

4. After the death of Smith's husband, she needed investment advice to plan for her great grandchildren's college education and was referred to Etienne by her son.
5. On or about August 2003, Smith initially met with Etienne for investment advice. He offered her the opportunity to invest in a Real Estate Investment Trust ("REIT"), through his personal business, Omni Planning Group, with a guaranteed rate of return. In fact, no actual REIT existed.
6. Etienne sent Smith a letter in September 2003 reporting that her investment in Omni Planning Group would be used to invest in other real property. It also detailed a 20% guaranteed annual rate of return on the investment and promised that at any time she wanted she could get her principal returned. Etienne, through the letter offered Smith the opportunity for additional investments, and attempted to solicit Smith's other family members to invest with him.
7. Smith did not understand the nature of the investment.
8. In late October 2003, Smith wrote a check for \$50,000 followed quickly in early November 2003 by an additional check of \$50,000, for a total investment of \$100,000, which she paid to Etienne in connection with the investment in Omni Planning Group.
9. According to the terms of the offer for a \$100,000 investment, as told to Smith by Etienne, Etienne would send Smith a check of \$24,000 once a year for each year Smith's investment was invested in the REIT.
10. Etienne accepted \$100,000 from Smith, labeled the investment "REIT," and titled all documents pertaining to the investment "REIT". He used NES forms to obtain personal information from Smith. NES was not involved in the transaction in any manner.
11. Based on Etienne's representations, Smith believed the money was going to be invested in the REIT Etienne had offered, when in fact Etienne misapplied the money for his own personal uses.

12. Specifically, Etienne spent most of Smith's money on the expenses surrounding a failed business office expansion project for his personal business, Omni Planning Group, of Roselle Park, NJ.
13. Smith received one interest payment of \$22,000 from Etienne in 2004.
14. Then, on March 3, 2005, Etienne gave Smith a check for \$26,000, representing to her that it was for the \$2,000 that was missing from the first interest payment in 2004, as well as her \$24,000 interest payment for the 2005 year. At the time, Etienne knew that there were not sufficient funds in his account to make that interest payment.
15. When the \$26,000 check from Etienne bounced, Smith began calling him asking for information and requesting a return of her entire investment amount.
16. Etienne assured Smith that it would be "no problem" to return her entire investment of \$100,000.
17. Except for the \$22,000 payment in 2004, Smith has not received any additional principal or interest payments from Etienne on her \$100,000 investment.
18. Etienne (1) misrepresented the nature of the investment by labeling it a REIT, (2) misled Smith to believe her monies were to be invested in safe, asset-backed investments, and (3) misappropriated approximately \$100,000.

ETIENNE MADE UNTRUE STATEMENTS OF MATERIAL FACT AND ENGAGED
IN ACTS WHICH OPERATED AS A FRAUD UPON A PERSON

N.J.S.A. 49:3-52(b)

N.J.S.A. 49:3-52(c)

N.J.S.A. 49:3-70.1

19. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
20. Pursuant to N.J.S.A. 49:3-52:

"It shall be unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the

statements made...not misleading; (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person..”.

21. By misrepresenting the nature of the investment, fraudulently using NES documents, and misappropriating Smith’s money for personal uses, Etienne has made material misrepresentations of fact and engaged in an act which operated as a fraud upon Smith. This conduct is in violation of N.J.S.A. 49:3-52(b) and (c), which is grounds pursuant to N.J.S.A. 49:3-70.1 to assess civil monetary penalties.

ETIENNE WILLFULLY VIOLATED PROVISIONS OF THE SECURITIES ACT

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(ii)

22. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

23. Pursuant to N.J.S.A. 49:3-58(a):

"[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(ii) has willfully violated or willfully failed to comply with any provision of this act or any rule or order authorized by the act."

24. By misrepresenting the nature of the investment, fraudulently using NES documents, and misappropriating Smith’s money for personal uses, Etienne has made material misrepresentations of fact and engaged in an act which operated as a fraud upon Smith. This conduct is a willful violation of N.J.S.A. 49:3-52(b) and (c), which is grounds pursuant to N.J.S.A. 49:3-58(a)(2)(ii) to revoke his agent registration.

25. Based on the behavior mentioned above, the revocation of Etienne’s agent registration is in the public interest and necessary for the protection of investors.

ETIENNE ENGAGED IN DISHONEST OR UNETHICAL BUSINESS PRACTICES

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vii)

26. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
27. Pursuant to N.J.S.A. 49:3-58(a):
- "[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant (vii)...has engaged in dishonest or unethical practices in the securities, commodities, banking, insurance or investment advisory business, as may be defined by rule of the bureau chief."
28. Given Smith's age, low tolerance for risk, as well as her inability to understand the nature of the investment made this particular investment unsuitable. Her level of trust in Etienne, as a direct result of Etienne's statements and representations about his experience and knowledge in the securities industry, make Etienne's actions all the more unconscionable.
29. Etienne was attempting to make it look as if he was offering a legitimate investment product. By fraudulently using NES documents, Etienne was able to give his nonexistent REIT the appearance of legitimacy. This was dishonest and unethical, in violation of N.J.S.A. 49:3-58(a)(2)(vii), and is grounds to revoke Etienne's agent registration.
30. Based on the behavior mentioned above, the revocation of Etienne's agent registration is in the public interest and necessary for the protection of investors.

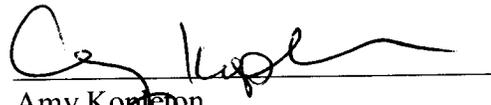
CONCLUSION

NOW THEREFORE, it is on this 25 **DAY** of November, 2008

ORDERED that the agent registration of Hudson Etienne, Sr. with Genworth Financial Securities Corporation be and hereby is **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-58(a)(2) (ii), N.J.S.A. 49:3-58(a)(2)(vii), and N.J.S.A. 49:3-67(a); and

FURTHERMORE

It is **ORDERED** that, pursuant to N.J.S.A. 49:3-70.1, Hudson Etienne, Sr. shall be and hereby is assessed a civil monetary penalty in the amount of \$15,000, and that he shall pay full restitution of all monies fraudulently obtained and misappropriated from Ms. Smith.



Amy Kopleton
Acting Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the bureau chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations

set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.