



IAPD Report

KEVIN JOHN DEROSA

CRD# 2314895

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.



IAPD Information About Representatives

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

What is included in a IAPD report?

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

Where did this information come from?

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

How current is this information?

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

Need help interpreting this report?

For help understanding how to read this report, please consult NASAA's IAPD Tips page
<http://www.nasaa.org/IAPD/IARReports.cfm>

What if I want to check the background of an Individual Broker or Brokerage Firm?

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

Are there other resources I can use to check the background of investment professionals?

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



Report Summary

KEVIN JOHN DEROSA (CRD# 2314895)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **04/22/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	GARDEN STATE SECURITIES, INC.	CRD# 10083	02/09/1999
IA	GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC	CRD# 133088	04/12/2005

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **32** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

Note: Not all jurisdictions require IAR registration or may have an exemption from registration. Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

REGISTRATION HISTORY

This representative was previously registered with the following firm(s):

	FIRM	CRD#	LOCATION	REGISTRATION DATES
B	M.S. FARRELL & COMPANY, INC.	24232	SYOSSET, NY	10/05/1998 - 03/12/1999
B	GARDEN STATE SECURITIES, INC.	10083	SYOSSET, NY	02/03/1999 - 02/09/1999
B	H.J. MEYERS & CO., INC.	15609	ROCHESTER, NY	10/18/1996 - 10/05/1998

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative? **Yes**

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Customer Dispute	2



Qualifications

REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is currently registered with 32 jurisdiction(s) and 1 SRO(s) through his or her employer(s).

Employment 1 of 2

Firm Name: **GARDEN STATE SECURITIES, INC.**

Main Address: 328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701

Firm ID#: 10083

Regulator	Registration	Status	Date
B FINRA	General Securities Principal	Approved	02/09/1999
B FINRA	General Securities Representative	Approved	02/09/1999
B FINRA	Research Principal	Approved	11/27/2006
B FINRA	Investment Banking Representative	Approved	04/09/2010
B FINRA	Securities Trader	Approved	01/04/2016
B FINRA	Securities Trader Principal	Approved	02/05/2016
B FINRA	Investment Banking Principal	Approved	10/01/2018
B Alabama	Agent	Approved	10/07/2020
B Arizona	Agent	Approved	03/21/2005
B California	Agent	Approved	02/17/1999
B Colorado	Agent	Approved	08/06/2002
B Connecticut	Agent	Approved	02/17/1999
B Delaware	Agent	Approved	03/03/2025



Qualifications

Regulator	Registration	Status	Date
B District of Columbia	Agent	Approved	04/28/2005
B Florida	Agent	Approved	03/21/2005
B Georgia	Agent	Approved	02/23/2006
B Illinois	Agent	Approved	06/09/2014
B Indiana	Agent	Approved	03/09/2006
B Iowa	Agent	Approved	03/21/2005
B Maryland	Agent	Approved	02/17/1999
B Michigan	Agent	Approved	03/12/1999
B Minnesota	Agent	Approved	03/18/1999
B Missouri	Agent	Approved	11/08/2001
B New Jersey	Agent	Approved	03/26/1999
B New York	Agent	Approved	03/02/1999
B North Carolina	Agent	Approved	02/27/2006
B Ohio	Agent	Approved	02/19/2020
B Oklahoma	Agent	Approved	11/18/2005
B Oregon	Agent	Approved	03/12/1999
B Pennsylvania	Agent	Approved	03/12/1999
B South Carolina	Agent	Approved	03/11/2005
B South Dakota	Agent	Approved	02/15/2012



Qualifications

Regulator	Registration	Status	Date
B Tennessee	Agent	Approved	07/17/2023
B Texas	Agent	Approved	03/21/2005
B Utah	Agent	Approved	01/26/2024
B Virginia	Agent	Approved	03/15/1999
B Washington	Agent	Approved	03/11/2005
B West Virginia	Agent	Approved	03/28/2016
B Wisconsin	Agent	Approved	02/24/2020

Branch Office Locations

328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701

Employment 2 of 2

Firm Name: **GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC**
Main Address: 328 NEWMAN SPRINGS ROAD
RED BANK, NJ 07701
Firm ID#: 133088

Regulator	Registration	Status	Date
IA New Jersey	Investment Adviser Representative	Approved	04/12/2005

Branch Office Locations

GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC
328 NEWMAN SPRINGS ROAD
3RD FLOOR
RED BANK, NJ 07701



Qualifications

PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

This individual has passed 1 principal/supervisory exam, 6 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

