

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

IN THE MATTER OF:

Evan M. Kochav
(CRD #4707447);

and

White Cedar Group LLC;

Respondents.

**SUMMARY REVOCATION
AND PENALTY ORDER**

Pursuant to the authority granted to Laura H. Posner, Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (“Securities Law”), including N.J.S.A. 49:3-58 and certain regulations, and based on a review of the relevant facts, including documents obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Order, and makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

Evan Kochav and White Cedar Group

1. Evan M. Kochav (CRD #4707447) (“Kochav”), residing in Jersey City, New Jersey, was registered with the Bureau as an agent from June 2007 to June 2013. He was most recently registered with the Bureau as an agent of World Equity Group, Inc. (CRD #29087) (“WEG”) from October 2012 to June 2013. Kochav was terminated by WEG on June 6, 2013, for

violating WEG's policies and engaging in prohibited activity. WEG has been registered with the Bureau as a broker-dealer since July 1992, and maintains a principal place of business in Arlington Heights, Illinois.

2. White Cedar Group, LLC ("White Cedar"), is a New Jersey limited liability company founded by Kochav on or about June 23, 2013. White Cedar maintains a registered business office address at 125 Half Mile Road, Red Bank, New Jersey.

3. White Cedar holds itself out as an economic consulting firm that purported to have partnerships and relationships with a variety of investment groups and trusted business partners throughout the world and in various industries, including real estate, manufacturing, building development, oil drilling and mineral rights. White Cedar also provided investment advice to clients for compensation.

4. Kochav is the sole member, President and Chief Executive Officer of White Cedar. Kochav controlled all aspects of White Cedar including, but not limited to, White Cedar's finances. For instance, Kochav was the sole authorized signatory and debit card holder of White Cedar's bank accounts (the "White Cedar Accounts").

Investors

5. "White Cedar Investors" or "investors" include four (4) individuals and seven (7) couples or families who made investments through Kochav and/or White Cedar, through Kochav.

6. Many of the investors were Kochav's former clients at WEG, his family, or friends.

Sale of Unregistered Securities

7. From in or about June 2013 through in or about February 2014, Kochav and White Cedar, through Kochav, offered and sold securities in the form of interests in White Cedar ("White Cedar Interests") to at least eight (8) of the investors.

8. Investors were told that the White Cedar Interests entitled them to, among other things,

an ownership interest in White Cedar's assets that would generate investment returns, including dividend payments.

9. The White Cedar Interests were neither registered with the Bureau, "federally covered," nor exempt from registration.

10. Kochav and White Cedar, through Kochav, raised at least \$101,802.73 from the sale of the White Cedar Interests to the White Cedar Investors, six (6) of whom are from New Jersey.

Fraudulent Conduct

11. In connection with the offer and sale of White Cedar Interests, Kochav and White Cedar, through Kochav, made material misrepresentations through verbal and written communications, including White Cedar brochures, financial data, and account statements. For instance, Kochav and White Cedar, through Kochav, falsely stated that:

- a. "White Cedar Group is a private economic consulting firm, which utilizes a variety of strategic business partnerships and relationships around the world;"
- b. White Cedar had a lucrative partnership with an oil and gas company, and owned an interest in one of its oil-producing wells that would continue to see profits and bring in revenue for years;
- c. White Cedar maintained an investment portfolio valued at approximately \$13 million that included equity holdings in Tesla Motors, Google, Apple, Twitter, and Facebook;
- d. The White Cedar Interests entitled investors to an ownership interest in White Cedar's approximately \$13 million in assets under management;
- e. The White Cedar interests would generate investment returns, including dividend payments; and

f. White Cedar executed securities transactions for clients that were purportedly cleared through Options House and/or Apex Clearing Corporation (“Apex Clearing”).

12. Kochav and White Cedar, through Kochav, also omitted to disclose material information to investors including that investor funds would be misused. For instance, Kochav and White Cedar, through Kochav, misused investor funds deposited in White Cedar Accounts and/or Kochav’s personal bank accounts by withdrawing funds through debit transactions and/or ATMs located at or near casinos in Costa Rica, Florida, New Jersey, and Pennsylvania. Kochav and White Cedar, through Kochav, also misused the investor funds to, among other things:

- a. pay for Kochav’s personal expenses including shopping, dining, air travel, hotels at casino and other locations, and entertainment, including professional football tickets;
- b. transfer at least \$33,375 to Kochav’s wife;
- c. pay at least two online poker websites;
- d. fund cash withdrawals; and
- e. pay other investors.

