

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:

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

CEASE AND DESIST 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. CPMG, INC ("CARDINAL"), an investment entity, is a Delaware Corporation with a business address of 2100 McKinney Avenue, Suite 1770, Dallas, Texas, 75201. CARDINAL manages fifty percent (50%) of the limited partnership interests of Sanctus Partners, LP.

4. 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

5. 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. On October 23, 2002, a Limited Offering filing was received by the Commission pertaining to the aforementioned 506 filing. It was approved by the Commission October 28, 2002.

6. 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.

7. 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."

8. The primary strategy of the Partnership was 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.

9. Information made available to the Commission indicates that CARDINAL is a partner of the fund that manages fifty percent (50%) of the partnership interest. According to POTICNY all partnership interest are pooled and the majority of the conducted trades are Options related. CARDINAL manages the short sales while POTICNY manages the long sales for the fund. CARDINAL is not mentioned in the Private Placement Memorandum dated September 20, 2002.

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

CONCLUSIONS OF LAW

11. 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.

12. 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.

13. 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. By managing fifty percent (50%) of the limited partnership interest belonging to SANCTUS PARTNERS, L.P., CARDINAL, acted in the capacity of an Investment Advisor Representative of BCL, LLC, as defined under the Act.

14. 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.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

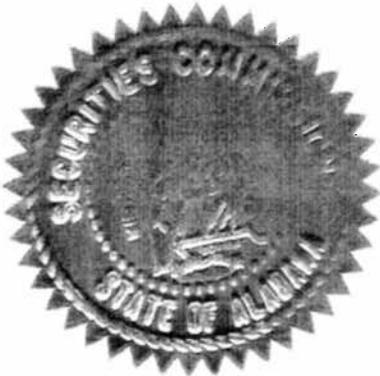
This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through administrative adjudication, failure of the RESPONDENTS to make a timely request for hearing, or default of the RESPONDENTS, it is the intention of the Commission to impose sanctions upon the RESPONDENTS. Such sanctions may include, inter alia, an administrative assessment imposed on RESPONDENTS, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against RESPONDENTS, and a permanent order to bar RESPONDENTS from participation in any securities related industry in the state of ALABAMA.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the State of Alabama.

Entered at Montgomery, Alabama, this 15th day of June, 2010.

ALABAMA SECURITIES COMMISSION
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(334) 242-2984



BY:


J. RANDALL MCNEILL
Deputy Director