

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

IN THE MATTER OF:

Spartan Capital Securities, LLC

Respondent

COM2011-003

Staff Petition For Relief

- I. Now Comes the State of New Hampshire by and through the Bureau of Securities Regulation of the New Hampshire Secretary of State with this Petition For Relief and hereby states as follows;

The Facts

1. SCS, is a business entity with a principal office listed at 45 Broadway, 9th Floor, New York, NY 10006. CRD records indicate that SCS is licensed as a broker-dealer with the Securities and Exchange Commission ("SEC"), and has been licensed in the State of New Hampshire since 7/11/2008. SCS' CRD number is 146251 and SEC number is 8-67801.
2. On or about March 2011, the Bureau received a complaint from one New Hampshire resident regarding an unsolicited cold call received at his home regarding the purchase of Allstate stock from an Edward Segur (Segur) of SCS. His CRD number is 3040824. The call came in at about 9:30 pm, a prohibited time period, and the complainant's phone number was listed on the National Do-Not-Call Registry and should not have been called. The call came in from phone number 212-293-0004. Segur claimed that he had called the complainant in November 2010, however, the complaint did not recall any previous calls. At the time of the call, Segur was not licensed to solicit the purchase of securities in New Hampshire.
3. A check of the Do-Not-Call Registry indicates that SCS regularly and repeatedly violated the Do-Not-Call restrictions.
4. SCS' conduct was in violation of FINRA rules and SCS's own internal compliance policies.
5. On 1/4/2012, without admitting or denying the allegations, the Respondent entered into a Consent Order with the Bureau under which the Respondent

agreed to cease and desist from the alleged conduct. Respondent also agreed to within six months of the Consent submit a written report to the Bureau outlining steps taken by the Respondent to make such necessary changes in compliance to fully implement and make effective the FINRA Rules regarding Telemarketing.

6. Despite the 1/4/2012 Consent Order for undertakings and to cease and desist, upon information and belief, the Respondent continues to violate the FINRA do-not-call Rules and RSA 421-B. The Bureau has access to the Consumer Sentinel Network, a secured access web site listing complaints from the residential do-not-call registrants regarding calls received from 212-293-0004-the Respondent-after the cease and desist Order was put in place. There are at least nineteen complaints filed from the date of the Consent to the present from across the nation. The Bureau has contacted Sentinel and the complainants and confirmed the calls. It is reasonable to conclude based upon the description of the complaints received by Sentinel, that the Respondent has not adequately complied with the required Consent undertakings, has not come into compliance with FINRA requirements and has violated the cease and desist Order.
7. The burden is now on the Respondent to establish that it has complied with the Consent Order.

The Law

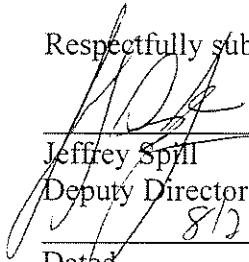
1. SCS is a broker-dealer within the meaning of RSA 421-B:2,III.
2. Pursuant to RSA 421-B:8,X, persons licensed under RSA 421-B to conduct securities business shall abide by the rules of the Securities and Exchange Commission, National Association of Securities Dealers ("NASD"), national and regional stock exchanges, and other self-regulating organizations which have jurisdiction over the licensee, which set forth standards of conduct in the securities industry. SCS is subject to this section for failing to abide by FINRA Rules 2212 regarding Telemarketing and 2310 regarding Fair Dealing With Customers.
3. Pursuant to RSA 421-B:10,III, the Respondent may be ordered to show cause why its license to act as a broker-dealer should not be revoked.
4. Pursuant to RSA 421-B:10,VI, in lieu of, or in addition to, any such order to suspend or revoke any license or application, the secretary of state may, upon hearing, assess an administrative fine of not more than \$2,500 per violation. SCS is subject to this section.
5. Pursuant to RSA 421-B:23, the Respondent may be ordered to cease and desist from violating the New Hampshire Uniform Securities Act 421-B. It is a violation of RSA 421-B:23 and 421-B:24 to violate a cease and desist order.

6. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. SCS is subject to a fine under RSA 421-B:10 and 421-B:8. SCS is subject to this section.
 7. Pursuant to RSA 421-B:26,III-a, every person who directly or indirectly controls a person liable under paragraph III, every principal executive officer, or director of such person, every person occupying a similar status or performing a similar function, every employee of such person who materially aids in the act or transaction constituting the violation, and every broker-dealer or agent who materially aids in the acts or transactions constituting the violation either knowingly or negligently, may, upon hearing, and in addition to any other penalty provided by law, be subject to such suspension, revocation, or denial of any registration or license, or administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties imposed pursuant to RSA 421-B:24 or civil liabilities imposed pursuant to RSA 421-B:25. SCS is subject to this section.
- II. In view of the foregoing, the Bureau requests that the following sanctions be imposed:
1. Respondent show cause why its license in the State of New Hampshire should not be revoked.
 2. Such other and further relief as deemed just, proper and for the protection of investors.

RIGHT TO AMEND

The Bureau's staff reserves the right to amend this Petition for Relief and requests that the Director of Securities Regulation take further enforcement action.

Respectfully submitted by:



Jeffrey Spill
Deputy Director

Dated

8/2/12

Pursuant to RSA 421-B:26, the Secretary of State has the authority to impose administrative penalties of up to \$2,500.00 for each violation of the securities laws and rules of New Hampshire.

NOTICE OF RIGHT TO REQUEST A HEARING

The above-named Respondent has the right to request a hearing on this order to show cause, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, shall be signed by the Respondent, or by the duly authorized agent of the above-named Respondent, 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:10, III, if Respondent fails to request a hearing on the show cause order within 30 calendar days of receipt of this order, Respondent shall be deemed in default, and the penalties requested will be imposed by default.

Upon request for a hearing being received by the Bureau of Securities Regulation, in the manner and form indicated above, a hearing shall be held not later than ten days after such request is received by the Bureau, after which hearing, and within 20 days of the date of the hearing, the Secretary of State, or such other person authorized by statute, shall issue a further order vacating or modifying this order, or making it permanent, as the circumstance require.

STATEMENT OF ALLEGATIONS

The allegations contained in the Staff Petition for Relief dated August 2, 2012 (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 in the Staff Petition, if proved true and correct, form the legal basis of the relief requested.

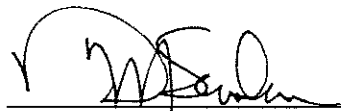
It is hereby ORDERED, that:

1. The Respondent is hereby ordered to show cause why its license in the State of New Hampshire should not be revoked; and
2. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being rendered, including imposition of fines and penalties upon the defaulting Respondent.

WILLIAM M. GARDNER
SECRETARY OF STATE
BY HIS DESIGNEE:

Dated: _____

8/20/12



David M. Scanlan
Deputy Secretary of State