. 201.193 (Preliminary Note).

³ All representations, terms, and conditions of employment not specifically listed are incorporated herein by reference.

Accordingly, IT IS ORDERED that the Rule 193 application submitted by Pittsford be, and hereby is, GRANTED.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Brent J. Fields
Secretary

⁴ 17 CFR 200.30-4(a)(5).