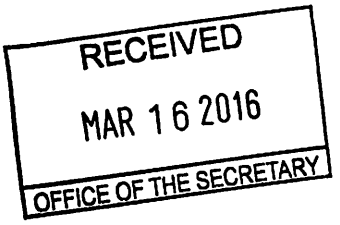
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16037



In the Matter of

EDGAR R. PAGE and
PAGEONE FINANCIAL INC.,

Respondents.

DIVISION OF ENFORCEMENT'S OPPOSITION TO RESPONDENTS' NOTICE OF SUPPLEMENTAL DEVELOPMENTS

Without seeking leave of the Securities and Exchange Commission ("Commission") to reopen the record, Respondents Edgar R. Page ("Page") and his wholly-owned registered investment adviser, PageOne Financial, Inc. ("PageOne" and together with Page, the "Respondents") yesterday filed with the Commission pleadings from a suit against them by the United Group of Companies, Inc. ("UGOC") in New York Supreme Court, Saratoga County. Respondents argue that those documents demonstrate that they should not have to disgorge any of the $2.7 million that UGOC paid to Respondents as a quid pro quo for Respondents directing their advisory clients to invest approximately $15 million in the UGOC Funds. Specifically, Respondents contend that the pleadings demonstrate that the $2.7 million that UGOC paid to Page "were loans that have to be repaid -- and were not ill-gotten gains subject to disgorgement." (Resp.'s Notice of Supplemental Developments at 2.) The Commission should disregard Respondents' latest gambit to avoid disgorging the fruits of their fraud both because it is procedurally improper

and because it is directly contradicted by Page's own sworn affidavit submitted in the Saratoga County case.

Rule of Practice 452 allows for a party to adduce new evidence before the Commission only upon a "motion for leave to adduce additional evidence" and, even then, only if the party is able to demonstrate "with particularity that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence previously." (Rule of Practice 452.) Here, Respondents have not sought the Commission's leave; nor have they explained why they waited until the eve of oral argument to apprise the Commission of a suit that was filed nearly three months ago. (See Respondents' Notice of Supplemental Developments, Ex. A at 1 (showing filing date of December 18, 2015).)

Moreover, Respondents have not demonstrated why the existence of the Saratoga County suit should negate the disgorgement order in this action. The fact that UGOC has sued Page merely demonstrates that—as Respondents have been claiming since Page's investigative testimony in August 2013—Page does not recognize any debt obligation to UGOC and has no intention of repaying any of the $2.7 million.[1] Indeed, in their most recent submission, Respondents fail to tell the Commission that in response to UGOC's current suit, Page filed with the New York Supreme Court a sworn affidavit stating that—

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[1] See Div. Ex. 94 at 8 (Wells Submission stating that "Mr. Page has kept the disputed money because he believes the payments were necessary to fairly compensate him for the injury he suffered from the long and ultimately unsuccessful negotiations with United . . . ."); see also Div. Ex. 166 at 140:24-141:11 (testimony transcript: "A . . . [M]r. Uccellini had said he would never exercise a collection of these notes, they were merely to give him some security until I closed the firm and that he needed to have something on record as a reason to having given me the money he gave me, so that his bank wouldn't look at him having no asset for a liability for the loans he was about to undertake and refinance. Q. And these are notes whereby you promise to pay money to United Group of Companies; is that correct? A. That's what they say. That was not ever the intent.").

per his deal with UGOC—the promissory notes were not enforceable loans and that he is not obligated to make any repayments on them. In that affidavit, he wrote:

> Section 13[of a Letter of Intent between Page and UGOC], as I understood it, memorializes the agreement between Walter Uccellini [the now-deceased owner of UGOC] and I that if the Proposed Transaction did not close, neither I nor PageOne would be liable to [UGOC] for anything related to the Proposed Transaction, including the Notes. That is why the Letter of Intent included Section 13, which effectively discharges PageOne and me from any liability under the Notes relating to the Proposed Transaction.

(Affidavit of Edgar R. Page, Feb. 9, 2016, at ¶ 16, attached hereto as Exhibit A.)[2] Page goes on to explain that he and Walter Uccellini had an explicit agreement that Page would not be obligated to repay the notes:

> Walter Uccellini and I never agreed . . . that if the Proposed Transaction was never finalized, that the Notes would be repaid. Michael Uccellini's [Walter Uccellini's son] sworn statement is directly at odds with Walter Uccellini's unequivocal promises to me that [UGOC] would never seek to enforce the Notes regardless of whether the Proposed Transaction did or did not occur.

