BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101

IN THE MATTER OF CARL BARONE; JOSEPH BENINATO; STEPHEN BIALON; JOSEPH BOSCIA; THOMAS J. BRADEN; MICHAEL J. BROWN; PAT CENICOLA; OSCAR K. CHAMBERS; JOSEPH A. CLAIRE; EDWARD M. CROWLEY; RICHARD D'AMBOLA; BRUCE DEHAVEN; GARY FILLWEBER; MICHAEL FLEYZOR; KENNETH J. FRANCO; FRANK GUIDA; STEPHEN J. LARKIN; THOMAS McCABE; JACK MOLONEY; OSCAR OLSEN; MICHAEL PRENDERGAST; FRANK PEREZ; MICHAEL PETRULLA; JAMES P. PHILBIN; MANUEL PRIETO; JOHN SANTORO; JEFFREY SLOAN; and LOUIS SOTO.	:	Administrative Action OAL DKT. NO. BOS 5368-03 CONSENT ORDER AS TO CARL BARONE

WHEREAS, pursuant to the provisions of N.J.A.C. 1:1-19.1(c), Franklin L. Widmann, Chief of the New Jersey Bureau of Securities (the "Bureau"), by and through Joshua T. Rabinowitz, Deputy Attorney General, has agreed to resolve the above-captioned action with Respondent Carl Barone ("Barone");

WHEREAS, the Bureau filed an administrative complaint against Barone on December 16, 2002 (the "Complaint");

WHEREAS, the Complaint alleged that 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");

WHEREAS, the Complaint alleged, and Barone acknowledges, that Barone violated the following provisions of the Uniform Securities Law: (a) Section 60, by selling the Promissory Notes even though they were not registered with the Bureau and did not qualify for an exemption from registration; (b) Section 56, by selling the Promissory Notes through Senior Financial Services, LLC ("Senior Financial") without Senior Financial being registered as a broker-dealer and without Barone being registered as an agent of Senior Financial; and (c) Section 52(b), by using promotional materials prepared by the issuer of the Promissory Notes that represented that the Notes were "'Commercial Notes' under exempt security status" or omitting to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading;

WHEREAS, Section 60 and Section 56 are strict liability provisions and a violation of Section 52(b) does not require a finding that the alleged violator acted with the intent to deceive or "scienter;"

WHEREAS, Barone represents that it was his understanding that: (a) the companies that issued the Promissory Notes represented that the Promissory Notes did not have to be registered with the Bureau; and (b) the companies that issued the Promissory Notes concealed that the Promissory Notes were issued as part of a "Ponzi scheme;"

WHEREAS, Barone represents that: (a) he did not know about the

" Ponzi scheme"; and (b) he sold the Promissory Notes to friends, family members and long-standing clients in the belief that they were suitable investments;

WHEREAS, Barone represents that at the time the Promissory Notes were sold, he believed that: (a) the Promissory Notes were commercial paper that was not required to be registered with the Bureau; (b) Senior Financial was not required to be registered as a broker-dealer; and (c) he was not required to be registered as an agent of Senior Financial;

WHEREAS, Barone represents that he believed that the marketing materials that were supplied to him by the companies that issued the Promissory Notes, which he passed on to the investors in the Promissory Notes, contained accurate information that was sufficient for the investors to make an investment decision;

WHEREAS, the Bureau sought partial summary decision against Barone for violations of Section 60, Section 56 and Section 52(b);

WHEREAS, on August 12, 2004, the Office of Administrative Law ("OAL") granted the Bureau' s motion for partial summary decision (the "Initial Decision");

WHEREAS, on September 21, 2004, the Bureau Chief issued a Final Decision and Order Adopting the OAL Partial Summary Decision With Amendments (the "Bureau Chief's Final Decision");

WHEREAS, neither the Initial Decision nor the Bureau Chief's Final Decision found that Barone knew that the Promissory Notes had

to be registered, or acted with the intent to deceive or defraud investors;

WHEREAS, Barone represents that after the companies that issued the Promissory Notes defaulted and the guarantors failed to honor their obligations, Senior Financial, without being compelled by any court, continued to make interest and/or principal payments on the Promissory Notes sold by Barone during the period from November 1998 to March 1999 (the "Period") to the following investors: Dorothy McPherson, Magaly Gonzalez, Michael Vecchione and Glenn Thorpe;

WHEREAS, Barone represents that (a) he received a commission of 6% on the sales of the Promissory Notes to Dorothy McPherson, Magaly Gonzalez, Glenn Thorpe and Michael Vecchione, (b) these were the only persons to whom he sold Promissory Notes and (c) his total commission from the sales of Promissory Notes was approximately $25,000;

WHEREAS, Barone represents that from February 2000 until the present, Senior Financial has paid Dorothy McPherson, Magaly Gonzalez, Michael Vecchione and Glenn Thorpe the same interest payments that each investor was entitled to receive on the nine month Promissory Note that he or she purchased;

WHEREAS, Barone represents that the above market rate of return that Senior Financial has continued to pay Dorothy McPherson, Magaly Gonzalez, Michael Vecchione and Glenn Thorpe who

purchased Promissory Notes during the Period is greater than what the investors would have been entitled to receive as pre-judgment interest;

WHEREAS, Barone represents that the principal and interest payments that Senior Financial has paid and has agreed to pay Dorothy McPherson, Magaly Gonzalez, Glenn Thorpe and Michael Vecchione substantially exceeds the commissions that Barone received as a result of the sale of the Promissory Notes;

WHEREAS, Barone does not agree with all of the findings in the Bureau Chief's Final Decision but has agreed to forego his right to appeal that final decision in order to settle this matter and to avoid the cost and inconvenience of further litigation;

WHEREAS, the Bureau has, without agreeing to vacate the Bureau Chief's Final Decision, agreed to settle this matter to avoid the cost and inconvenience of further litigation;

NOW, THEREFORE, on this 29th *day of* June *2006, the parties agree to the form and content of the following order:*

1. Barone shall make a settlement payment of $25,000 based on his representation that he received a commission of 6% on the sale of the promissory notes and received total commissions of approximately $25,000;

2. One-half of the payments required by paragraph 1 shall be made to the Bureau within 30 (thirty) days of the date that the Bureau Chief signs this Consent Order, and the remaining one-half

of the payments required by paragraph 1 shall be made to the Bureau within 60 (sixty) days of the date that the Bureau Chief signs this Consent Order.

3. If the Bureau Chief determines that Barone made commissions in excess of $25,000 from the sale of the Promissory Notes, then Barone shall make an additional payment to the Bureau in the amount of the commissions he earned in excess of $25,000 plus interest at the rate of 6% per year from the date the Bureau Chief signs the Consent Order;

4. Barone is enjoined from future violations of the Uniform Securities Law.

5. No suspension was imposed against Barone because there was no finding that it was in the public interest to suspend Barone.

6. It is further agreed that pursuant to N.J.A.C. 1:1-19(d) that this Consent Order shall be deemed the final decision as to Barone.

7. This Consent Order shall not bind any person not a party thereto.

Franklin L. Widmann

Franklin L. Widmann
Chief, Bureau of Securities

Each of the undersigned has read this Consent Order, understands it, and agrees to be bound by its terms.

Carl Barone

Carl Barone

DATED: June 14, 2006

Consent as to the form and entry of this Order.

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DATED: ~~June~~ July 10, 2006

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DATED: June 19, 2006