

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20100239584-01

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: Garden State Securities, Inc., Respondent
Broker-Dealer
CRD No. 10083

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Garden State Securities, Inc. (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm became a member of FINRA on August 14, 1981, and its registration remains in effect. The firm has no relevant disciplinary history.

SUMMARY

In Matter No. 20100239584, the Customer Issues Group of the Department of Market Regulation conducted a Market Order Timeliness ("MOT") Sweep of the firm for compliance with the rules applicable to the handling and execution of customer market orders during the period from April 1, 2010 through June 30, 2010.

FACTS AND VIOLATIVE CONDUCT

1. In 18 instances, the firm failed to execute orders fully and promptly. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD Rule 2111(a).
2. In 10 transactions, for or with a customer, the firm failed to use reasonable diligence to ascertain the best inter-dealer market for the subject securities so that the resultant prices to the customers would be as favorable as possible under prevailing market conditions, as

reflected on Exhibit A, which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD Rule 2320.

3. The firm failed to show the correct time of entry on the memorandum of four brokerage orders. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 17a-3 and NASD Rule 3110.
- B. The firm also consents to the imposition of the following sanctions:
- a) Censure; and
 - b) A fine of \$15,000 (consisting of a fine of \$12,500 for violations of FINRA Rule 2010 and NASD Rules 2111(a) and 2320, and \$2,500 for violations of SEC Rule 17a-3 and NASD Rule 3110).¹

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other

¹ The Firm has paid a total of \$672.85 in restitution to address the violations of FINRA Rule 2010 and NASD Rule 2320.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity

to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

10/25/13
Date

Respondent

Garden State Securities, Inc.

By:

Louis Lucky Perrotto J.

Name

Title: CEO

Reviewed by:

Robert I. Rabinowitz

Robert Rabinowitz, Esq.
Counsel for Respondent
Becker-Poliakoff
11 Wharf Avenue
Red Bank, New Jersey 07701
(732) 842-9047

Accepted by FINRA:

11/27/13
Date

Signed on behalf of the
Director of ODA, by delegated authority

Kenneth R. Bozza
Kenneth R. Bozza
Chief Counsel, Legal Section
Department of Market Regulation

Exhibit A: Order Information (Matter No. 20100239584)

Item No.	Order Receipt Date	Firm MPID	Order Receipt Time	Execution Time	Order to Buy/Sell	Quantity	Issue	Restitution Amount
1	4/5/2010	GRST	10:40:01	10:45:02	B	30	AAPL	N/A
2	4/5/2010	GRST	10:40:01	10:44:29	B	115	RIMM	\$4.49
3	4/12/2010	GRST	10:30:01	10:32:43	S	1500	YHOO	\$14.25
4	4/13/2010	GRST	11:10:02	11:11:05	B	2300	VVUS	\$17.25
5	4/15/2010	GRST	10:43:37	10:45:31	S	3000	BRCD	N/A
6	4/19/2010	GRST	10:13:59	10:16:30	B	235	RIMM	\$44.53
7	4/21/2010	GRST	10:28:01	10:30:05	B	5000	ALTR	\$90.00
8	4/22/2010	GRST	10:35:00	10:37:47	B	2000	NVDA	\$80.00
9	4/29/2010	GRST	11:48:15	11:51:42	B	650	STLD	N/A
10	4/29/2010	GRST	11:48:19	11:52:10	B	650	NVDA	N/A
11	5/3/2010	GRST	11:36:12	11:39:28	B	1800	VVUS	\$35.10
12	5/4/2010	GRST	10:22:53	10:25:22	S	3000	VVUS	\$112.41
13	5/5/2010	GRST	11:45:38	11:49:02	B	380	AAPL	\$115.22
14	5/27/2010	GRST	12:33:10	12:37:48	S	2500	TIH	N/A
15	6/1/2010	GRST	11:09:03	11:10:19	B	1000	NVDA	N/A
16	6/14/2010	GRST	10:48:32	10:50:21	S	380	AAPL	N/A
17	6/17/2010	GRST	09:36:25	09:37:26	S	190	AAPL	N/A
18	6/29/2010	GRST	11:19:15	11:21:11	B	300	AAPL	\$159.60
							Total	\$672.84