13. In furtherance of the fraud, Kochav and White Cedar created and distributed fabricated account documents.

14. For example, although investors were provided with account statements reflecting their respective account’s purported beginning and ending account values and account activity, including dividends and interest, Kochav and White Cedar did not establish or maintain investor accounts, but instead misused investor money as described in paragraph 11.

15. In addition, investors were provided with asset allocation charts that purported to represent the investors’ percentage allocation of various holding types in their accounts (e.g.,

equities, options or private placements), even though White Cedar did not maintain or own the holding types as represented on the charts.

16. In one instance, on or about October 28, 2013, Kochav sent at least one investor a letter which attached a quarterly statement of White Cedar's purported holdings and included an oil and gas position, a money market fund, and shares in Tesla Motors, Google, and Apple, among others, with a total value of \$13,138,906.31. In truth, White Cedar did not own the holdings represented on the quarterly statement.

17. Kochav and White Cedar also failed to tell investors that:

- a. the White Cedar Interests were not registered with the Bureau nor exempt from state or federal regulation; and
- b. Kochav was not registered with the Bureau to sell securities.

White Cedar and Kochav's Fraudulent Investment Adviser Conduct

18. From approximately October 2012 through February 2014, Kochav and/or White Cedar, through Kochav, fraudulently provided investment advice to at least three (3) White Cedar Investors for compensation.

19. Specifically, Kochav recommended specific strategies and securities to these investors that included liquidating existing investments and using cash advances from credit cards to generate returns through other investments, including White Cedar Interests.

20. In addition to providing these investors with investment advice for compensation, White Cedar and/or Kochav also received approximately \$171,128.00 from these investors to purchase recommended securities, including White Cedar Interests.

21. Despite recommending specific strategies and securities transactions to investors and receiving money to execute the strategies, Kochav misused the \$171,128.00 of investors' money as described in paragraph 11, above.

22. In furtherance of the fraud, these investors were provided fabricated trade confirmations that falsely described the details of purported trades, including made-up order numbers.

23. In some instances, the fabricated trade confirmations also falsely stated that Apex Clearing served as the clearing firm for White Cedar, even though the purported securities transactions were not executed and White Cedar did not maintain an account at Apex Clearing.

24. In addition, Kochav provided at least one of these White Cedar Investors with copies of eleven (11) checks totaling \$127,747.83 issued from a White Cedar Account and payable to Apex Clearing.

25. Although the White Cedar Account on which they were written was not established until October 2013, the checks, which were signed by Kochav, were dated between July 1, 2013 and January 10, 2014.

26. In an email to this White Cedar Investor, Kochav falsely represented that these checks were sent to Apex Clearing to execute trades on behalf of the investor.

27. In truth, Kochav did not send the checks to Apex Clearing and, as stated above, White Cedar did not maintain an account at Apex Clearing.

Kochav's Private Securities Transactions

28. Bureau regulations prohibit agents of broker-dealers from effecting securities transactions not recorded on the regular books and records of the broker-dealer unless the transactions are authorized by the broker-dealer in writing prior to execution.

29. Further, WEG's Written Supervisory Procedures Manuals in effect between October 2012 and June 2013 state: "[n]o person associated with this firm shall participate, in any manner, in a private securities transaction without written permission of the Chief Compliance Officer."

30. Between approximately October 2012 and June 2013, while employed with WEG, Kochav took approximately \$117,128.00 on at least sixteen (16) separate occasions from one (1)

individual and two (2) couples who were WEG clients, to purchase securities away from WEG.

31. Although he told these WEG clients that he would execute securities transactions with their funds on their behalf and instructed clients to transfer their funds to him personally, Kochav never purchased the securities, but instead misused all \$117,128.00 of the WEG client funds he received as described in paragraph 11, above.

32. In addition, Kochav never received permission from WEG's Chief Compliance Officer to engage in these transactions and failed to notify WEG that he was accepting payments from WEG clients to his personal bank account(s).

