

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF: :

JERROLD G. TRUB (CRD #4873751):
and :
BARON FINANCIAL :
MANAGEMENT CORP. :
(CRD #113261) :

Respondents. :

CONSENT ORDER

BEFORE ABBE R. TIGER, BUREAU CHIEF

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau Chief”) by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (“Securities Law”), and after investigation, review, and due consideration of the facts and statutory provisions set forth below, the Bureau Chief has determined that civil monetary penalties be assessed against Jerrold G. Trub (“Trub”) and Baron Financial Management Corp. (“Baron”).

WHEREAS, the New Jersey Bureau of Securities (“Bureau”) is the State agency with the responsibility to administer and enforce the Securities Law; and

WHEREAS, N.J.S.A. 49:3-67 authorizes the Bureau Chief from time to time to issue such Orders as are necessary to carry out the provisions of the Securities Law, upon a finding that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the provisions of the Securities Law; and

WHEREAS, the Bureau has conducted an investigation into certain activities occurring in the Highland Park, New Jersey office of Baron during the period of 2005-2008; and

WHEREAS, Trub, Baron and the Bureau Chief wish to resolve these issues without the expense and delay that formal administrative proceedings would involve; and

WHEREAS, Trub and Baron consent to the form and entry on this Consent Order without admitting or denying the allegations set forth herein. Accordingly, Trub and Baron waive the following rights:

- a. To be afforded an opportunity for hearing on the Bureau Chief's findings and conclusions of law in this Consent Order after reasonable notice within the meaning of N.J.S.A. 49:3-58(c)(2); and
- b. To seek judicial review of, or otherwise challenge or contend, the validity of this Consent Order; and

WHEREAS, Trub and Baron agree that for the purposes of settling this matter, or any future proceedings by the Bureau, this Consent Order shall have the same effect as if proven and ordered after a full hearing held pursuant to N.J.S.A. 52:14B-1 et seq.; and

WHEREAS, this Consent Order concludes the investigation by the Bureau Chief and any civil or administrative action that could be commenced, pursuant to the Securities Law, on behalf of the Bureau Chief, as it relates to seeking civil monetary penalties or other relief against Trub and Baron for the conduct described herein.

FINDINGS OF FACT

The Bureau Chief makes the following findings of fact:

1. Jerrold G. Trub (CRD #4873751) first applied to be registered with the Bureau as an investment adviser representative in November 2004 and was approved in March 2005. He currently resides in Highland Park, New Jersey.

2. Baron Financial Management Corp. (CRD #133261) has been in business since 1993 and was initially registered with the Bureau as an investment adviser in 1998. Baron maintains a primary business address in Highland Park, New Jersey. Trub is the President and sole owner and employee of Baron.
3. From 1993 to the present, Trub has also been employed by the New York Metropolitan Transit Association, most recently as Director of Internal Audits.

Investment Adviser Representative Fees

4. Baron's ADV filed on October 30, 2004 states that Baron is a sole proprietorship. However, Baron is a corporation.
5. The Bureau does not charge the investment adviser representative of a sole proprietorship a fee. As such, Baron and/or Trub owe the investment adviser representative fees from 2004 to the present.

Investment Advisory Contracts

6. An examination of Baron's offices revealed deficiencies which included:
 - a. nine of Trub's client files were missing advisory contracts;
 - b. some of Trub's client files were empty;
 - c. one file contained another client's records; and
 - d. Trub destroyed client files when clients terminated their advisory contract.
7. Trub executed a covered call strategy in his clients' accounts.
8. To execute the trades his clients would open accounts at TD Ameritrade and grant Trub trading privileges on their account by naming him as the adviser on the account.
9. TD Ameritrade's application for options trading states that the adviser must keep on file his client's written authorization to engage in options trading.

10. Trub failed to obtain written authorization to engage in options trading for his clients as required.

CONCLUSIONS OF LAW

Solely for the purpose of this Consent Order, and without admitting or denying the Findings of Fact and Conclusions of Law, Trub and Baron consent to the Bureau Chief making the following Conclusions of Law:

11. Baron failed to make and keep adequate books and records as required by N.J.S.A. 49:3-59(b).
12. Baron and/or Trub failed to pay \$400 in investment adviser representative fees as required by N.J.S.A. 49:3-57(b).
13. The activities set forth within are grounds, pursuant to N.J.S.A. 49:3-70.1, to assess a civil monetary penalty.

ORDER

NOW THEREFORE, it is on this 23rd day of JANUARY 2013 ~~DECEMBER, 2012~~ HEREBY,

ORDERED and AGREED that:

14. That, pursuant to N.J.S.A. 49:3-70.1, Baron and Trub are jointly and severally assessed and shall pay a civil monetary penalty in the amount of \$600.00, and investment adviser representative fees in the amount of \$400.00 due and payable within ten days of the entry of this Consent Order to "State of New Jersey, Bureau of Securities," 153 Halsey Street, 6th Floor, Newark, New Jersey 07102, or to be received at "Bureau of Securities," P.O. Box 47029, Newark, New Jersey 07101.

The civil monetary penalty payment shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.

15. Baron and Trub are jointly and severally assessed and shall pay investment adviser representative fees in the amount of \$400.00 to the Bureau, in accordance with the payment instructions set forth in the prior paragraph;
16. Final judgment in the total amount of \$1,000.00 is entered against Baron and Trub pursuant to N.J.S.A. 49:3-47 et seq.
17. This Administrative Consent Order shall be deemed the final decision as to Baron and Trub pursuant to N.J.A.C. 1:1-19.1(d).

NEW JERSEY BUREAU OF SECURITIES

By: Abbe R. Tiger
Abbe R. Tiger
Chief, Bureau of Securities

JERROLD G. TRUB

By: Jerrold G. Trub
Name: Jerrold Trub

DATED: 1/16/13

BARON FINANCIAL MANAGEMENT CORP.

By: Jerrold G. Trub
JERROLD G. TRUB
Name: Jerrold Trub

DATED: 1/16/13