(Id., ¶ 17; see also id., ¶ 20 (Page noting that when UGOC asked for repayment he "was utterly shocked. The demand was contrary to the promises and assurances provided to me by Walter Uccellini").) Thus, in his suit against UGOC, Page swore under oath that he has no obligation to repay the promissory notes.

Here, however, Page tells the Commission that UGOC's payments were "loans that have to be repaid" but withholds his own sworn statements to the contrary. (Resp.'s Notice of Supplemental Developments at 2.) Page's approach is disingenuous and should

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[2] Should the Commission determine to allow Respondents to enter their newly-submitted evidence of the suit against UGOC, the Division respectfully moves, pursuant to Rule 452, that for the sake of completeness Page's affidavit (attached hereto as Exhibit A) also be included in the record.

not be countenanced. If anything, Page's two-faced litigation posture—telling the New York Supreme Court that he does not owe anything to UGOC, while hiding those same statements from the Commission—merely highlights his deceptive character and his unwillingness to accept any consequences for his fraud.

There is no question that Page has not made any repayments to UGOC and, assuming he has his way, never will. Respondents' current submission is, therefore, both misleading and irrelevant to the question of whether they are liable to disgorge the funds UGOC paid them in connection with their fraud for all the reasons set out in the Division's prior briefing.

Dated: March 15, 2016
New York, New York

Respectfully submitted,

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DIVISION OF ENFORCEMENT

EXHIBIT A

STATE OF NEW YORK
SUPREME COURT OF SARATOGA COUNTY

THE UNITED GROUP OF COMPANIES, INC.,

Plaintiff,

-v-

EDGAR R. PAGE,

Defendant.

Index No. 3672/2015

AFFIDAVIT OF EDGAR R. PAGE

STATE OF NEW YORK
COUNTRY OF SARATOGA

I, EDGAR R. PAGE, being duly sworn, depose and say:

1. I am a defendant in the above captioned action, and submit this affidavit in opposition to the motion for summary judgment in lieu of complaint based on my personal knowledge.

2. Walter Uccellini, the former chief executive offer and sole stockholder of the plaintiff The United Group of Companys, Inc. (the "plaintiff") and I were long-time friends. We frequently engaged in social and professional events. We frequently flew our airplanes together.

3. I am the Chief Executive Officer, Chairman and sole stockholder of PageOne Financial, Inc. ("PageOne"), which I have overseen since I acquired the firm in 2002. I also serve as PageOne's Lead Portfolio Manager and Chairman of its Investment Commission. I have been in the investment advisory business since 1984, when I formed my own advisory firm.

4. The plaintiff, The United Group of Companies, Inc., is a real estate development and management company that is headquartered in Troy, New York. Plaintiff was founded in 1972 by Walter Uccellini, who was the Chairman, Chief Executive Officer and principal owner of United until he died in an airplane crash in August 2012 along with United Vice Chairman

and Counsel James Quinn. Plaintiff established two private investment funds DCG/UGOC Equity Fund, LLC ("Equity Fund I") and DCG/UGOC Income Fund, LLC ("Income Fund I," and together with the Equity Fund I, the "Funds") in July and August 2008, respectively. The purpose of the Funds was to raise money from individual investors, which plaintiff used to fund its real estate projects.

5. In mid-to-late 2008, I met Mr. James Quinn, plaintiff's Vice Chairman, CPA and Counsel, through a mutual connection. At that initial meeting, Mr. James Quinn, Esq. asked me whether I had any accredited investors who would be interested in investing in the Funds. In mid-to-late 2008, Mr. James Quinn introduced me to Walter Uccellini.

6. I concluded that I might recommend the Funds to certain of PageOne's clients. Walter Uccellini told me that, in the very near term, plaintiff was seeking to raise approximately $18 million in order to qualify for approximately $50 million in debt financing committed by TIAA-CREF that would allow plaintiff to complete the construction of three student housing projects.

7. I attempted to broker an investment of the $18 million that Walter Uccellini told me plaintiff was seeking in the short term in order to satisfy the pending loan commitment from TIAA-CREF. I contacted Tony Brobbey of the Bank of New York Mellon ("BONY") in November 2008, seeking an $18 million bridge loan for plaintiff, but Mr. Brobbey responded soon thereafter saying that BONY would not loan the money to plaintiff.