Exam	Category	Date
 General Securities Principal Examination (S24)	Series 24	11/16/1995

General Industry/Product Exams

Exam	Category	Date
 Investment Banking Registered Representative Examination (S79TO)	Series 79TO	01/02/2023
 Securities Trader Exam (S57TO)	Series 57TO	01/02/2023
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 Research Analyst Exam - Part II Regulations Module (S87)	Series 87	10/11/2005
 Limited Representative-Equity Trader Exam (S55)	Series 55	10/08/1999
 General Securities Representative Examination (S7)	Series 7	02/03/1993

State Securities Law Exams

Exam	Category	Date
 Uniform Securities Agent State Law Examination (S63)	Series 63	02/11/1993

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration & Employment History

■ PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	10/05/1998 - 03/12/1999	M.S. FARRELL & COMPANY, INC.	CRD# 24232	SYOSSET, NY
B	02/03/1999 - 02/09/1999	GARDEN STATE SECURITIES, INC.	CRD# 10083	
B	10/18/1996 - 10/05/1998	H.J. MEYERS & CO., INC.	CRD# 15609	ROCHESTER, NY
B	07/12/1994 - 10/21/1996	INVESTORS ASSOCIATES, INC.	CRD# 958	HACKENSACK, NJ
B	11/16/1993 - 07/14/1994	M.S. FARRELL & COMPANY, INC.	CRD# 24232	SYOSSET, NY
B	02/05/1993 - 11/16/1993	INVESTORS ASSOCIATES, INC.	CRD# 958	HACKENSACK, NJ

■ EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
01/2005 - Present	GARDEN STATE INSURANCE AGENCY, INC.	DIRECTOR	N	WALL TOWNSHIP, NJ, United States
09/2004 - Present	GARDEN STATE INVESTMENT ADVISORY SERVICES, LLC	PRESIDENT/OWNER	Y	WALL TOWNSHIP, NJ, United States
02/1999 - Present	GARDEN STATE SECURITIES, INC.	DIRECTOR, CHAIRMAN, PRESIDENT	Y	WALL, NJ, United States

■ OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent, or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.

- 1)THE OPUS GROUP LLC. CO-FOUNDER, SINCE JUNE 2004, DBA ONLY, OPERATES FROM FIRM REGISTERED BRANCH LOCATION.
- 2)GARDEN STATE INSURANCE AGENCY, INC. OWNER, LESS THAN 10 HOURS A MONTH.
- 3)VINTAGE COVER BAND, TOMS RIVER, NJ, NOT INVESTMENT RELATED, LESS THAN 1 HOUR PER WEEK;
- 4) JACKSON ROSE VENTURE I, LLC, JACKSON ROSE VENTURE II, LLC AND JACKSON ROSE MANAGEMENT, LLC, MANAGING MEMBER, PRIVATE FUND FORMED TO PURCHASE, HOLD AND/OR SELL RESTRICTED SECURITIES OF VARIOUS DISRUPTIVE, LEADING SEED-STAGE, EARLY-STAGE, DEVELOPMENTAL-STAGE AND LATER-STAGE PRIVATE



Registration & Employment History

OTHER BUSINESS ACTIVITIES

COMPANIES. BUSINESS IS INVESTMENT-RELATED AND CONDUCTED OUT OF RED BANK HOME OFFICE LOCATION. STARTING 8/2021, APPROX. 8-10 HOURS/WEEK.



Disclosure Summary

Disclosure Information

What you should know about reported disclosure events:

(1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

(2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, firms and regulators. When more than one of these sources reports information for the same disclosure event, all versions of the event will appear in the IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

(3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
 - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

(4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.



DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	3
Customer Dispute	2

Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

Disclosure 1 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	05/10/2011
Docket/Case Number:	2009018819201
Employing firm when activity occurred which led to the regulatory action:	GARDEN STATE SECURITIES, INC.
Product Type:	Other: PRIVATE PLACEMENT OFFERINGS
Allegations:	NASD RULES 2110, 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(1)(D), 2210(D)(2)(C): A MEMBER FIRM, ACTING THROUGH DEROSA, SOLD PROMISSORY NOTES ISSUED BY A COMPANY TO INVESTORS. IN CONNECTION WITH THOSE SALES, THE FIRM AND DEROSA MISCHARACTERIZED AND/OR NEGLIGENTLY OMITTED CERTAIN MATERIAL FACTS PROVIDED TO INVESTORS. DEROSA SOLD \$833,000 OF THE NOTES TO CUSTOMERS AND GENERATED APPROXIMATELY \$37,485 IN GROSS COMMISSIONS FROM THE SALES OF THE NOTES. DEROSA SOLD THE NOTES THROUGH THE USE OF A PRIVATE PLACEMENT MEMORANDUM (PPM), WHICH, AMONG OTHER THINGS, STATED THAT THE COMPANY'S AFFILIATED COMPANIES HAD NEVER DEFAULTED IN THEIR PAYMENT OF THEIR OBLIGATIONS TO THEIR INVESTORS. HOWEVER, DEROSA WAS AWARE THAT THAT WAS NO LONGER TRUE. NEVERTHELESS, EVEN AFTER LEARNING OF THE DEFAULTS, THE FIRM AND DEROSA NEGLIGENTLY OMITTED TO DISCLOSE THAT MATERIAL FACT IN SELLING THE NOTES TO AT LEAST ONE CUSTOMER. IN ADDITION, WHILE SELLING THE NOTES, DEROSA



