

STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION

IN RE: Broad Street Capital Markets LLC )  
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 ) DOCKET NO. 19- 042 -S  
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**EX PARTE ORDER TO CEASE AND DESIST**

Based on the motion of the Securities Division of the Vermont Department of Financial Regulation (“the Department”), pursuant to 9 V.S.A. Sections 5604 and Section 13 of Department Regulation 82-1 (Revised) for an order requiring Broad Street Capital Markets LLC (Broad Street) to cease and desist from engaging in the securities business in Vermont, the Commissioner makes the following findings of fact and rulings of law and enters the following order:

**I. FINDINGS OF FACT**

1. Broad Street is a broker-dealer firm with a principal place of business in Newark, New Jersey, registered to do business as a broker-dealer firm in Vermont.
2. Broad Street does not have an agent registered in Vermont.
3. On or about May 20, 2019, the Department, through its Securities Division, contacted Broad Street in writing to advise Broad Street that it had been operating in violation of V.S.R. S-2016-01 § 3-1(4) by continuing to conduct business in Vermont without having an agent registered in Vermont. The letter required Broad Street to register an agent in Vermont, pay a fine of \$2000, and execute a Stipulation and Consent Order relative to its violations of Vermont law.
4. Broad Street did not respond to the Department’s May 20, 2019 letter.
5. The Department sent a follow up letter on or about June 24, 2019. Broad Street did not respond to the June 24, 2019 letter.

6. On July 30, 2019, the Department sent a final letter to Broad Street advising that Broad Street was required to register an agent in Vermont, pay the required fine and execute and return the Stipulation and Consent Order on or before August 15, 2019, failing which the Department would seek an Order requiring Broad Street to cease and desist from conducting securities business in Vermont.
7. Broad Street did not respond to the July 30, 2019 letter.

## **II. RULINGS OF LAW**

8. Pursuant to 9 V.S.A § 5402, it is unlawful for an agent to do business in Vermont without first being registered to do so. Pursuant to V.S.R S-2016-01(Rev.) § 3-1(4), it is unlawful for a broker-dealer firm to do business in Vermont without having at least one agent registered in Vermont.
9. Broad Street violated V.S.R. S-2016-01 (Rev.) § 3-1 (4) by failing to register at least one agent in Vermont, restricting the Department's ability to supervise Broad Street and creating a risk of harm to Vermont investors.

## **III. COMMISSIONER'S AUTHORITY**

10. Pursuant to 9 V.S.A. § 5604(a)(1), the Commissioner may issue orders or directives to any person to cease and desist from specific conduct if the Commissioner finds that the person has engaged, is engaging, or is about to engage in an act, practice or course of business which constitutes a violation of 9 V.S.A. Chapter 150, the Vermont Securities Act.
11. Pursuant to 9 V.S.A. § 5604(b) and Section 13 of Department Regulation 82-1 (Revised), the Commissioner may issue such orders without prior notice or an opportunity to be heard.
12. In light of the known violations of V.S.R. S-2016-01(Rev.) § 3-1(4) and Broad Street's failure to respond to the Department's communications, an *ex parte* order is appropriate in this case.

**IV. ORDER**

Given the aforementioned findings of fact and rulings of law, it is hereby **ORDERED**:

- A. Broad Street must **CEASE and DESIST** from continuing to conduct securities business in Vermont.
- B. Broad Street shall not withhold, destroy, mutilate or by any means falsify any documentary material in its possession that is relevant to its activities as a broker-dealer.

Dated at Montpelier, Vermont this 10<sup>th</sup> day of September 2019

Vermont Department of Financial Regulation

By: 

David Provost, Deputy Commissioner,  
for Michael S. Pieciak, Commissioner