

STATE OF NEW JERSEY
BUREAU OF SECURITIES
153 Halsey Street
P.O. Box 47029
Newark, New Jersey 07101

IN THE MATTER OF :

T.R. Winston & Company, LLC : CONSENT ORDER

CRD# 10571 :

RESPONDENT :

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”), more particularly N.J.S.A. 49:3-58(a)(1), 49:3-58(a)(2)(vii), N.J.S.A. 49:3-59(b) and N.J.S.A. 49:3-70.1, and after investigation, careful review and due consideration of the facts, certain documents provided to the New Jersey Bureau of Securities (“Bureau”), and statutory provisions set forth below, the Bureau Chief has determined that a civil monetary penalty shall be issued against T.R. Winston & Company, LLC (“TR Winston”).

WHEREAS, the Bureau is the State agency with the responsibility to administer and enforce the Securities Law;

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

WHEREAS, the Bureau has conducted an investigation into certain activities of TR Winston as set forth in this Consent Order;

WHEREAS, TR Winston has cooperated with the Bureau by conducting an internal review relating to the Bureau's investigation and reported to the Bureau the results of that review including advising the Bureau that the firm had inadvertently not sent a fee schedule to customers, and by providing such other documents and information as requested by the Bureau;

WHEREAS, TR Winston has adopted changes to its written supervisory procedures requiring that its customers receive a schedule of fees at the time an account is opened and at least thirty (30) days prior to any change in the schedule of fees;

WHEREAS, TR Winston in April 2014 provided in writing a schedule of fees to all customers who had not previously received a schedule of fees, and will provide, on an ongoing basis, a fee schedule to each customer at the time the customer opens an account;

WHEREAS, TR Winston and the Bureau wish to resolve these issues in accordance with the terms of this Consent Order and without the expense and delay that other proceedings could involve;

WHEREAS, TR Winston consents to the form and entry of this Consent Order and waives the following rights:

- a. To be afforded the opportunity for a 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 contest, the validity of the Consent Order; 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 from TR Winston for the conduct described herein.

FINDINGS OF FACT

The Bureau Chief makes the following findings of fact:

1. TR Winston has been registered with the Bureau as a broker-dealer since April 2, 1986, and maintains a primary business location at 376 Main Street, Bedminster, NJ.
2. Pershing LLC (“Pershing”), a registered broker-dealer (CRD# 7560), has provided custody and clearing arrangements for TR Winston since April 19, 2006.
3. TR Winston customers are charged fees established pursuant to the firm’s agreement with Pershing.
4. During the Relevant Time Period, TR Winston customers were made aware of certain fees on confirmation reports, monthly or other periodic statements and other customary account documents sent to them by Pershing but not in prior separate disclosures.
5. FINRA Rule 2210 entitled “Communications with the Public” and NTM 13-23 requires that broker dealer communications are fair and balanced and do not omit material information and for the maintenance of such public communications.
6. Pursuant to N.J.A.C. 13:47A-1.10, at all relevant times TR Winston was required to make and keep those books and records as required by the Bureau.
7. Broker-dealers are required to create a record for each account indicating that each customer was furnished with a copy of any written agreement entered into to allow customers to review the terms of agreements to which they are subject, and to better understand their rights

and responsibilities (and those of the broker-dealer) under these agreements.

8. Pursuant to its agreement with Pershing, any account agreement entered into by TR Winston with a customer was required to include a fee schedule.

CONCLUSIONS OF LAW

The Bureau Chief makes the following conclusions of law which are neither admitted nor denied by TR Winston:

9. TR Winston's failure during the Relevant Time Period to provide customers a fee schedule constitutes a failure to make and keep a complete record of its customer agreements pursuant to N.J.S.A. 49:3-59(b).

ORDER

THEREFORE it is on this 22nd day of October 2014, **ORDERED AND AGREED AS FOLLOWS:**

1. T.R. Winston & Company, LLC is hereby assessed a civil monetary penalty in the amount of Seven Thousand Five Hundred Dollars (\$7,500.00), which shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1
2. T.R. Winston & Company, LLC shall pay costs in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), which shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.
3. T.R. Winston & Company, LLC shall pay Ten Thousand Dollars (\$10,000), to be placed in Bureau's investor education fund.
4. The penalty, costs and investor education funds are due and payable upon 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 mailed to "Bureau of Securities," P.O. Box 47029, Newark, New Jersey 07101.

ADDITIONAL PROVISIONS

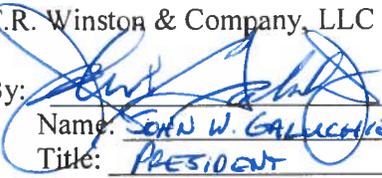
1. Nothing in this Consent Order shall in any matter be construed to limit or affect the rights of any persons who may have a claim against TR Winston.
2. TR Winston shall not represent or imply that any business practice or other act or practice hereinafter used or engaged in by TR Winston has been required or approved, in whole or in part, by the Attorney General of New Jersey, the Bureau, the State of New Jersey or any of the State's agencies, agents or subdivisions.
3. If any portion of this Consent Order is held invalid or unenforceable by operation of law or court order, the remaining terms of this Consent Order shall remain in full force and effect.
4. Nothing contained herein shall be in any manner be construed to limit or affect any position that the Bureau Chief may take in settlement with any other party.
5. Nothing in this Consent Order is intended to limit or supersede any authority or remedy available to the Bureau Chief under the Securities Law.
6. No employee or official of, or person representing, the New Jersey Bureau of Securities has made any additional promise or representation to TR Winston regarding this Consent Order.
7. This Consent Order shall not bind any person not a party hereto. Each of the undersigned has read this Consent Order, understands it, and agrees to be bound by its terms.
8. This Consent Order constitutes the entire agreement between TR Winston and the Bureau

Chief.

9. TR Winston agrees that solely for the purpose of settling this matter or any future proceedings to enforce this Consent Order, that this Consent Order shall have the same effect as if proven and ordered after a full hearing.

By: 
Laura H. Posner
Chief, Bureau of Securities

T.R. Winston & Company, LLC

By: 
Name: JOHN W. GALUCHIE, JR.
Title: PRESIDENT