Kochav Controlled a Client's Brokerage Checking Account

33. FINRA Conduct Rule 2010 requires that "[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade."

34. FINRA Conduct Rule 2150 prohibits an agent from making improper use of a client's funds.

35. Kochav signed a WEG Applicant Compliance Checklist on October 9, 2012 in which he certified his understanding that customer checks must be made payable to an appropriate company and he could not accept any cash or checks payable to himself. In addition, Kochav certified that he would not act as a personal custodian of money belonging to a client.

36. During his employment with WEG, Kochav controlled and obtained a client's checkbook that was tied to an account for which Kochav was the broker of record.

37. Between April 19, 2013 and May 21, 2013, Kochav wrote six (6) checks on the account totaling \$35,237 paid to the order of Kochav or "Cash."

38. Kochav signed the name of the account owner on each check and endorsed, and deposited each of these checks into his personal bank account(s).

FINRA Bar from Association

39. On August 23, 2013, the Financial Industry Regulatory Authority (“FINRA”) accepted a Letter of Acceptance, Waiver and Consent (“AWC”) against Kochav for violating FINRA Rules 8210 and 2010.

40. As part of the AWC, FINRA found that: (a) on June 10, 2013, FINRA’s Office of Fraud Detection and Market Intelligence requested information from Kochav, pursuant to FINRA Rule 8210, concerning the fact and circumstances of his relationship with a customer of WEG and his control of the customer’s brokerage account checkbook; (b) on June 20, 2013, FINRA’s Chicago District Office made an additional request for information from Kochav, pursuant to FINRA Rule 8210, regarding his termination from WEG and his control of the customer’s brokerage account checkbook; and (c) on July 22, 2013, Kochav responded, through counsel, that he would not respond to either request for information.

41. As a result of these violations, Kochav was barred from associating with any FINRA member in any and all capacities.

CONCLUSIONS OF LAW

KOCHAV AND WHITE CEDAR EMPLOYED A DEVICE, SCHEME, OR ARTIFICE TO DEFRAUD IN VIOLATION OF N.J.S.A. 49:3-52(a)

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

43. Kochav and White Cedar employed a device, scheme, or artifice to defraud investors, in violation of N.J.S.A. 49:3-52(a) by, among other things:

- a. Fabricating White Cedar Investor account statements, which created a false appearance regarding the use of investor funds;

- b. Fabricating asset allocation pie charts to misrepresent the investment allocation of White Cedar Investor accounts;
 - c. Fabricating at least one quarterly statement to misrepresent the nature of White Cedar's investments and value to White Cedar Investors;
 - d. Misusing the funds of White Cedar Investors; and
 - e. Making material misrepresentations and omitting material facts to investors.
44. Each violation of N.J.S.A. 49:3-52(a) by Kochav and White Cedar upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

KOCHAV AND WHITE CEDAR MADE UNTRUE STATEMENTS OF MATERIAL FACT OR OMITTED TO STATE MATERIAL FACTS NECESSARY IN ORDER TO MAKE THE STATEMENTS MADE IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING IN VIOLATION OF N.J.S.A. 49:3-52(b)

45. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.
46. Kochav and White Cedar made materially false and misleading statements and/or omitted to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not misleading to investors in connection with the offer and sale of White Cedar Interests, as described in paragraph 11, above.
47. Each omission or materially false or misleading statement was in violation of N.J.S.A. 49:3-52(b).
48. Each violation of N.J.S.A. 49:3-52(b) by Kochav and White Cedar is a separate violation of the Securities Law and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

KOCHAV AND WHITE CEDAR ENGAGED IN AN ACT, PRACTICE, OR COURSE OF BUSINESS WHICH WOULD OPERATE AS A FRAUD OR DECEIT UPON ANY PERSON IN CONNECTION WITH THE OFFER, SALE OR PURCHASE OF SECURITIES IN VIOLATION OF N.J.S.A. 49:3-52(c)

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

50. Kochav and White Cedar engaged in an act, practice, and course of business that operated as a fraud and/or deceit upon the investors.

