

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Broad Street Securities, Inc.
8751 W. Broward Boulevard Suite 307
Plantation, Florida 33324

Enforcement Case No. 09-7140

CRD #36101

Respondent

*Issued and entered
On March 27, 2009
by Stephen R. Hilker
Chief Deputy Commissioner*

ORDER OF SUMMARY SUSPENSION

The Office of Financial and Insurance Regulation of the Michigan Department of Energy, Labor and Economic Growth, pursuant to the Michigan Administrative Procedures Act of 1969, MCL 24.201 *et. seq.*, (hereafter "MAPA") and the Michigan Uniform Securities Act, as amended, MCL 451.501 *et. seq.*, (hereafter "Act"), and the rules promulgated under the Act, say that:

FINDINGS OF FACT

The staff of the Office of Financial and Insurance Regulation ("OFIR") alleges that the following facts are true and correct:

Description of Broad Street Securities, Inc.

1. Broad Street Securities, Inc. ("Broad Street") is a Broker-Dealer Firm formed in Nevada on January 31, 1994, whose main office location is currently located at 8751 W. Broward Boulevard, Suite 307, Plantation, Florida 33324.

2. Broad Street conducts nine separate types of business, including: Serving as a broker or dealer retailing corporate equity securities over-the-counter, mutual fund retailer, municipal securities broker, broker or dealer selling variable life insurance or annuities, broker or dealer selling oil and gas interests, put and call broker or dealer or option writer, investment advisory services, broker or dealer selling tax shelters or limited partnerships in primary distributions, and private placement of securities.
3. Broad Street has been registered to operate in Michigan as of June 3, 1994.

Broad Street's actions in violation of the Act

4. On June 18, 2008, the OFIR received a complaint against Broad Street. The complaint alleged certain violations of the Act, which upon review was deemed to merit further investigation.
5. On August 8, 2008, a letter was sent via certified mail to Broad Street requiring, under the authority of sections 407(a)(2), MCL 451.807(a)(2) and 407(b), MCL 451.807(b) of the Act, the filing of a signed, written statement including specific information pertinent to the undertaken investigation. The letter requested that the information be filed within 15 days of receipt of the letter.
6. The letter was received on August 18, 2008, as established by the United States Postal Service's Track and Confirm Program. The OFIR received a signed Domestic Return Receipt for the above letter on August 22, 2008.
7. The OFIR received no response to its August 8, 2008 letter.
8. On September 24, 2008, the OFIR faxed a second letter to Broad Street notifying Broad Street that the OFIR had not, to date, received any response to its initial letter. The second letter reasserted the OFIR's authority to require information under Section 407(a)(2), MCL 451.807(a)(2) and 407(b), MCL 451.807(b) of the Act and stated that failure to respond pursuant to Section 407, MCL 451.807 is a violation of the Act which jeopardizes Broad Streets registration in the State of Michigan.
9. On October 10, 2008, the OFIR opened an enforcement action to address the non-compliance to the August 8, 2008 and September 24, 2008 letters.
10. On December 18, 2008 at 11:48 am, a letter was sent via facsimile to Ms. Mary P. Mada, Chief Compliance Officer for Broad Street Securities, Inc. indicating, per a negotiated agreement, that the OFIR would refrain from issuing a Summary Suspension Order under Section 203(d), MCL 451.603(d) of the Act if the information requested in the August 8, 2008 letter was received by OFIR by 10:00 am on December 21, 2008.

