

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0121

IN THE MATTER OF:)

First Manhattan Co.)
(CRD #1845))

CONSENT AGREEMENT
No. 06-018-CAG

This Agreement is entered into between the State of Maine Office of Securities (the "Office") and First Manhattan Co. ("FMC"), a broker-dealer with its principal place of business in New York, New York.

WHEREAS, the parties agree as follows:

1. At all relevant times, it has been unlawful in Maine for a person to act as a broker-dealer unless licensed or exempt from licensing pursuant to sections 10301 and 10302 of the Revised Maine Securities Act ("the Act").
2. FMC is both a broker-dealer and a federally registered investment advisor.
3. FMC has not been licensed in Maine as a broker-dealer but has been notice filed in Maine as a federally registered investment advisor since January 6, 2000.
4. FMC filed an application with the Office for licensing as a broker-dealer on July 13, 1992.
5. By letter dated July 23, 1992, the Office requested additional information regarding the firm's pending application. On September 20, 1994, FMC contacted the Office and requested another copy of the Office's July 23, 1992, letter. The Office mailed a second copy of this letter to FMC. FMC did not respond to the Office's letter.
6. By letter dated November 6, 2001, FMC contacted the Office to inquire about the status of its broker-dealer licensing application in Maine. FMC indicated that the firm had believed that it was already licensed in Maine but upon further investigation discovered that it was not licensed as a broker-dealer. FMC also submitted a check to the Office for the firm's application fee. The Office returned the check to FMC because the firm had previously submitted its application fee in 1992 via the CRD.

7. In follow up to FMC's inquiry, the Office sent FMC a letter dated November 30, 2001, requesting information in connection with the firm's pending application. The Office also requested information relating to any securities business that the firm had conducted in Maine within the previous six years. FMC did not respond to the Office's November 30, 2001, letter.
8. On July 15, 2005, FMC contacted the Office to check on the firm's broker-dealer licensing status. The Office informed FMC that the firm was not licensed as a broker-dealer in Maine. FMC further disclosed that the firm had some Maine accounts. The Office informed FMC that no additional securities business requiring broker-dealer licensing should be conducted until the firm was properly licensed as a broker-dealer in Maine.
9. By letter dated August 8, 2005, the Office sent FMC a third letter requesting information in connection with the firm's pending application. The Office also requested a detailed accounting of the securities business that FMC had conducted in Maine during the previous six years.
10. By letter dated September 9, 2005, and an e-mail dated October 7, 2005, FMC informed the Office that since January 1999, FMC had effected at least six hundred ninety-nine (699) brokerage transactions for the accounts of eight (8) Maine customers while unlicensed as a broker-dealer in Maine.
11. It is the Office's position that FMC has acted as a broker-dealer in Maine without being licensed as a broker-dealer in Maine or exempt from such licensing.
12. FMC has represented to the Office that it was not its intention to violate the Maine Revised Securities Act.
13. Both parties desire an expeditious resolution of this matter.

NOW, THEREFORE, without trial or adjudication of any issue of fact or law, and without FMC admitting or denying that its conduct violated the Revised Maine Securities Act, it is agreed that:

1. FMC will comply with all licensing and other legal requirements governing persons acting as securities broker-dealers in the State of Maine at all times from the date hereof;
2. In lieu of the Office seeking the imposition of a penalty for the allegations contained herein, FMC will pay the sum of \$10,000 to the Office upon FMC's execution of this Agreement; and

3. The Office will not take further action against FMC based solely upon its unlicensed status during the period preceding and including the date of execution of this Agreement, **PROVIDED**, however, that this paragraph applies only to those transactions previously disclosed to the Office by FMC.

October 28, 2005
Date

s/Neal K. Stearns, Chief Compliance Officer
Neal K. Stearns, Chief Compliance Officer
First Manhattan Co.

October 31, 2005
Date

s/Michael J. Colleran
Michael J. Colleran
Securities Administrator

Reviewed by:

October 31, 2005
Date

s/Bonnie E. Russell
Bonnie E. Russell
Assistant Securities Administrator

Presented by:

October 31, 2005
Date

s/Cathy J. Williams
Cathy J. Williams
Licensing Coordinator