

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

2017 JUL 18 PM 1:12

PA DEPARTMENT OF
BANKING AND SECURITIES

| | | |
|----------------------------------|---|-------------------------------------|
| COMMONWEALTH OF PENNSYLVANIA | : | |
| DEPARTMENT OF BANKING AND | : | |
| SECURITIES, BUREAU OF SECURITIES | : | |
| COMPLIANCE AND | : | |
| EXAMINATIONS | : | DOCKET No. 17 <u>0043</u> (SEC-CAO) |
| v. | : | |
| | : | |
| NEWBRIDGE SECURITIES CORPORATION | : | |
| | : | |

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”) has conducted an investigation of the business practices of Newbridge Securities Corporation (“Newbridge”). Based on the results of its investigation, the Bureau has concluded that Newbridge has engaged in activity in violation of Section 305(a)(vii) of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et. seq. (“1972 Act”). Newbridge, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. Newbridge, CRD#104065, was, at all times material herein, a Virginia corporation with an address at 5200 Town Center Circle, Tower 1, Suite 306, Boca Raton, Florida 33486.

4. From in or about October 2000 to the present, Newbridge has been registered pursuant to Section 301 of the 1972 Act, 70 P.S. §1-301 as a broker-dealer in Pennsylvania.

5. From in or about January 2012 until December 2016, Newbridge did not maintain a reasonable system for applying and enforcing written procedures pertaining to their sales of structured products by one agent in Pennsylvania to certain of his clients who were residents of Pennsylvania

VIOLATIONS

6. By engaging in the acts and conduct set forth in paragraphs 3 through 5 of the Factual Allegations, Newbridge failed to reasonably supervise one agent in connection with his sales of structured products to certain of his clients in Pennsylvania, which acts and conduct form a basis to deny, suspend, revoke, or condition the registration of Newbridge or to censure Newbridge pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. 1-305(a)(vii).

RELIEF

7. Within 30 days of the Effective Date of this Order, as defined in paragraph 16, Newbridge shall pay the Department an administrative assessment of \$499,000. Payment shall be made by certified check or money order made payable to the “Department of Banking and Securities” and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 N. Second Street, Ste., 1300, Harrisburg, PA 17101.

8. This Order is not intended to indicate that Newbridge or any of its affiliates or current or former employees should be subject to any disqualification contained in the federal securities laws, the rules and regulations thereunder; the rules and regulations of self-regulatory organizations or various states' securities laws, including the provisions of the 1972 Act and regulations promulgated thereunder; and is not intended to form the basis for any such disqualifications. In addition, this Order is not intended to form the basis of (a) a statutory disqualification under Section 3(a)39 of the Securities Exchange Act; (b) any disqualification under Rule 506(d)1 of Regulation D (17 C.F.R. 230.506(d)); (c) any disqualification event under Rule 262(a) of Regulation A (17 C.F.R. 230.262(a)); or (d) any disqualification from relying upon any other registration exemptions or safe harbor provisions available under federal or state securities laws, rules, and regulations.

9. Newbridge is ORDERED to comply with Section 305(a)(vii) of the 1972 Act, and all related Regulations adopted by the Department.

10. Should Newbridge fail to pay the assessment as set forth in paragraph 7, above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording Newbridge the option of either paying the assessment or being indefinitely subjected to the sanctions.

11. Should Newbridge fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to Newbridge's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

12. Consent. Newbridge hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under Section 305(a)(vii) of the 1972 Act and agrees that it understands all of the terms and conditions contained herein. Newbridge, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

13. Entire Agreement. This Order contains the entire agreement between the Department and Newbridge. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Newbridge.

14. Binding Nature. The Department and Newbridge intend to be and are legally bound by the terms of this Order.

15. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

16. Effectiveness. Newbridge hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

17. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Newbridge in the future regarding all matters not resolved by this Order.

(b) Newbridge acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

18. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

19. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

20. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

21. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act, and specifically Section 305(a)(vii) of the Act, to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, and Newbridge Securities Corporation, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. Minisi
Deputy Secretary of Securities

Date: 7/18/17



~~FOR NEWBRIDGE SECURITIES CORPORATION~~

Redacted

~~_____~~
(Officer Signature)

G. Robert Alvarado

(Print Officer Name)

Chief Compliance Officer

(Title)

Date: July 11, 2017
