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STATE OF NEW JERSEY
OFFICE OF THE ATTORNEY GENERAL
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101

IN THE MATTER OF: J.P. TURNER & COMPANY, L.L.C., CRD # 43177	**CONSENT ORDER**

BEFORE FRANKLIN L. WIDMANN, BUREAU CHIEF

Pursuant to the authority granted to the Chief ("Bureau Chief") of the New Jersey Bureau of Securities (the "Bureau") by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (the "Securities Law"), and after investigation, review and due consideration of the facts set forth below, the Bureau Chief and J.P. Turner & Company LLC ("J.P. Turner") through counsel (Neal E. Sullivan, Esq. of Bingham McCutchen LLP) now in the interest of avoiding the expense and delay of a formal administrative proceeding, desire to resolve this matter by entry of this Consent Order.

WHEREAS the 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 make 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 J.P. Turner and the Bureau wish to resolve these issues without the expense and delay that formal administrative proceedings would involve; and

WHEREAS J.P. Turner admits the jurisdiction of the Bureau, neither admits nor denies the Bureau's findings of fact or conclusions of law, and consents to the entry of this Order by the Bureau Chief; and

WHEREAS the Bureau finds that J.P. Turner's failure to establish and/or enforce procedures necessary to detect the activities of certain agents employed in two J.P. Turner branch offices located at 9017 Fifth Avenue, Brooklyn, New York (the "New York Office") and 1615 South Federal Highway, #200, Boca Raton, Florida, currently located at 1191 East Newport Center Drive, Suite 203, Deerfield Beach, Florida, (the "Florida Office") (collectively the "New York and Florida Offices") during the period of January 2001 through December 2003 (the "Relevant Period"), constitutes a failure to reasonably supervise and is grounds, pursuant to N.J.S.A. 49:3-58, 67 and 70.1, for the entry of an order assessing a civil monetary penalty and such other remedies as may be necessary in the public interest; and

WHEREAS the Bureau Chief has found that the entry of this Order is appropriate in the public interest and consistent with the purposes fairly intended by the policy provisions of the Securities Law and the regulations promulgated thereunder; and

WHEREAS J.P. Turner agrees that for the purposes of any future proceedings before the Bureau that this 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.*;

WHEREAS this Order concludes the investigation by the Bureau and any civil or administrative action that could be commenced under the Securities Law on behalf of the

State of New Jersey as it relates to seeking civil monetary penalties or other relief against J.P. Turner for the conduct described herein; and

WHEREAS J.P. Turner has represented that it will continue to cooperate, at the Bureau's request, with the Bureau in any ongoing investigation of the New York and Florida Offices, any Bureau investigation of other individuals who may be identified as having engaged in similar conduct, and any other ongoing Bureau investigations of individuals presently or formerly employed by or associated with J.P. Turner and registered in New Jersey;

FINDINGS OF FACT

The Bureau Chief makes the following findings of fact:

1. J.P. Turner (CRD# 43177) is a Georgia limited liability company and broker-dealer registered with the Bureau since July 1997.

2. J.P. Turner maintains corporate headquarters at One Buckhead Plaza, 3060 Peachtree Road, NW, 11th Floor, Atlanta, Georgia.

3. J.P. Turner operates through various branch offices in the United States.

4. Branch offices of J.P. Turner are established by agreement between J.P. Turner and licensees, as independent contractors. Under the terms of agreement, J.P. Turner provides certain services to the licensees, their registered securities principals and agents to assist in the offer, purchase and sale of securities. J.P. Turner maintains supervisory overview of the branch offices.

5. J. Michaels & Company, Inc. ("J. Michaels") is a Florida corporation, incorporated since April 1997, with a principal place of business located at 100 NE 3rd

Avenue, Suite 850, Ft. Lauderdale, Florida. J. Michaels has never been registered as a broker-dealer with the Bureau. Giasamis "James" Sideris (CRD# 2416713) ("Sideris") was at all times during the Relevant Period, president of J. Michaels. In addition, Sideris is, and was at all times during the Relevant Period, the licensee, owner and supervisor of the New York and Florida Offices.

6. During the Relevant Period, the agents and support staff of the New York and Florida Offices were compensated by J. Michaels. J. Michaels' primary source of revenue was commissions and other fees generated by the agents in the New York and Florida Offices. J.P. Turner paid Sideris these commissions and fees, who in turn, transferred such revenues to J. Michaels. J. Michaels used these revenues to pay all expenses, including commissions to agents and salaries to support staff, of the New York and Florida Offices. The Bureau has concluded through its investigation, that during the Relevant Period, J. Michaels' payment of commissions to associated persons on behalf of Sideris, taken together with its related business activities, constituted J. Michaels acting as a broker-dealer as defined by N.J.S.A. 49:3-49.

7. In February 2003, Bureau personnel conducted an examination of J.P. Turner's books and records at the New York Office. During the course of the February 2003 examination, and the Bureau's subsequent investigation, Bureau personnel discovered evidence of possible violations of state and federal securities laws by certain agents employed in the New York Office, dishonest or unethical conduct by certain agents employed in the New York Office, and a failure of J.P. Turner to ensure that Sideris reasonably supervised the activities of agents employed in the New York Office.