MISCHARACTERIZED THE OFFERING TO CUSTOMERS AS A SAFE INVESTMENT WITH A "GUARANTEED 9% RETURN." IN CONNECTION WITH HIS SALES OF A COMPANY'S STOCK, DEROSA DISSEMINATED A POWERPOINT PRESENTATION, WHICH SUMMARIZED THE OFFERING, TO PROSPECTIVE INVESTORS. THIS PRESENTATION, WHICH DEROSA HAD RECEIVED FROM A OWNER OF THE COMPANY, CONSTITUTED SALES LITERATURE UNDER NASD RULE 2210(A)(2). IT DID NOT, HOWEVER, COMPLY WITH THE CONTENT STANDARDS APPLICABLE TO COMMUNICATIONS WITH THE PUBLIC AND SALES LITERATURE. IT FAILED TO PROVIDE A FAIR AND BALANCED TREATMENT OF RISKS AND POTENTIAL BENEFITS, IN THAT IT FAILED TO DISCLOSE THE ASSUMPTIONS USED TO ARRIVE AT PROJECTED REVENUES, PROFITS, EXPENSES AND EARNINGS. FURTHER, THE 2008-2012 INCOME STATEMENT FAILED TO DISCLOSE THE BASIS OF THE MANAGEMENT ESTIMATES AND THE ASSUMPTIONS USED IN THE CALCULATIONS. IT CONTAINED UNWARRANTED OR EXAGGERATED CLAIMS, PREDICTIONS OF PERFORMANCE AND FAILED TO DISCLOSE PROMINENTLY THE NAME OF DEROSA'S FIRM, FAILED TO REFLECT ANY RELATIONSHIP BETWEEN THE FIRM AND THE NON-FINRA MEMBER ENTITIES INVOLVED IN THE OFFERING AND FAILED TO REFLECT WHICH PRODUCT OR SERVICES WERE BEING OFFERED BY DEROSA'S FIRM.

Current Status:

Final

Resolution:

Acceptance, Waiver & Consent(AWC)

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Resolution Date:

05/10/2011

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)
Restitution
Suspension

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No



(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Sanction 1 of 2

Sanction Type: Suspension

Capacities Affected: ANY PRINCIPAL CAPACITY

Duration: TWO MONTHS

Start Date: 06/21/2011



End Date:	08/20/2011
Sanction 2 of 2	
Sanction Type:	Suspension
Capacities Affected:	ALL CAPACITIES
Duration:	20 BUSINESS DAYS
Start Date:	05/23/2011
End Date:	06/20/2011
Monetary Sanction 1 of 2	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$25,000.00
Portion Levied against individual:	\$25,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	09/09/2011
Was any portion of penalty waived?	No
Amount Waived:	
Monetary Sanction 2 of 2	
Monetary Related Sanction:	Restitution
Total Amount:	\$300,000.00
Portion Levied against individual:	\$300,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Regulator Statement	WITHOUT ADMITTING OR DENYING THE FINDINGS, DEROSA CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE HE IS FINED \$25,000, ORDERED TO PAY RESTITUTION, JOINT AND SEVERAL, IN THE TOTAL AMOUNT OF \$300,000 TO INVESTORS, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY CAPACITY FOR 20 BUSINESS DAYS, AND IMMEDIATELY FOLLOWING, SUSPENDED FROM ASSOCIATION WITH ANY FINRA MEMBER IN ANY PRINCIPAL CAPACITY FOR TWO MONTHS. IF FOR ANY REASON AN INVESTOR REFUSES TO ACCEPT THE ORDERED RESTITUTION PAYMENT, THEN DEROSA MUST DISTRIBUTE THAT AMOUNT, ON A PRO RATA BASIS WITH RESPECT TO THE DOLLAR AMOUNT OF THEIR INVESTMENT, TO THE OTHER CUSTOMERS. DEROSA SHALL SUBMIT SATISFACTORY PROOF OF PAYMENT OF RESTITUTION OR OF REASONABLE AND DOCUMENTED EFFORTS UNDERTAKEN TO EFFECT RESTITUTION. SUCH PROOF SHALL BE SUBMITTED TO FINRA NO LATER THAN 120 DAYS AFTER ACCEPTANCE OF



