

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

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IN THE MATTER OF: )  
)  
)

Tradex Brokerage Service, Inc. )  
20 Vesey Street, Suite 800 )  
New York, NY 10007 )  
\_\_\_\_\_ )

CONSENT AGREEMENT  
No. 04-062-CAG

This Agreement is entered into between the State of Maine Office of Securities ("Office of Securities") and Tradex Brokerage Service, Inc. ("Tradex"), a broker-dealer located 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 under the Revised Maine Securities Act, Title 32 Maine Revised Statutes Annotated §10101 et seq.
2. On January 17, 2003, Tradex filed an application with the Office of Securities for licensing as a broker-dealer.
3. On February 25, 2003, the Office of Securities sent a letter to Tradex requesting that the firm provide additional information in connection with its pending broker-dealer application.
4. On March 17, 2003, Tradex called the Office of Securities to inquire about whether the firm would qualify for an exemption as provided by Section 10301 of the Revised Maine Securities Act.
5. By letter dated March 20, 2003, Tradex filed a written request with the Office of Securities for "exempt status from licensing."
6. On April 7, 2003, Tradex called the Office of Securities to discuss their pending request for a licensing exemption. During this conversation, Tradex represented that they currently had four Maine clients.

7. By letter dated May 23, 2003, the Office of Securities requested that Tradex provide specific information with respect to the transactions effected in Maine within the last six years and a description of the circumstances that led to the establishment of Tradex's relationship with its Maine clients.
8. On June 3, 2003, Tradex filed a Form BDW to withdraw their pending broker-dealer application with the State of Maine.
9. On November 11, 2003, the Office of Securities received a telephone call from a Maine consumer to inquire whether Tradex was licensed in Maine. The consumer indicated that she had spoken with Tradex and received assurances that the firm was properly licensed in Maine. The consumer also stated that Tradex offered to establish an account for her at that time.
10. By letter dated December 18, 2003, the Office of Securities sent a follow-up letter to Tradex requesting information regarding possible continued unlicensed activity with Maine clients.
11. By letters dated January 5, 2004, and January 21, 2004, Tradex informed the Office of Securities that the firm had effected at least seventy-two (72) transactions for the accounts of its four Maine clients from January 12, 1998, to March 18, 2003. Tradex also represented that the firm's relationship with its Maine clients were unsolicited and came about through referrals from existing clients and advertisements in the Wall Street Journal.
12. It is the Office of Securities' position that Tradex has acted as a broker-dealer in Maine without being licensed or exempt from licensing.
13. Tradex has represented to the Office of Securities that the violations were inadvertent oversights.
14. Both parties desire an expeditious resolution of this matter.

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

1. Tradex 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 of Securities seeking the imposition of a penalty for the allegations contained herein, Tradex will pay the sum of \$3,756.91 to the Office of Securities upon Tradex's execution of this Agreement; and

3. The Office of Securities will not take further action against Tradex, based 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 of Securities by Tradex.

March 24, 2004  
Date

s/ William F. X. Morton, President  
William F.X. Morton, President  
Tradex Brokerage Service, Inc.

March 26, 2004  
Date

s/ Christine A. Bruenn  
Christine A. Bruenn  
Securities Administrator

Reviewed by:

March 26, 2004  
Date

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

Presented by:

March 26, 2004  
Date

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