11. On December 18, 2008 at 1:44 pm the OFIR received via facsimile the information requested in the August 8, 2008 letter under cover letter from Ms. Mary Mada, Senior Vice President.
12. Having received the information requested, the OFIR closed its enforcement action.
13. On December 23, 2008, a letter was sent via certified mail to Broad Street requiring, under the authority of section 407(a)(2), MCL 451.807(a)(2) and 407(b), MCL 451.807(b) of the Act, the filing of a signed, written statement including specific information pertinent to the undertaken investigation. The letter requested that the information be filed within 15 days of receipt of the letter.
14. The letter was received on December 29, 2008, as established by the United States Postal Service Track and Confirm Program.
15. On January 16, 2009, the OFIR advised Broad Street that it was preparing to issue a Summary Suspension for non compliance with its December 23, 2008 letter requesting specific information pertinent to its investigation. In light of the State of Michigan being closed on Monday, January 19, 2009, the OFIR agreed to withhold issuance of a Summary Suspension Order if the information requested was provided by January 20, 2009.
16. On January 20, 2009, the information was received by the OFIR in response to its December 23, 2008 letter requesting information by facsimile pertinent to its investigation from Ms. Mary P. Mada, Senior Vice President.
17. Included in the information received via facsimile was information in response to item number 10 of the December 23, 2008 letter which requested Broad Street to provide a list of, and pertinent information regarding, all investors in the State of Michigan who had purchased stock shares of a particular company.
18. The January 20, 2009 response included information on four Michigan investors who purchased stock shares of the particular company.
19. On February 6, 2009, the OFIR sent a letter via certified mail to Broad Street requiring, under the authority of sections 407(a)(2), MCL 451.807(a)(2) and 407(b), MCL 451.807(b) of the Act, the filing of a signed, written statement including specific information pertinent to the undertaken investigation. The letter requested that the information be filed within 15 days of receipt of the letter.
20. The February 6, 2009 letter requested a list of, and pertinent information regarding, investors nationwide who had purchased shares of the same company addressed above.
21. The letter was received on February 12, 2009, as established by the United States Postal Service's Track and Confirm Program.

22. On February 27, 2009, the OFIR received a response to its February 6, 2009 letter from Ms. Mary P. Mada, which included a national list of investors who purchased stock shares of the company in question.
23. The list provided indicates several investors who are Michigan residents that purchased stock shares of the company in question who were not previously disclosed to the OFIR when requested in its December 23, 2008 letter.
24. Ms. Mada indicated in her response that Broad Street was having problems locating certain requested information, but would send it by facsimile by Monday, March 2, 2009.
25. As of this date, the information promised by Broad Street has not been received by the OFIR.

CONCLUSIONS OF LAW

26. Section 407(a)(2) of the Act states the Administrator, in his discretion may require or permit any person to file a statement in writing, under oath or otherwise as the administrator determines, as to all the facts and circumstances concerning the matter to be investigated. The OFIR issued a "15 day letter" requiring a statement in writing be provided by Broad Street.
27. Section 407(b) of the Act states for the purpose of any investigation or proceeding under this act, the administrator, or any officer designated by it, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers correspondence, memoranda, agreements or other documents or records which the administrator deems relevant or material to the inquiry. The OFIR issued a "15 day letter" to Broad Street requiring the production of various records.
28. Section 203(a) of the Act states every registered broker-dealer and investment adviser shall make and keep accounts, correspondence memoranda, papers, books, and other records as the administrator by rule or order prescribes. The OFIR requested records which are required to be kept under rule 603.1 as indicated below.
29. Rule 603.1 to the Act states broker-dealers shall keep current the following books and records relating to its business:
 - (a) Blotters, or other records of original entry, containing an itemized daily record of all purchases and sales of securities, all receipts and deliveries of securities (including certificate numbers), all receipts and disbursements of cash, and all other debits and credits.

