

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

Phone: (512) 305-8300  
Facsimile: (512) 305-8310



## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

KENNETH W. ANDERSON, JR.  
MEMBER

JACK D. LADD  
MEMBER

BRYAN K. BROWN  
MEMBER

BETH ANN BLACKWOOD  
MEMBER

WILLIAM R. SMITH  
MEMBER

IN THE MATTER OF THE §  
DEALER REGISTRATION OF §  
ISLAND EXECUTION SERVICES, LLC §

Order No. IC04-CAF-21

TO: Edward Johnathon Nicoll, Chief Executive Officer  
Island Execution Services, LLC (CRD No. 104295)  
3 Times Square  
New York, NY 10036

### DISCIPLINARY ORDER

Be it remembered that Island Execution Services, LLC ("Respondent") by and through Joseph La Rosa, its Chief Compliance Officer, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and Undertaking, and the Findings of Fact and the Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004-2005) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004-2005) ("Administrative Procedure Act").
2. On or about April 3, 2001, Respondent registered with the Securities Commissioner as a securities dealer, which is currently effective.
3. Pursuant to Section 115.2(b) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), a dealer must file a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") to register an officer or partner ("Designated Officer") in connection with the registration of the dealer. The Designated Officer must be a control person of the dealer who has completed the necessary registration and examination requirements. If the Designated Officer resigns or is otherwise removed from his or her position with the dealer, then the dealer must file a Form U-4 with the Securities Commissioner to register another qualified Designated Officer within 30 days.

4. Pursuant to Section 115.4(a) of the Board Rules, a certificate of registration is issued to each registered securities dealer reflecting the dealer's Designated Officer.
5. Pursuant to Section 115.4(b)(1) of the Board Rules, any changes in the information reflected on the certificate of registration must be submitted to the Securities Commissioner within thirty (30) days of such change by the registered securities dealer, in order that amendments may be made to the certificate of registration. The fee for such submission to amend the certificate of registration is Twenty-Five Dollars (\$25.00).
6. On or about September 17, 2003, the registration with the Securities Commissioner of Respondent's Designated Officer, John Black Morgan (CRD No. 339962), was terminated.
7. From on or about January 21, 2004 to on or about August 24, 2004, Respondent had registered with the Securities Commissioner a replacement Designated Officer, Rodney Adly Faragalla (CRD No. 2685012).
8. From on or about August 24, 2004 to the present, Respondent has not had a qualified Designated Officer registered with the Securities Commissioner
9. From on or about September 17, 2003 to the present, Respondent has not submitted to the Securities Commissioner the information concerning these changes in its Designated Officer as reflected on its certificate of registration, with the fee(s).
10. On or about March 23, 2004, the staff of the Texas State Securities Board ("Staff") issued a letter to Respondent requesting submission to the Securities Commissioner of information concerning the change in its Designated Officer as reflected on the then current certificate of registration. On or about July 26, 2004, the Staff issued a second letter to Respondent requesting submission to the Securities Commissioner of the change in its Designated Officer.

#### UNDERTAKING

1. Respondent undertakes and agrees to file a Form U-4 application with the Securities Commissioner to register a qualified officer or partner as required by Section 115.2(b) of the Board Rules, within thirty (30) days of the date of this Order.
2. Respondent further undertakes and agrees to submit in writing to the Securities Commissioner, any change in the information which is currently reflected on its certificate of registration, accompanied by the fee for amendment of its certificate of registration, within thirty (30) days of the date of this Order.

#### CONCLUSIONS OF LAW

1. Respondent's failure to file a Form U-4 application to register a qualified Designated Officer with the Securities Commissioner within thirty (30) days of the date that the

previous Designated Officer resigned or was otherwise removed from their position with Respondent, constitutes a violation of Section 115.2(b) of the Board Rules.

2. Respondent's failure to submit such change in the Designated Officer information reflected on its certificate of registration to the Securities Commissioner within thirty (30) days, with such fee for amending the certificate of registration, constitutes a violation of Section 115.4(b)(1) of the Board Rules.
3. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order reprimanding a registered securities dealer.
4. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order assessing an administrative fine against a securities dealer.

#### ORDER

1. It is therefore ORDERED that Island Execution Services, LLC is hereby REPRIMANDED.
2. It is further ORDERED that Island Execution Services, LLC is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of One Thousand Dollars (\$1,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of One Thousand Dollars (\$1,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that Island Execution Services, LLC COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 3<sup>rd</sup> day  
of December 2004.



DENISE VOIGT CRAWFORD  
Securities Commissioner

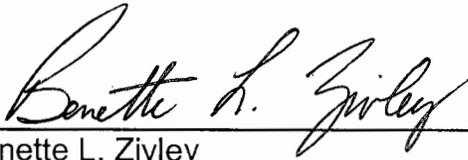
Respondent:

Island Execution Services, LLC

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By: Joseph La Rosa  
Chief Compliance Officer

Approved as to Form:



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Benette L. Zivley  
Director  
Inspections and Compliance Division

Respondent:

Island Execution Services, LLC



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By: Joseph La Rosa  
Chief Compliance Officer

Approved as to Form:

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Benette L. Zivley  
Director  
Inspections and Compliance Division

ACKNOWLEDGMENT

On the 2nd day of December, 2004, Island Execution Services, LLC ("Respondent") a securities dealer, by and through Joseph La Rosa, its Chief Compliance Officer appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. Joseph La Rosa is duly authorized to enter into the foregoing Order and Undertaking on behalf of Respondent;
2. Joseph La Rosa has read the foregoing Order and Undertaking;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein; and,
5. Respondent, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived its rights as set forth therein.

[affix notary seal here]

Barbara Cummings  
Notary Public in and for  
The State of New York  
My commission expires on: 3/11/2006

**BARBARA CUMMINGS**  
Notary Public, State of New York  
Registration No. 01CU6071016  
Qualified in New York County  
Commission Expires: March 11, 2006