8. In approximately November 2008, I was put in contact with HOPE Finance, S.A. ("HOPE") representatives Jean-Marie Brulhart and Bennaceur Ouallou. I discussed the possibility of HOPE purchasing $18.3 million of plaintiff's preferred stock and also purchasing PageOne for approximately $2.1 million. Ultimately, HOPE's proposals were not agreeable to

either PageOne or plaintiff, and the HOPE transactional negotiations ended on or about December 8, 2008. On December 8, 2008, after the HOPE negotiations ended, plaintiff asked me whether PageOne would be interested in acquiring the $18.3 million worth of plaintiff's preferred stock. I told plaintiff I would be agreeable to making those investments on behalf of PageOne clients as a fiduciary exercising my fiduciary responsibility to Page One clients as the investment rendered a 9% expected dividend to PageOne clients, after conducting due diligence on behalf of PageOne clients.

9. On December 15, 2008, after conducting due diligence on behalf of PageOne Clients, I committed PageOne to purchasing the $18.3 million worth of plaintiff's preferred stock using its clients' assets. Plaintiff learned that I was obligated by TD Ameritrade, the firm that acted as custodian for PageOne's clients, to obtain written consent from each investor before investing in private placements such as plaintiff's. TD Ameritrade did not waive that requirement.

10. In mid-2008, I further entertained the possible acquisition of PageOne by NEXT Financial Group, Inc. ("NEXT"), a SEC-registered broker-dealer. I told Walter Uccellini that I was negotiating for the sale of my company, which was at the time contemplated to be an outright sale of 100% of PageOne's stock to NEXT for over $3 million. Later in 2008, Walter Uccellini counter-offered, telling me that he would purchase PageOne on the same terms NEXT was offering only for 49% of PageOne, and offered to hire me as manager of the new entity's assets. In addition to the 49% aforesaid proposal, and to distinguish the United acquisition proposal from NEXT's proposal, Walter Uccellini further told me that Mr. Del Giudice, a close business associate of Walter Uccellini's, would use his political and business connections to introduce me to large state, municipal, and corporate pension funds, due to PageOne's efficacy

and post the submission of a request for participation, with the intent of bringing $1 billion of assets under the new entity's (and therefore my) management. I agreed to negotiate with Walter Uccellini after receiving a signed nondisclosure agreement.

11. On January 2, 2009, United Senior Vice President Bryan Harrison sent me an email in which Mr. Harrison said that plaintiff was interested in making a plan for a new finance entity combining our companies, and attached a draft business plan.

12. Several iterations of the business plan were circulated, including a proposal that MCM Securities, LLC ("MCM"), a Michael Del Guidice and Walter Uccellini partnership, would acquire PageOne for $2.1 million, at PageOne's managing $89 million of assets, and the entity would attempt to grow into a large asset manager that would, in part, seek to finance United real estate projects (the "Proposed Transaction"). In March 2009, Walter Uccellini sent me a "first pass" of draft transactional documents for the Proposed Transaction, including a memorandum of understanding. In the Spring of 2009, I expressed frustration with the slow pace of the negotiations to Walter Uccellini and Millenium, saying that I had lost a multimillion dollar offer from NEXT for what was appearing to be a transaction that had little hope of closing. Thus, plaintiff began making down payments on the anticipated acquisition to me in April 2009, and I provided promissory notes (the "Notes") to the plaintiff.

13. On November 17, 2009, Jeremy Smith sent me a draft Memorandum of Understanding concerning United's proposed acquisition of PageOne stock. Under the heading "NON-BINDING PROVISIONS," the draft stated that Uccellini-through United or a wholly-owned subsidiary thereof-would purchase 49% of PageOne stock to United for $3.8 million as the assets under management had grown to $150 million. The draft also indicated that plaintiff had already paid me approximately $700,000 in deposits towards the sale of PageOne. From

November 2009 through April 2010, we exchanged a number of drafts for the sale of PageOne.

14. On January 29, 2010, I emailed Walter Uccellini pleading for closure of the Proposed Transaction, stating that "on the Business Front ... something is wrong with the manner of how I close issues" and asking "am I just too nice." In that same email, I noted that "I have a large loan 'lliability' [sic] and no assets." Attached as Exhibit F is a true and accurate copy of the referenced email. This was a reference to the fact that-if the acquisition did not close-I was, according the Notes, liable to repay all of the down payments plaintiff had made to me. Shortly after I sent that email, Walter Uccellini called me to allay my fear about the "large loan liability," reassuring me that at no time will the plaintiff ever seek to enforce the Notes against me. In addition, John Peterson, another Executive of the plaintiff, also told me that the plaintiff would never seek to enforce the Notes against me.