THE AWC. IF FOR ANY REASON DEROSA CANNOT LOCATE ANY INVESTOR AFTER REASONABLE AND DOCUMENTED EFFORTS WITHIN 120 DAYS FROM THE DATE THE AWC IS ACCEPTED, OR SUCH ADDITIONAL PERIOD AGREED TO BY FINRA IN WRITING, DEROSA SHALL FORWARD ANY UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE ESCHEAT, UNCLAIMED PROPERTY OR ABANDONED PROPERTY FUND FOR THE STATE IN WHICH THE CUSTOMER IS LAST KNOWN TO HAVE RESIDED. DEROSA SHALL PROVIDE SATISFACTORY PROOF OF SUCH ACTION TO FINRA WITHIN 14 DAYS OF FORWARDING THE UNDISTRIBUTED RESTITUTION AND INTEREST TO THE APPROPRIATE STATE AUTHORITY. THE IMPOSITION OF A RESTITUTION ORDER OR ANY OTHER MONETARY SANCTION HEREIN, AND THE TIMING OF SUCH ORDERED PAYMENTS, DOES NOT PRECLUDE CUSTOMERS FROM PURSUING THEIR OWN ACTIONS TO OBTAIN RESTITUTION OR OTHER REMEDIES. THE SUSPENSION IN ANY CAPACITY IS IN EFFECT FROM MAY 23, 2011 THROUGH JUNE 20, 2011. THE SUSPENSION IN ANY PRINCIPAL CAPACITY IS IN EFFECT FROM JUNE 21, 2011 THROUGH AUGUST 20, 2011.

Reporting Source:	Individual
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Date Initiated:	10/19/2010
Docket/Case Number:	2009018819201
Employing firm when activity occurred which led to the regulatory action:	GARDEN STATE SECURITIES, INC.
Product Type:	Direct Investment-DPP & LP Interests
Allegations:	RR MISCHARACTERIZED AND/OR NEGLIGENTLY OMITTED MATERIAL FACTS IN CONNECTION WITH THE SALE OF CERTAIN PRIVATE OFFERINGS
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	05/10/2011
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Restitution Suspension
Sanction 1 of 2	
Sanction Type:	Suspension
Capacities Affected:	PRINCIPAL
Duration:	TWO MONTHS



Start Date: 06/21/2011

End Date: 08/20/2011

Sanction 2 of 2

Sanction Type: Suspension

Capacities Affected: ALL CAPACITIES

Duration: 20 BUSINESS DAYS

Start Date: 05/23/2011

End Date: 06/20/2011

Monetary Sanction 1 of 2

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$25,000.00

Portion Levied against individual: \$25,000.00

Payment Plan:

Is Payment Plan Current: Yes

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 2

Monetary Related Sanction: Restitution

Total Amount: \$300,000.00

Portion Levied against individual: \$300,000.00

Payment Plan: YES

Is Payment Plan Current: Yes

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

GSS AND I AGREED TO SETTLE THIS CASE AS THE COST TO DEFEND OURSELVES WAS PROHIBITIVE. IN NO WAY IS THE SETTLEMENT AN ADMISSION OF GUILT ON MY PART. I STRUGGLED LONG AND HARD WITH THIS DECISION. AS AN INVESTMENT ADVISOR FOR OVER 18 YEARS AND A CERTIFIED FINANCIAL PLANNER FOR 6 AND A HALF YEARS, I HAVE ALWAYS PRIDED MYSELF ON MAKING RECOMMENDATIONS THAT I BELIEVE TO BE SUITABLE AND APPROPRIATE IN LIGHT OF MY CLIENTS' OVERALL FINANCIAL PLAN. I AM ALSO ACUTELY AWARE OF THE IMPORTANCE OF PROPER DUE DILIGENCE AND THE POTENTIAL RISKS ASSOCIATED WITH EACH AND EVERY INVESTMENT SOLUTION I UTILIZE AND I TRY TO BE DILIGENT IN BALANCING MY PRESENTATION SO THAT THE RISKS AND REWARDS ARE CLEARLY ARTICULATED AND UNDERSTOOD. OF THE SIX INVESTORS Affected, INCLUDING MY ONLY BROTHER, ALL ARE STILL



CLIENTS OF MINE TO THIS DAY AND AT LEAST TWO HAVE DEPOSITED THEIR RESTITUTION CHECKS BACK INTO THEIR ACCOUNTS AT GARDEN STATE SECURITIES UNDER MY CARE.