51. Each violation of N.J.S.A. 49:3-52(c) by Kochav and White Cedar upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

KOCHAV AND WHITE CEDAR EMPLOYED A DEVICE, SCHEME, OR ARTIFICE TO DEFRAUD IN VIOLATION OF N.J.S.A. 49:3-53(a)(1)

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

53. Kochav and White Cedar directly and/or indirectly employed a device, scheme, or artifice to defraud investors in violation of N.J.S.A. 49:3-53(a)(1).

54. Each violation of N.J.S.A. 49:3-53(a)(1) by Kochav and White Cedar upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

KOCHAV AND WHITE CEDAR ENGAGED IN AN ACT, PRACTICE, OR COURSE OF BUSINESS WHICH WOULD OPERATE AS A FRAUD OR DECEIT UPON ANOTHER PERSON IN VIOLATION OF N.J.S.A. 49:3-53(a)(2)

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

herein.

56. Kochav and White Cedar engaged in an act, practice, and course of business that operated as a fraud and/or deceit upon the investors.

57. Each violation of N.J.S.A. 49:3-53(a)(2) by Kochav and White Cedar upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**KOCHAV AND WHITE CEDAR ENGAGED IN DISHONEST OR UNETHICAL
BUSINESS PRACTICES IN VIOLATION OF
N.J.S.A. 49:3-53(a)(3) and N.J.A.C. 13:47A-6.3(a)**

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

59. Kochav and White Cedar engaged in dishonest or unethical business practices.

60. Each violation of N.J.S.A. 49:3-53(a)(3) by Kochav and White Cedar is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**KOCHAV AND WHITE CEDAR SOLD UNREGISTERED SECURITIES
IN VIOLATION OF
N.J.S.A. 49:3-60**

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

62. Kochav and White Cedar offered and sold securities that were not registered with the Bureau.

63. The White Cedar Interests were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

64. Each offer and sale of unregistered securities constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**KOCHAV ACTED AS AN AGENT WITHOUT REGISTRATION IN VIOLATION OF
N.J.S.A. 49:3-56(a)**

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

66. Kochav acted as an agent, as defined under N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in White Cedar Interests from and in New Jersey.

67. Kochav was not registered with the Bureau as an agent of White Cedar.

68. Kochav violated N.J.S.A. 49:3-56(a), which requires, among other things, that only persons registered with the Bureau may lawfully act as agents.

69. Each sale to investors constitutes a separate violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**WHITE CEDAR EMPLOYED AN UNREGISTERED AGENT IN VIOLATION OF
N.J.S.A. 49:3-56(h)**

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

71. White Cedar employed Kochav to act as an agent, as defined under N.J.S.A. 49:3-49(b), to effect or to attempt to effect transactions in securities from or in New Jersey.

72. Kochav acted as an agent, as defined under N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in securities from and in New Jersey, without being registered as agents with the Bureau.

73. White Cedar's conduct constituted employing agents who were not registered with the Bureau in violation of N.J.S.A. 49:3-56(h).

74. Each violation of N.J.S.A. 49:3-56(h) is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**KOCHAV ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE
SECURITIES BUSINESS**

**N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-58(a)(2)(vii), N.J.A.C. 13:47A-6.3(a)(28),
N.J.A.C. 13:47A-6.3(a)(34), and N.J.A.C. 13:47A-6.3(a)(56)**

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

76. Pursuant to N.J.S.A. 49:3-58(a): "The 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 ... business, as may be defined by the rule of the bureau chief."

77. Pursuant to N.J.A.C. 13:47A-6.3(a): "'Dishonest or unethical practices' as used in N.J.S.A. 49:3-47 et seq., specifically in ... N.J.S.A. 49:3-58(a)(2)(vii), shall include ... (28.) ... [f]ailing to comply with any applicable provision of the Conduct Rules of FINRA...which relate to honesty and fair dealings and just and equitable principles of trade...(34.)...effecting securities transactions not recorded on the regular books and records of the broker-dealer which the agents represents, unless the transactions are authorized in writing by the broker-dealer prior to execution of the transaction...(56.) engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative in contravention of Section 206(4) of the Investment Advisers Act of 1940 notwithstanding the fact that such investment adviser is not registered or required to be registered."