15. After that telephone call, on April 14, 2010, Mr. Page and Walter Uccellini executed the Letter of Intent (the "Letter of Intent"), memorializing key points for the Proposed Transaction and documenting certain binding agreements between Mr. Page and Walter Uccellini. *See* Exhibit A. The Letter of Intent states in pertinent part:

> The Seller [Mr. Page] would sell forty-nine percent (49%) of the issued and outstanding stock of the Company [PageOne] to the Buyer [Millennium-Page], at the price (the "Purchase Price") set forth in Paragraph 2 below. The closing of this transaction (the "Closing") would occur on or before April 30, 2010, or at such other time as may be mutually agreed upon between the Parties.
>
> The Purchase Price would be Two Million Four Hundred Twenty-Nine Thousand Dollars ($2,429,000) and would be paid in the following manner: (a) Buyer has paid Seller approximately the sum of $1,322,180.00, all of which is to be credited toward the Purchase Price, and $647,650.00 of which is non-refundable.
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> ***
>
> 9. The Parties acknowledge that Buyer has paid Seller an

> approximately $1,322,180 deposit, which amount is subject to final calculation prior to the Closing. Buyer shall be entitled to keep the portion the deposit identified as non-refundable in paragraph "2" above, regardless of whether the Acquisition does or does not occur.
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> ***
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> 13. The provisions of paragraphs 1 through 5 of this letter are intended only as an expression of intent, are not intended to be legally binding on the Parties, and are expressly subject to the execution of an appropriate Definitive Agreement. Moreover, except as expressly provided in paragraphs 6 through 13 (or as expressly provided in any binding written agreement that the Parties may enter into in the future), no past or future action, course of conduct or failure to act relating to the Acquisition, or relating to the negotiation of the terms of the Acquisition or any Definitive Agreement, will give rise to or serve as a basis for any obligation or other liability on the part of the Parties.

A true and accurate copy thereof is attached hereto as Exhibit A. At all relevant times, the purchaser of PageOne was to be the plaintiff.[1] *See also* Michael Uccellini Affidavit at § 2 (Beginning of in the Spring of 2009, Page and my father, Walter Uccellini, who was the CEO and sole shareholder of United at the time, began discussions for Page to sell 49% of Page's company, Page One Financial, Inc. ("Page One") ***to United***") (emphasis added).

16. To allay my concerns about the "large loan liability," Walter Uccellini agreed to provisions protecting me in Sections 9 and 13 of the Letter of Intent. But, due to a drafting error, Section 9 of the Letter of Intent inaccurately reflects the intent of Walter Uccellini and me. It mistakenly refers to "Buyer" in the second sentence when it should instead refer to "Seller.". The reference to "Buyer" in Section 9 of the Letter of Intent does not comport with the discussions

[1] Discovery is necessary to resolve the factual issue as to the "broader plan" between the plaintiff's purchase of PageOne, the plaintiff's funding of the purchase of PageOne through the Notes, and Millenium-Page's inclusion in the Letter of Intent. In this regard, Michael Uccellini's affidavit raises more questions than answers.

and agreement between Walter Uccellini and me. Further, the context of that section renders the reference to "Buyer" illogical because if the Proposed Transaction were to close it would make no sense for Walter Uccellini to effectively claw back a considerable portion of the purchase price for 49% of my stock in PageOne. Section 13, as I understood it, memorializes the agreement between Walter Uccellini and I that if the Proposed Transaction did not close, neither I nor PageOne would be liable to the plaintiff for anything related to the Proposed Transaction, including the Notes. That is why the Letter of Intent included Section 13, which effectively discharges PageOne and me from any liability under the Notes relating to the Proposed Transaction.

17. Michael Uccellini was not involved in the negotiation of the Letter of Intent. Nor was he involved in any discussions between myself and Walter Uccellini regarding the Letter of Intent. Walter Uccellini and I never agreed, although sworn to in the Michael Uccellini Affidavit, that if the Proposed Transaction was never finalized, that the Notes would be repaid. Michael Uccellini's sworn statement is directly at odds with Walter Uccellini's unequivocal promises to me that plaintiff would never seek to enforce the Notes regardless of whether the Proposed Transaction did or did not occur. That is why the last clause of Section 9 was included in the Letter of Intent. Walter Uccellini and I continued to negotiate a stock purchase agreement for the Proposed Transaction. However, no such agreement was ever signed.