- (b) Ledgers, or other records, reflecting all assets and liabilities, and income, expense, and capital accounts.
 - (c) Ledger accounts, or other records, itemizing separately as to each cash and margin account of every customer and of such member, broker, or dealer and the partners thereof, all purchases, sales, receipts, and deliveries of securities and commodities for that account and all other debits and credits of that account.
 - (d) Ledgers, or other records, reflecting the following:
 - (i) Securities in transfer.
 - (ii) Dividends and interest received.
 - (iii) Securities borrowed and securities loaned.
 - (iv) Monies borrowed and monies loaned, together with a record of the collateral therefor and any substitutions in such collateral.
 - (v) Securities failed to receive and failed to deliver.
 - (e) A securities record or ledger reflecting separately for each security as of the clearance date of "long" or "short" positions, including securities in safekeeping, carried by each member, broker, or dealer for his account or for the account of his customers or partners, and showing the location of all securities long and the offsetting position to all securities short and, in all cases, the name or designation of the account in which each position is carried.
 - (f) A memorandum of each brokerage order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted.
 - (g) A memorandum of each purchase and sale of securities for the account of such member, broker, or dealer, showing the price and, to the extent feasible, the time of execution.
 - (h) Copies of confirmations of all purchases and sale of securities and copies of notices of all other debits and credits for securities, cash, and other items for the account of customers and partners of such member, broker, or dealer.
30. Section 203(d) of the Act states all records referred to in section 203(a) (*supra*) are subject at any time or from time to time to reasonable periodic, special, or other examinations by representatives of the Administrator, within or without this state, as the Administrator considers necessary or appropriate in the public interest or for the protection of investors. The expenses reasonably attributable to the examination of a matter arising under this section may be charged to the applicant or registrant involved. Failure of a registrant to promptly provide records for inspection shall be cause for a Summary Suspension Order until conclusion of the examination of the records. Broad Street provided incomplete information as to the OFIR's January 16, 2009 letter requesting a list and pertinent information regarding Michigan citizens who were investors in the stock shares of the particular, as indicated by the disclosure of additional Michigan investors in its February 27, 2009 response. Broad Street also has not provided information which it indicated in its February 27, 2009 response would be delivered on March 2, 2009.

ORDER

WHEREAS, Section 407(a)(2) of the Act, (MCL 451.807(a)(2)) states that the Administrator, in his discretion may require or permit any person to file a statement in writing, under oath or otherwise as the administrator determines, as to all the facts and circumstances concerning the matter to be investigated; and

WHEREAS, Section 407(b) of the Act (MCL 451.807(b)) states for the purpose of any investigation or proceeding under this act, the administrator, or any officer designated by it, may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require the production of any books, papers correspondence, memoranda, agreements or other documents or records which the administrator deems relevant or material to the inquiry; and

WHEREAS, information was requested from Broad Street regarding a matter being investigated; and

WHEREAS, the information requested consisted of records required to be maintained by Broad Street under Section 203(a) of the Uniform Security Act and Rule 603.1 to the Act; and

WHEREAS, the information requested was not provided by Broad Street; and

WHEREAS, Section 203(d) of the Act states all records referred to in section 203(a) are subject at any time or from time to time to reasonable periodic, special, or other examinations by representatives of the administrator, within or without this state, as the administrator considers necessary or appropriate in the public interest or for the protection of investors. The expenses reasonably attributable to the examination of a matter arising under this section may be charged to the applicant or registrant involved. Failure of a registrant to promptly provide records for inspection shall be cause for a summary suspension order until conclusion of the examination of the records; and

WHEREAS, Broad Street has a documented previous history of non-responsiveness to requests for production of documents and information by the OFIR; and

WHEREAS, the Administrator finds this Order necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act;

IT IS THEREFORE ORDERED, pursuant to Section 203(d) of the Act, (MCL 451.603(d)) that the respondent is **SUMMARILY SUSPENDED** from transacting business in the State of Michigan until such time as the following requirements have occurred:

1. Respondent shall supply all records and documents as requested to date by the OFIR for review; and

2. Respondent shall pay to the State of Michigan the expenses reasonably attributable to the examination of the records requested, including this enforcement action, which total in sum to One Thousand Dollars (\$1,000); and
3. Respondent shall disclose on its national registration the occurrence of this summary suspension.

Failure to comply with this ORDER may upon conviction subject you to a criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both. You may file with the Administrator within 15 days after service of this Order a written request for a hearing. The Administrator, within 15 days after your filing, shall issue a notice of hearing and set a date for the hearing. Any request for a hearing should be addressed to: the OFIR, Attention: Hearing Coordinator Dawn Kobus, P.O. Box 30220, Lansing, Michigan 48909. If you do not request a hearing, or it is not ordered by the Administrator within 15 days, this Order will stand as entered and will be FINAL.

It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.

Any other communication regarding this Order should be addressed to the Office of Financial and Insurance Regulation, Attention: Daniel Feinberg, Securities Counsel, P.O. Box 30220, Lansing, Michigan 48909.

OFFICE OF FINANCIAL AND INSURANCE
REGULATION

By:



Stephen R. Hilker
Chief Deputy Commissioner