

Pursuant to RSA 421-B:6-604(d), the Secretary of State has the authority to impose administrative penalties of up to \$2,500 for a single violation.

Pursuant to 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.

NOTICE OF RIGHT TO REQUEST A HEARING

Under the provisions of RSA 421-B:6-604, the above named respondents have the right to request a hearing on this order to cease and desist.

Any such request for a hearing shall be in writing, shall be signed by the respondents, or by the duly authorized agent of the above named respondents, and shall be delivered either by hand or certified mail, return receipt requested, to the Bureau of Securities Regulation, Department of State, 25 Capitol Street, Concord, New Hampshire 03301.

Under the provisions of RSA 421-B: 6-604(b), within 15 days after receipt of a request in a record from the respondents, the matter will be scheduled for a hearing. If the respondents subject to the order do not request a hearing and none is ordered by the secretary of state within 30 days after the date of service of the order, the order becomes final. If a hearing is requested or ordered, the secretary of state, after notice of and opportunity for hearing to the respondents subject to the order, may modify or vacate the order or extend it until final determination. If the respondents to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, such respondents shall be deemed in default,

and the proceeding may be determined against him or her upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated January 7, 2021, (a copy of which is attached hereto) are incorporated by reference hereto.

ORDER

WHEREAS, finding it necessary and appropriate and in the public interest, and for the protection of investors and consistent with the intent and purposes of the New Hampshire securities laws, and

WHEREAS, finding that the allegations contained in the Staff Petition, if proved true and correct, form the legal basis of the relief requested, therefore:

It is hereby **ORDERED**, that:

1. Respondents are hereby ordered to immediately cease and desist from the above indicated acts and from in any other way violating RSA 421-B.
2. Respondents shall respond to the Bureau's request of October 23, 2020 and shall be subject to additional penalties and sanctions should they fail to comply with this order.
3. Respondents shall jointly and severally pay an administrative fine of \$5,000.
4. Respondents shall jointly and severally pay the Bureau's costs of \$5,000.
5. Respondents broker-dealer and broker dealer agent licenses is subject to revocation, suspension, condition or limitation in accordance with RSA 421-B:4-412.

Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered and administrative penalties and other relief described herein being imposed upon the defaulting respondents.

SIGNED,
WILLIAM M. GARDNER
SECRETARY OF STATE
BY HIS DESIGNEE:

Dated: January 8, 2021


BARRY J. GLENNON, DIRECTOR,
BUREAU OF SECURITIES REGULATION

STATE OF NEW HAMPSHIRE
BUREAU OF SECURITIES REGULATION
DEPARTMENT OF STATE
25 CAPITOL STREET
CONCORD, NH 03301

STAFF PETITION FOR RELIEF
IN THE MATTER OF:

)
)
)
E*TRADE Securities, LLC)
)
and)
)
James Karayanis)
)
)
)
Respondents)
_____)

No. INV2021-0000

STATEMENT OF FACTS

I. The staff of the Bureau of Securities Regulation, Department of State, State of New Hampshire (the "Bureau") hereby petitions the Director, and makes the following statements of fact:

1. E*TRADE Securities, LLC (hereinafter "E*Trade") is a licensed broker-dealer with principal offices 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. The Chief Compliance Officer, James Karayanis (hereinafter "Karayanis") is listed on the CRD record with the same mailing address as the firm. Karayanis has a CRD number of 6290337.
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 requested addressed to Karayanis and was sent to his mailing address listed on CRD. The written production request was received by E-Trade's agent for processing mail NPD Logistics on or about 10/27/2020. (See Exhibit 1). Contact with NPD Logistics on 1/6/2021 revealed that they handle and distribute E*TRADE's mail. Also, two phone calls were placed to Karayanis and a voice recording identifying the Chief Compliance Officer as James Karayanis asks callers to leave a message. Two messages were left with Karayanis on 12/18/2020 and 12/23/2020. Each voice message alerted Karayanis of the letter production request and each message asked for a response. No response has been received as of 1/6/2020.

