

**STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
CONCORD, NEW HAMPSHIRE**

IN THE MATTER OF:

**E*TRADE Securities LLC
CRD #29106**

Respondent

INV2021-0000

CONSENT ORDER

- I. For purpose of settling the above-referenced matter and in lieu of further administrative proceedings, E*TRADE Securities LLC (hereinafter referred to as "E*TRADE" or "Respondent"), has submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as the "Bureau") has determined to accept. Accordingly, and without admitting or denying the allegations and findings herein, the Respondent does hereby consent to the entry of the Consent Order and the following:

The Facts

1. E*TRADE is a licensed broker-dealer with its principal office located at Harborside 2, 200 Hudson Street, Suite 501, Jersey City, New Jersey 07311. E*TRADE has a CRD number of 29106, has been licensed as a broker-dealer in New Hampshire since 3/27/1992 and has a SEC number of 8-44112.
2. The Bureau is currently in the process of conducting an investigation in case number INV2020-000031. As part of that investigation and pursuant to the statutory authority of the Bureau, a letter for the production of documents was sent to E*TRADE dated 10/23/2020 which requested records of E*TRADE. The response deadline set was within 20 days from the date of the letter. The letter request was sent via certified mail return receipt. The written production request was received by E*TRADE's agent for processing mail on or about 10/27/2020. Contact with the mail processor on 1/6/2021 revealed that it handles and distributes E*TRADE's mail. Also, two phone calls were placed by the Bureau. The individual addressee of the request letter received it on January 21, 2021, but after the Bureau filed its Staff Petition For Relief. E*TRADE produced the requested materials shortly thereafter.

Law

1. E*TRADE is a “broker-dealer” within the meaning of RSA 421-B:1-102(6).
2. Pursuant to RSA 421-B:4-411(l), [a]ny officer, manager, or agent of any broker-dealer or investment adviser authorized to do or doing securities business in this state, and any person controlling or having a contract to control such a broker-dealer or investment adviser, whether exclusively or otherwise, and any person or executive authority over or in charge of any segment of such a broker-dealer’s or investment adviser’s business, shall reply promptly in writing or in other designated form, to any written inquiry from the secretary of state requesting a reply. E*TRADE violated this section.
3. Pursuant to RSA 421-B:6-602(b) [f]or the purpose of an investigation under this chapter, the secretary of state or a designated officer may administer oaths and affirmations, subpoena witnesses, seek compulsion of attendance, take evidence, require the taking of a statement, and require the production of any records that the secretary of state considers relevant or material in the investigation. The Bureau was conducting an investigation when it issued its letter of production to E*TRADE dated 10/23/2020.
4. Pursuant to RSA 421-B:6-604(a), [i]f the secretary of state determines that a person has, is, or is about to materially aid in an act, practice, or course of business constituting a violation of this chapter, the secretary of state may issue an order directing the person to cease and desist from engaging in an act, practice, or course of business or to take other action necessary or appropriate to comply with this chapter. E*TRADE is subject to this section.
5. Pursuant to RSA 421-B:6-604(d), in a final order, the secretary of state may impose a civil penalty up to a maximum of \$2,500 for a single violation. E*TRADE is subject to this section.
6. Pursuant to N.H. RSA 421-B:6-604(g), in any investigation to determine whether any person has violated any rule or order under this title, the secretary of state shall be entitled to recover the costs of the investigation. E*TRADE is subject to this section.

II. In view of the foregoing, the Respondent agrees to the following:

1. Respondent agrees that that it has voluntarily consented to the entry of this Order and represents and avers that no employee or representative of the Bureau has made any promise, representation or threat to induce its execution.
2. Respondent agrees to waive its right to an administrative hearing and any appeal therein under this chapter.

3. Respondent agrees to pay an administrative fine in the amount of Two Thousand Five Hundred Dollars (\$2,500) and costs in the amount of Two Thousand Five Hundred dollars (\$2,500), with a total amount of Five Thousand Dollars (\$5,000) to the State of New Hampshire. Upon execution of this Order payment shall be made by 1) United States postal money order, certified check, bank cashier's check, business check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
4. Respondent agrees that this Consent is entered into for purpose of resolving only the matter and issues as described herein and no other issues pending before the State of New Hampshire. This Consent shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Consent shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct that the Bureau was unaware of at the time this Consent was executed. If the Respondent fails to comply with any provision herein, this Consent may be vacated by the Bureau and the Bureau may institute any proceedings permitted by RSA 421-B.
5. The Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent or create the impression that the Consent is without factual basis. Nothing in this provision affects the Respondents' testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent pay an administrative fine in the amount of Two Thousand Five Hundred Dollars (\$2,500) as outlined above.
2. Respondent pay costs in the amount of Two Thousand Five Hundred Dollars (\$2,500) as outlined above.
3. Respondent ceases and desists from any violations of RSA 421-B:4-411.

Executed this 12th day of February, 2021.

Andrew M' Cormick

on behalf of E*TRADE Securities LLC

Please print name below:

Andrew M' Cormick

Entered this 12th day of February, 2021

Barry J. Glenn

Barry Glenn, Director