Disclosure 2 of 3

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Other: N/A
Date Initiated:	04/22/2010
Docket/Case Number:	2008011696501
Employing firm when activity occurred which led to the regulatory action:	GARDEN STATE SECURITIES, INC.
Product Type:	Other: UNREGISTERED SECURITIES
Allegations:	NASD RULES 2110, 2210(D)(1)(A) AND(B), 2211(D)(1), 2711(H)(1),(4),(6) AND(7), INTERPRETATIVE MATERIAL 2210-1(6)(C): A FIRM, ACTING THROUGH KEVIN DEROSA, USED A TELEMARKETING SCRIPT AND ISSUED RESEARCH REPORTS THAT CONTAINED EXAGGERATED, MISLEADING OR UNWARRANTED STATEMENTS AND FAILED TO DISCLOSE REQUIRED INFORMATION. THE SCRIPT CONTAINED STATEMENTS REGARDING THE PURPORTED AGGREGATE PERFORMANCE OF THE FIRM'S INDIVIDUAL STOCK RECOMMENDATIONS, BUT FAILED TO INCLUDE PAST YEARS' PERFORMANCE INFORMATION AND A DESCRIPTION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN STOCK, INCLUDING THE RISK OF LOSS. IN ADDITION, THE SCRIPT TOUTED THE SUCCESSFUL PERFORMANCE OF ONE OF THE FIRM'S STOCK RECOMMENDATIONS AND SUGGESTED THAT SIMILAR OPPORTUNITIES WOULD BE AVAILABLE IN THE FUTURE. THE SELECTIVE REFERENCE TO THIS ONE RECOMMENDATION PRESENTED AN OVERSIMPLIFIED, EXAGGERATED, UNWARRANTED AND MISLEADING PERSPECTIVE TO PROSPECTIVE INVESTORS. THE FIRM PREPARED AND SENT MONTHLY NEWSLETTERS TO ITS CUSTOMERS, WHICH DEROSA REVIEWED AND APPROVED. THE NEWSLETTERS CONSTITUTED "RESEARCH REPORTS" UNDER NASD RULE 2711(A). THESE RESEARCH REPORTS, AMONG OTHER THINGS, MADE OVERSIMPLIFIED, EXAGGERATED, UNWARRANTED AND MISLEADING STATEMENTS REGARDING THE FIRM'S STOCK RECOMMENDATIONS. THE RESEARCH REPORTS ALSO CONTAINED OR REFERENCED PERFORMANCE CHARTS THAT PROVIDE OVERSIMPLIFIED AND INCOMPLETE PRESENTATIONS OF THE FIRM'S PERFORMANCE TRACK RECORD. FURTHER, THE RESEARCH REPORTS DID NOT ADEQUATELY DISCLOSE THE MEANING OF THE FIRM'S "BUY," "HOLD," AND "SELL" RATINGS. IN ADDITION, THE RESEARCH REPORTS CONTAINED RATINGS AND PRICE TARGETS FOR SECURITIES WITHOUT INCLUDING A LINE GRAPH OF THE SECURITIES' DAILY CLOSING PRICES FOR THE REQUIRED PERIOD AND WITHOUT DISCLOSING THE RISKS THAT COULD IMPEDE ACHIEVEMENT OF THE PRICE TARGETS.
Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

No

Resolution Date:

04/22/2010

Sanctions Ordered:

Civil and Administrative Penalty(ies)/Fine(s)

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

No

(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

Monetary Sanction 1 of 1

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$5,000.00

Portion Levied against individual: \$5,000.00

Payment Plan: N/A

Is Payment Plan Current: Yes

Date Paid by individual: 12/27/2010

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement WITHOUT ADMITTING OR DENYING THE FINDINGS, DEROSA CONSENTED TO THE DESCRIBED SANCTION AND TO THE ENTRY OF FINDINGS, THEREFORE HE IS FINED \$5,000.

Reporting Source: Individual

Regulatory Action Initiated By: FINRA

Sanction(s) Sought: Civil and Administrative Penalty(ies)/Fine(s)

Date Initiated: 04/22/2010

Docket/Case Number: [2008011696501](#)

Employing firm when activity occurred which led to the regulatory action: GARDEN STATE SECURITIES, INC.

