NEW JERSEY BUREAU OF SECURITIES
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
Sixth Floor
153 Halsey Street
Newark, New Jersey 07101

IN THE MATTER OF	:	
	:	Administrative Action
CLEARING SERVICES OF	:	OAL DKT. NO. BOS 1796-02
AMERICA, INC.	:	
JEFFREY CAHN,	:	CONSENT ORDER AS TO
ESTATE OF LOUIS B. MERCALDO	:	JEFFREY CAHN
RACHEL E. NEUFELD,	:	
WILLIAM SCHANTZ and	:	
GERARD SHERLOCK	:	

WHEREAS, pursuant to the provisions of N.J.S.A. 1:1-19.1(c), Franklin L. Widmann, Chief of the New Jersey Bureau of Securities (the "Bureau"), by and through Joshua T. Rabiniowitz, Deputy Attorney General, has agreed to resolve the outstanding issues with respect to remedies in the above-captioned action with Respondent Jeffrey Cahn ("Cahn") ;

WHEREAS, the Bureau filed an administrative complaint against Cahn and others on December 11, 2001 and a first amended administrative complaint (the "Amended Complaint") against the same parties on August 29, 2002 under OAL Docket No. BOS 1796 - 02;

WHEREAS, the Amended Complaint alleged that: (a) certain promissory notes, which were allegedly guaranteed by insurance companies (the "Promissory Notes"), were sold in violation of N.J.S.A. 47:3-49 et seq. (the "Uniform Securities Law"); and (b)

Clearing Services and Cahn, Clearing Services' director of compliance, failed to supervise the Clearing Services' brokers who were selling the Promissory Notes away from Clearing Services and without notice to Clearing Services;

WHEREAS, on March 16, 2004, the Office of Administrative Law ("OAL") granted the Bureau's motion for partial summary decision (the "Initial Decision");

WHEREAS, on June 16, 2004, the Bureau Chief issued a Final Decision and Order Adopting the OAL Partial Summary Decision With Amendments (the "Final Decision");

WHEREAS, a hearing on what remedies should be imposed on Cahn was scheduled for October 21, 2005 and has been rescheduled for November 4, 2005;

WHEREAS, both Cahn and the Bureau have agreed to settle the remedies issue to avoid the cost and inconvenience of further litigation;

NOW, THEREFORE, on this 10th day of November, 2005, the parties agree to the form and content of the following order:

1. Cahn shall pay the Bureau a penalty of $3,000, with an initial payment of $1,500 (fifteen hundred dollars) to be paid on the first day of the month after the Chief of the Bureau signs this Consent Order and subsequent payments of $125 (one

hundred and twenty five dollars) to be paid on the first day of each of the following twelve months.

2. Each payment shall be made by check or money order or some other method of payment that is approved in writing by the Bureau and shall be mailed to:

Franklin L. Widmann, Chief
State of New Jersey, Bureau of Securities
P.O. Box 47029
Newark, New Jersey 07101

3. Cahn is enjoined from future violations of the Uniform Securities Law.

4. Cahn shall be summarily denied all exemptions contained in (a) N.J.S.A. 49.3-50(a), paragraphs 9, 10 and 11, (b) N.J.S.A. 49.3-50(b), and (c) N.J.S.A. 49:3-56(a) through (f).

Franklin L. Widmann
Franklin L. Widmann
Chief, Bureau of Securities

Each of the undersigned has read this Consent Order, has been advised of his right to review it with counsel before signing it, understands it, and agrees to be bound by its terms.

Jeffrey Cahn

DATED: 11/7/05, 2005

Consent as to the form and entry of this Order.

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07102
Attorney for the New Jersey
Bureau of Securities

BY: Joshua Rabinowitz

Joshua Rabinowitz,
Deputy Attorney General

DATED: 11/10/05, 2005

Jeffrey Cahn

BY: _____

Jeffrey Cahn, Pro Se

DATED: 11/7/05, 2005