STATEMENTS OF LAW

- II. The staff of the Bureau hereby petitions the Director and makes the following statements of law under the New Hampshire Revised Statutes Annotated, RSA 421-B, and regulations thereunder:
1. E*TRADE is a "broker-dealer" within the meaning of RSA 421-B:1-102(6).
 2. Karayanis is a "person" within the meaning of RSA 421-B:1-102(39).
 3. 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. Karayanis and E*TRADE are in violation of this section.
 4. Pursuant to RSA 421-B:4-412(a) [i]f the secretary of state finds that the order is in the public interest and section (d) authorizes the action, an order issued under this chapter may deny an application, or may condition or limit a registration (1) of a applicant to be a broker-dealer, agent, investment adviser, or investment adviser representative, and (2) if the applicant is a broker-dealer or investment adviser, of any partner, officer, director, person having a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser. Under RSA 421-B:4-412(b)[i]f the secretary of state finds that it is in the public interest and subsection (d) authorizes the action, an order issued under this chapter may revoke, suspend, condition, or limit the registration of a registrant, and if the registrant is a broker-dealer or investment adviser, any partner,

officer, or director, any person having a similar status or performing a similar function, or any person, directly or indirectly controlling the broker-dealer or investment adviser. (c) A person may be disciplined under subsections (a) through (c) if the person; (2) willfully violates or willfully fails to comply with this chapter ...within 10 years. E*TRADE and Karayanis are in violation of this section and are subject to revocation, suspension, conditioning or limitation of their registration.

5. 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 and Karayanis dated 10/23/2020.
6. 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 and Karayanis are subject to this section.
7. 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. In addition, every such person, who is subject to such civil penalty, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation, or denial of any registration of license, or be barred from registration or licensure. E*TRADE and Karayanis are subject to this section.
8. 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 and Karayanis are subject to this section.

RELIEF REQUESTED

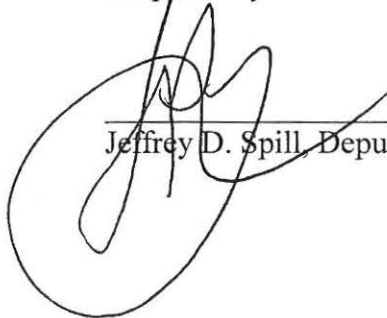
- III. In view of the foregoing, the Bureau staff makes the following requests for relief, as permitted under RSA 421-B, the New Hampshire Uniform Securities Act:
 1. Find as fact the allegations contained in Section I above;
 2. Make conclusions of law, based upon Section II above, as applied to the facts stated in Section I above;

3. Pursuant to RSA 421-B:4-412(a) through (c), revoke, suspend, condition or limit the registrations of E*TRADE and or Karayanis.
4. Pursuant to RSA 421-B:604(a), issue an Order to Cease and Desist against Respondents for violations of the Uniform Securities Act;
5. Pursuant to RSA 421-B:6-604(d), issue a registration and licensure suspension, revocation or bar against Respondents for violations of the Uniform Securities Act.
6. Pursuant to RSA 421-B:6-602, Order Respondents to respond to the Bureaus written request for production of records dated 10/23/2020 and assess additional monetary penalties and sanctions if they fail to abide by an Order to do so.
7. Assess an administrative fine in the amount of \$5,000 against Respondents jointly and severally.
8. Assess costs of this investigation in the amount of \$5,000 against Respondents jointly and severally.
9. Provide such relief as deemed just and proper under the New Hampshire Uniform Securities Act.-

RIGHT TO AMEND

The Bureau staff reserves the right to amend this Staff Petition for Relief and to request that the Director of the Bureau take additional administrative action. Nothing herein shall preclude the Bureau Staff from bringing additional enforcement action under this N.H. RSA 421-B or the regulations thereunder.

Respectfully submitted by:



Jeffrey D. Spill, Deputy Director

11/2/21

Date

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James Karayanis, CCO
 E*Trade Securities LLC
 200 Hudson St., Suite 501
 Jersey City NJ 07311

2. Article Number
(Transfer from service label)

7019 0700 0000 3763 6869

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

NPD LOGISTICS

- Agent
- Addressee

B. Received by (Printed Name) Date of Delivery

MAIL COURIER
908-509-1673

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

UNITED STATES POSTAL SERVICE
DV DANIELS NJ 070
27 OCT 2020PM 6 L



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

Jeffrey Spill
New Hampshire Bureau of Securities Regulation
107 North Main Street
State House Room 204
Concord NH 03301-4989

RECEIVED

OCT 29 2020

NEW HAMPSHIRE
DEPARTMENT OF STATE



Exhibit 1