Product Type: No Product

Allegations: THE FIRM, GARDEN STATE SECURITIES, PREPARED AND USED A TELEMARKETING SCRIPT THAT HAD BEEN APPROVED BY THE APPLICANT WHICH MADE UNWARRANTED, EXAGGERATED OR MISLEADING STATEMENTS AND FAILED TO DISCLOSE REQUIRED INFORMATION IN



ADVERTISING AND RESEARCH REPORTS ISSUED BY THE FIRM AND REVIEWED BY APPLICANT IN VIOLATION OF RULES 2210(D)(1)(A)AND B), 2211(D)(1), 2711(H)(1),(4),(6) AND (7) AND 2110 AND IM-2210-1(6)(C).

Current Status:	Final
Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	04/22/2010
Sanctions Ordered:	Monetary Penalty other than Fines
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$5,000.00
Portion Levied against individual:	\$5,000.00
Payment Plan:	N/A
Is Payment Plan Current:	No
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Broker Statement	RECENT AWC RESPONSE: ON OCTOBER 8TH, 2005, I BECAME A LICENSED RESEARCH PRINCIPAL. AROUND NOVEMBER OF 2006 I BECAME RESPONSIBLE FOR APPROVING RESEARCH MATERIALS DISSEMINATED BY GSS. ALL RESEARCH MATERIALS WERE ALSO REVIEWED AND APPROVED BY THE FIRM'S CHIEF COMPLIANCE OFFICER. FIRSTLY, THE TELEMARKETING SCRIPT REFERENCED IN THE ALLEGATIONS WAS UTILIZED FOR TRAINING PURPOSES ONLY. AT NO TIME WAS IT FOUND THAT LIVE CALLS WERE MADE TO PROSPECTIVE CUSTOMERS BY REGISTERED REPRESENTATIVES UTILIZING TELEMARKETING OR SALES SCRIPTS. THE "RESEARCH REPORTS" REFERRED TO IN THE ALLEGATIONS WERE MONTHLY NEWSLETTERS AUTHORED BY GARDEN STATE SECURITIES, INC. SENIOR RESEARCH ANALYST ENTITLED "THE SMART MONEY TRACKS." ALTHOUGH GSS NEVER RECEIVED A SINGLE CUSTOMER COMPLAINT ABOUT THE CONTENT OF THESE NEWSLETTERS, FINRA TOOK EXCEPTION TO SOME OF THE CONTENT IN CERTAIN ISSUES. GIVEN THE FACT THAT LITIGATING THESE ISSUES TO CONCLUSION WOULD HAVE COST SIGNIFICANTLY MORE, GSS AND I MADE THE DECISION TO ENTER INTO AN ACCEPTANCE, WAIVER, AND CONSENT, WITHOUT ADMITTING OR DENYING ANY WRONGDOING, AND I AGREED TO PAY A FINE OF \$5,000.
Disclosure 3 of 3	
Reporting Source:	Regulator