78. Kochav engaged in dishonest or unethical practices in the securities business by obtaining

a checkbook of a client's account, preparing six (6) checks worth \$35,237 to himself or "cash", signing his client's name to the checks, and depositing the checks into his personal account(s) in violation of FINRA Conduct Rules 2010 and 2150.

79. Further, Kochav engaged in dishonest or unethical practices in the securities business by engaging in securities transactions not recorded on the regular books and records of WEG.

80. Additionally, Kochav engaged in dishonest or unethical practices in the securities business by fraudulently making investment advice.

81. The conduct described in the previous paragraphs is grounds, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke the registration of Kochav.

82. Based upon the foregoing and pursuant to N.J.S.A. 49:3-58(a)(1), it is in the public interest to revoke the registration of Kochav.

**KOCHAV IS THE SUBJECT OF AN ORDER BY A SELF-REGULATORY
ORGANIZATION EXPELLING HIM FROM A NATIONAL SECURITIES
ASSOCIATION**

N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vi)

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

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

85. Pursuant to N.J.S.A. 49:3-58(a): "The 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 ... (vi) is the subject of an order of ... a self-regulatory organization ... expelling him from a ... national securities ... association registered under the 'Securities Exchange Act of 1934'..."

86. In connection with the AWC accepted by FINRA, which bars Kochav's association with

any FINRA member in all capacities, Kochav is effectively expelled from a national securities association.

87. Based upon the foregoing and pursuant to N.J.S.A. 49:3-58(a)(2)(vi), it is in the public interest to revoke the registration of Kochav.

**KOCHAV WILLFULLY VIOLATED OR WILLFULLY FAILED TO COMPLY WITH
A PROVISION OF THE LAW
N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-56(a), and N.J.S.A. 49:3-58(a)(2)(ii)**

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

89. Pursuant to N.J.S.A. 49:3-58(a): “The 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 has willfully, materially aided others in such conduct.”

90. Kochav directly and/or indirectly employed a device, scheme or artifice to defraud investors, in violation of N.J.S.A. 49:3-52(a). As such, the Bureau has proper grounds to revoke the registration of Kochav pursuant to N.J.S.A. 49:3-58(a)(2)(ii).

91. Kochav made materially false and misleading statements and/or omitted to state material facts necessary in order to make the statements made in light of the circumstances under which they were made, not misleading to investors in connection with the offer and sale of the White Cedar Interests in violation of N.J.S.A. 49:3-52(b). As such, the Bureau has proper grounds to revoke the registration of Kochav pursuant to N.J.S.A. 49:3-58(a)(2)(ii).

92. Kochav engaged in an act, practice and course of business that operated as a fraud and/or deceit upon the investors, in violation of N.J.S.A. 49:3-52(c). As such, the Bureau has proper grounds to revoke the registration of Kochav pursuant to N.J.S.A. 49:3-58(a)(2)(ii).

93. Pursuant to N.J.S.A. 49:3-56(a): “It shall be unlawful for any person to act as a ... agent ... in this State unless that person is registered or exempt from registration under this act.”

94. Kochav represented White Cedar in effecting or attempting to effect transactions in securities from or in New Jersey and, thus, acted as an agent, as defined in N.J.S.A. 49:3-49(b) of the Securities Law, without being registered with the Bureau to sell the White Cedar Interests in violation of N.J.S.A. 49:3-56(a).

95. Based upon the foregoing and pursuant to N.J.S.A. 49:3-58(a)(1), it is in the public interest to revoke the registration of Kochav.

THEREFORE, it is on this 2nd day of October 2014, hereby **ORDERED**,

96. That the agent registration of Evan M. Kochav is **REVOKED**;

97. That Evan M. Kochav and White Cedar Group LLC are jointly and severally assessed a civil monetary penalty in the amount of two million dollars (\$2,000,000.00), pursuant to N.J.S.A. 49:3-70.1, immediately due and payable to the “State of New Jersey, Bureau of Securities;”

98. That Evan M. Kochav and White Cedar Group LLC are **DENIED** all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b); and

99. That the exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby **REVOKED** as to Evan M. Kochav and White Cedar Group LLC.



Laura H. Posner
Chief, New Jersey 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 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, and/or deny or revoke exemptions, 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 become 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.