8. The J.P. Turner Compliance Manual ("Compliance Manual") expressly prohibits J.P. Turner agents from engaging in high pressure sales tactics.

9. Despite these prohibitions, a number of unapproved sales scripts were uncovered in the New York Office during the course of the February 2003 examination. The sales scripts contained sales tactics as defined by the Compliance Manual. The sales tactics contained suggestions of: (a) guarantees of success; (b) misleading representations of prior success; (c) misleading representations of position and status; (d) misleading representations of client composition; and (e) false claims of analyst recommendations. These sales scripts were found throughout the office, including at the desks of agents.

10. Certain agents in the New York and Florida Offices were trained and tested on how to sell securities using unapproved sales techniques. The training methods included: (a) hiring a sales trainer to teach unapproved sales techniques to new agents; and (b) conducting branch office meetings where agents were required to role-play with other agents in the office to practice unapproved sales techniques.

11. Further investigation uncovered additional evidence that certain J.P. Turner agents operating in the New York and Florida Offices: (a) opened accounts without client consent; (b) conducted unauthorized transactions in client accounts; (c) overtraded in client accounts; (d) engaged in trading that was unsuitable for certain client account profiles; and (e) misrepresented, and/or failed to disclose various risks to clients in connection with the buying and/or selling of securities.

12. The conduct described in paragraphs 9 through 11 constitutes dishonest or unethical conduct in the securities business which was highlighted by a high incidence of trade cancellations, unsuitable volume and concentration of trading in certain client

accounts, the number and nature of certain customer complaints and prior disciplinary and employment history of certain agents in the New York and Florida Offices. Despite these red flags, J.P. Turner failed to detect or prevent this conduct.

CONCLUSIONS OF LAW

The Bureau Chief makes the following conclusions of law:

1. In connection with the dishonest or unethical conduct by certain agents of the New York and Florida Offices set forth above, J.P. Turner failed to reasonably supervise, and establish and enforce procedures necessary to detect and prevent such conduct, in violation of its duties under N.J.S.A. 49:3-58.

2. The activities set forth herein are grounds, pursuant to N.J.S.A. 49:3-58, to seek suspension or revocation of the broker-dealer registration of J.P. Turner and to impose other remedial measures.

REMEDIAL MEASURES

1. J.P. Turner has revised and enhanced many of its procedures relating to review and hiring of new agents in its branch offices; and

2. J.P. Turner has revised its practices of compensating agents of branch offices; and

3. J.P. Turner has revised and enhanced its operations and technology systems for monitoring agent sales activities.

ORDER

17th

NOW THEREFORE, it is on this ~~16~~th day of October 2006, HEREBY ORDERED that J.P. Turner, by consent and without further hearing, Cease and Desist from further violations of the Securities Law; and it is

FURTHER ORDERED that upon entry into this Order, J.P. Turner shall prohibit the New York and Florida Offices from soliciting or otherwise obtaining any new accounts of New Jersey residents for a period of no less than two years; and it is

FURTHER ORDERED that within 90 business days from the date of entry of this Order, J.P. Turner shall retain a compliance principal to be employed on-site in the New York Office, with regularly scheduled on-site visits to the Florida Office, for a period of no less than two years. The compliance principal shall be under the direct supervision and control of J.P. Turner for the purpose of identifying and addressing compliance issues within the New York and Florida Offices; and it is

FURTHER ORDERED that within 30 business days from the date of entry of this Order, J.P. Turner shall retain an independent consultant, not objectionable to the Bureau, to review J.P. Turner's business practices and procedures for branch office supervision, suitability standards, and monitoring of agent sales activities; and it is

FURTHER ORDERED that within 90 business days from the date of entry of this Order, J.P. Turner shall require the independent consultant to furnish a report to J.P. Turner, which shall be reviewable by the Bureau and, at a minimum, addresses the scope and subject matter specifications agreed to pursuant to this Order; and it is

FURTHER ORDERED that within 30 business days from the date of the independent consultant report, J.P. Turner shall submit to the Bureau a report outlining all

changes it intends to make to its business practices and procedures for branch office supervision, suitability standards, and monitoring of agent sales activities in response to the independent consultant report, including a timeline for implementation that is not objectionable to the Bureau; and it is

FURTHER ORDERED that, pursuant to N.J.S.A. 49:3-70.1, J.P. Turner is assessed and shall pay a civil monetary penalty in the amount of $195,000 payable upon entry into this Order to "State of New Jersey, Bureau of Securities."

NEW JERSEY BUREAU OF SECURITIES

By: Franklin L. Widmann
Franklin L. Widmann
Chief, Bureau of Securities

DATED: October 17, 2006

I hereby consent to the form and entry of this order without admitting or denying the allegations, findings and conclusions of law set forth herein.

J.P. TURNER & COMPANY, L.L.C.

By: William L. Mello
William L. Mello
President

DATED: 10/16/06