Regulatory Action Initiated By:	ALABAMA SECURITIES COMMISSION
Sanction(s) Sought:	Cease and Desist
Other Sanction(s) Sought:	CONSENT ORDER, CO-2006-0027, ISSUED FEBRUARY 22, 2007.
Date Initiated:	02/22/2007
Docket/Case Number:	CO-2006-0027
Employing firm when activity occurred which led to the regulatory action:	GARDEN STATE SECURITIES, INC.
Product Type:	Investment Contract(s)
Other Product Type(s):	
Allegations:	SCOTT H. SARI, KEVIN J. DEROSA AND MICHAEL D. SHENLOOGIAN, WITHOUT THE BENEFIT OF BROKER-DEALER AGENT REGISTRATION IN THE STATE OF ALABAMA, TRANSACTED SECURITIES ON BEHALF OF GARDEN STATE SECURITIES, INC., AN UNREGISTERED BROKER-DEALER, IN THE STATE OF ALABAMA. ON 6-15-2006 A CEASE AND DESIST ORDER WITH NOTICE OF RIGHT TO HEARING ATTACHED AND MADE A PART THEREOF, GIVING RESPONDENTS GARDEN STATE SECURITIES, INC., SCOTT H. SARI, KEVIN J. DEROSA AND MICHAEL D. SHENLOOGIAN 28 DAYS FROM DATE OF RECEIPT OF THE ORDER TO RESPOND OR PERFECT A RIGHT TO A HEARING. ON 2-22-2007 THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER, CO-2006-0027, WITH GARDEN STATES SECURITIES, SCOTT HENRY SARI, KEVIN JOHN DEROSA AND MICHAEL DAVID SHENLOOGIAN. GARDEN STATES PAID \$500 TO THE COMMISSION AS PARTIAL REIMBURSEMENT FOR INVESTIGATIVE COSTS AND \$1,050 IN ADMINISTRATIVE ASSESSMENTS. THIS ORDER WILL RESOLVE CEASE & DESIST ORDER, CD-2006-0027.
Current Status:	Final
Resolution:	Consent
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	02/22/2007
Sanctions Ordered:	Monetary/Fine \$1,550.00
Other Sanctions Ordered:	ON 2-22-2007 THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER, CO-2006-0027, WITH GARDEN STATES SECURITIES, SCOTT HENRY SARI, KEVIN JOHN DEROSA AND MICHAEL DAVID SHENLOOGIAN. GARDEN STATES PAID \$500 TO THE COMMISSION AS PARTIAL REIMBURSEMENT FOR INVESTIGATIVE COSTS AND \$1,050 IN ADMINISTRATIVE ASSESSMENTS. THIS ORDER WILL RESOLVE CEASE & DESIST ORDER, CD-2006-0027.
Sanction Details:	ON 2-22-2007 THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER, CO-2006-0027, WITH GARDEN STATES SECURITIES, SCOTT HENRY SARI, KEVIN JOHN DEROSA AND MICHAEL DAVID SHENLOOGIAN. GARDEN STATES PAID \$500 TO THE COMMISSION AS PARTIAL REIMBURSEMENT FOR INVESTIGATIVE COSTS AND \$1,050 IN



ADMINISTRATIVE ASSESSMENTS. THIS ORDER WILL RESOLVE CEASE & DESIST ORDER, CD-2006-0027.

Regulator Statement

SCOTT H. SARI, KEVIN J. DEROSA AND MICHAEL D. SHENLOOGIAN, WITHOUT THE BENEFIT OF BROKER-DEALER AGENT REGISTRATION IN THE STATE OF ALABAMA, TRANSACTED SECURITIES ON BEHALF OF GARDEN STATE SECURITIES, INC., AN UNREGISTERED BROKER-DEALER, IN THE STATE OF ALABAMA. ON 6-15-2006 A CEASE AND DESIST ORDER WITH NOTICE OF RIGHT TO HEARING ATTACHED AND MADE A PART THEREOF, GIVING RESPONDENTS GARDEN STATE SECURITIES, INC., SCOTT H. SARI, KEVIN J. DEROSA AND MICHAEL D. SHENLOOGIAN 28 DAYS FROM DATE OF RECEIPT OF THE ORDER TO RESPOND OR PERFECT A RIGHT TO A HEARING. ON 2-22-2007 THE ALABAMA SECURITIES COMMISSION ENTERED INTO A CONSENT ORDER, CO-2006-0027, WITH GARDEN STATES SECURITIES, SCOTT HENRY SARI, KEVIN JOHN DEROSA AND MICHAEL DAVID SHENLOOGIAN. GARDEN STATES PAID \$500 TO THE COMMISSION AS PARTIAL REIMBURSEMENT FOR INVESTIGATIVE COSTS AND \$1,050 IN ADMINISTRATIVE ASSESSMENTS. THIS ORDER WILL RESOLVE CEASE & DESIST ORDER, CD-2006-0027.

Reporting Source:	Individual
Regulatory Action Initiated By:	ALABAMA SECURITIES COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	06/14/2006
Docket/Case Number:	CO-2006-0027
Employing firm when activity occurred which led to the regulatory action:	GARDEN STATE SECURITIES, INC.
Product Type:	No Product
Allegations:	VIOLATION OF SECTION 8-6-3(A), CODE OF ALABAMA, 1975.
Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	10/26/2006
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Other: NO INDIVIDUAL PENALTIES ASSESSED AGAINST APPLICANT. FIRM REQUIRED TO PAY ADMINISTRATIVE FINE/PEMALTIES AND OFFER RESCISSION TO INVESTORS. APPLICANT SIGNED ORDER ON 11/8/2006.
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	\$1,550.00



Portion Levied against individual: \$0.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Broker Statement

IN OR ABOUT JUNE 2006 I OPERATED UNDER THE MISTAKEN BELIEF THAT GARDEN STATE SECURITIES, INC. (GSS) WAS LICENSED TO DO BUSINESS IN THE STATE OF ALABAMA AND CONDUCTED BUSINESS WITH ONE RESIDENT OF THE STATE OF ALABAMA WITHOUT THE BENEFIT OF BEING PROPERLY LICENSED. I BELIEVE THAT THE ALABAMA SECURITIES COMMISSION APPRECIATED THE FACT THAT MY VIOLATION WAS UNINTENTIONAL AS NO INDIVIDUAL PENALTIES WERE ASSESSED AGAINST ME. GSS HAS BEEN PROPERLY REGISTERED WITH THE STATE OF ALABAMA, WITHOUT INCIDENT, SINCE MARCH 2007.



Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

Disclosure 1 of 2

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: GARDEN STATE SECURITIES, INC.
Allegations: FAILURE TO PERFORM ADEQUATE DUE DILIGENCE, UNSUITABLE INVESTMENT, BREACH OF CONTRACT
Product Type: Promissory Note
Other: PRIVATE PLACEMENT
Alleged Damages: \$100,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.): FINRA ARBITRATION

Docket/Case #: 12-01530

Date Notice/Process Served: 05/11/2012

Arbitration Pending? No

Disposition: Settled

Disposition Date: 07/16/2013

Monetary Compensation Amount: \$47,500.00

Individual Contribution Amount: \$0.00

Broker Statement THE CLAIMANT'S CLAIMS WERE WITHOUT MERIT AS THE ONE TRANSACTION AT ISSUE WAS SUITABLE FOR THIS INVESTOR AND THE SALE MADE IN COMPLIANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS. HOWEVER, IN AN EFFORT TO AVOID THE RISK ASSOCIATED WITH A HEARING, FOR BUSINESS REASONS, GARDEN STATE HAS SETTLED THIS CLAIM WITH THE INVESTOR. "ALL CLAIMS AGAINST ME WERE DISMISSED BY THE CLAIMANT ON JUNE 14, 2013, PRIOR TO THE SETTLEMENT WITH THE FIRM. ON JULY 16, 2013.

Disclosure 2 of 2

Reporting Source: Individual
Employing firm when activities occurred which led to the complaint: GARDEN STATE SECURITIES, INC.
Allegations: BREACH OF FIDUCIARY DUTY, MISREPRESENTATION IN CONNECTION WITH A PRIVATE PLACEMENT INVESTMENT MADE IN 2008. ALLEGED



DAMAGES OF \$300,000.

Product Type:	Other: PRIVATE PLACEMENT
Alleged Damages:	\$300,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	NA
Docket/Case #:	NA
Filing date of arbitration/CFTC reparation or civil litigation:	04/29/2009

Customer Complaint Information

Date Complaint Received:	04/29/2009
Complaint Pending?	No
Status:	Settled
Status Date:	10/13/2010
Settlement Amount:	\$165,000.00
Individual Contribution Amount:	\$165,000.00

Arbitration Information

Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA ARBITRATION
Docket/Case #:	09-2293
Date Notice/Process Served:	10/20/2010
Arbitration Pending?	No
Disposition:	Settled
Disposition Date:	10/20/2010
Monetary Compensation Amount:	\$165,000.00
Individual Contribution Amount:	\$165,000.00

Broker Statement	WITHOUT ADMITTING LIABILITY OR ANY WRONGDOING OF ANY NATURE, RESPONDENTS GARDEN STATE SECURITIES AND KEVIN J. DE ROSA AGREED TO SETTLE THE CASE FOR \$165,000 JOINTLY AND SEVERAL. THIS CASE AROSE AFTER GARDEN STATE SECURITIES AND I, ALONG WITH THE CLIENT, WERE VICTIMIZED BY THE CRIMINAL ACTS OF ONE STEVEN R. GREEN, OWNER OF THE PRIVATE EQUITY FIRM BLACKWATER CAPITAL. MR. GREEN, INVADED THE CLIENT TRUST ACCOUNT, WHERE CLIENT FUNDS WERE TO BE HELD FOR INVESTMENT IN A PRIVATE PLACEMENT, AND MISAPPROPRIATED THEM. ONCE GARDEN STATE AND I SUSPECTED WRONGDOING ON THE PART OF MR. GREEN, WE IMMEDIATELY
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CONTACTED THE FEDERAL BUREAU OF INVESTIGATION. AS A RESULT OF OUR EFFORTS, STEVEN R. GREEN WAS FOUND GUILTY OF WIRE FRAUD, SENTENCED TO THE MAXIMUM PRISON SENTENCE POSSIBLE, 6.5 YEARS, AND ORDERED TO PAY FULL RESTITUTION TO THE CLIENT.



End of Report

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