18. In June 2012, and prior to Walter Uccellini's tragic passing in an August 15, 2012, plane crash, Walter Uccellini had transferred and assigned the Notes relating to the Proposed Transaction and a certain life insurance policy to the Walter F. Uccellini Revocable Trust (previously defined as the Trust). In the summer of 2012, the assets under management by PageOne had grown to $275 million. In this regard, during an in-person meeting at the offices of

PageOne between myself and Matthew Dahl of SEFCU, a financial institution headquartered in Albany, New York, Mr. Dahl and I were discussing SEFCU's providing a $30,000 line of credit to Page One. During that conversation, I asked Mr. Dahl if SEFCU would be interested in refinancing and restructuring certain debt of the plaintiff. Mr. Dahl responded that SEFCU was not interested in restructuring plaintiff's debt because SEFCU already had a "sizeable position in United" and that SEFCU was aware that Walter Uccellini had assigned the Notes and the life insurance policy to his Trust.

19. During Walter Uccellini's tenure as chief executive officer of the plaintiff, Michael Uccellini was rarely involved in the operation of plaintiff's business. In fact, during that period, Michael Uccellini had personal struggles and, as a result, he was unable to perform his duties to the plaintiff. Walter Uccellini confided in me about Michael Uccellini, sharing at various times his disappointment in Michael Uccellini's personal struggles.

20. On April 12, 2013, eight months after Walter Uccellini's passing, with Michael Uccellini at the helm of the plaintiff, John Mineaux, Esq., counsel to the plaintiff, wrote Richard Engel, Esq., counsel to PageOne and me, demanding repayment in full of the Notes, including all of the down payments that plaintiff had made to Mr. Page during the contemplation of the Proposed Transaction (the "April 2013 Demand Letter"). Upon receiving that communication, I was utterly shocked. The demand was contrary to the promises and assurances provided to me by Walter Uccellini. Nonetheless, the April 2013 Demand Letter corroborated my understanding that Walter Uccellini had assigned and transferred his interest in the plaintiff and the Notes to his Trust:

> By virtue of an assignment which Walter made in June 2012, the sole shareholder of United is the Walter F. Uccellini Revocable Trust. Accordingly, as a result of the ongoing administration of the Trust by its Trustees, the administration of the Trust necessarily

> involves resolution and collection of the outstanding amounts due under the Notes at this time.

A true and accurate copy thereof is attached hereto as Exhibit B; *see also* Michael Uccellini Affidavit at Ex. B.

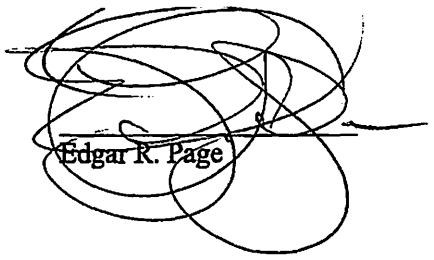
21. On August 6, 2013, John Mineaux, Esq., again wrote to Richard Engel, Esq., regarding repayment of the Notes:

> As we discussed with you in June, the origin and purpose of the Notes is that they were prepared by him to provide a means of recovering monies paid to Edgar in the event that the planned purchase of forty-nine percent (49%) of PageOne Financial stock was never acquired – which turned out to be the case.
>
> ***
>
> The Trustees [of the Trust] have a fiduciary responsibility to liquidate and recover any amounts that are due and owing to any United entities and these Notes fall into that realm.

A true and accurate copy thereof is attached hereto as Exhibit C; *see also* Michael Uccellini Affidavit at Ex. C.

22. Attached as Exhibit D is a true and accurate copy of an email from Bryan Harrison, a Senior Vice President of the plaintiff, relating to plaintiff's attempt to secure debt financing from certain financial institutions revealing that as of December 17, 2010, the plaintiff believed that plaintiff owned forty-nine percent (49%) of PageOne.

23. Attached as Exhibit E is a true and accurate copy of an email from Bryan Harrison, a Senior Vice President of the plaintiff, relating to plaintiff's attempt to secure debt financing from certain financial institutions revealing that as of December 17, 2010, the plaintiff believed that plaintiff owned forty-nine percent (49%) of PageOne.



Edgar R. Page

Notary Public

Erika RR Hughes
Sworn to me this 9th day
of February 2016.
Erika RR Hughes
Notary Public, State of New York
Qualified in Saratoga County
No. 01HU6336157
Commission expires 1/25/2020

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16037

In the Matter of

EDGAR R. PAGE and
PAGEONE FINANCIAL INC.,

Respondents.

Certificate of Service

I hereby certify that I served the Division of Enforcement's Opposition to Respondents' Notice of Supplemental Developments on this 15th day of March, 2016, on the below parties by the means indicated:

Brent Fields, Secretary
Office of the Secretary
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-2557
(Original and three copies by UPS)

The Honorable Jason S. Patil
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F Street, N.E.
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