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AUSTIN, TEXAS 78711-3167

## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
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Phone: (512) 305-8300  
Facsimile: (512) 305-8310

IN THE MATTER OF  
THE DEALER REGISTRATION OF  
BROAD STREET SECURITIES, INC.

§  
§  
§

**Order No. IC09-REV-16**

TO: Stuart G. Burchard, CEO  
Broad Street Securities, Inc. (CRD No. 36101)  
8751 W. Broward Boulevard, Suite 307  
Plantation, FL 33324

### DISCIPLINARY ORDER

Be it remembered that Broad Street Securities, Inc. ("Respondent"), by and through Stuart G. Burchard, its CEO, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and Undertaking, and the Findings of Fact and 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 the Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2008)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2008)("Administrative Procedure Act").
2. On or about January 27, 1997, Respondent registered with the Securities Commissioner as a dealer. That registration is currently effective.
3. On or about August 10, 2005, Respondent filed a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") with the Securities Commissioner in connection with an application to register a Texas resident (the "Agent") with the Securities Commissioner as an agent of Respondent.
4. From on or about August 24, 2005 to on or about January 20, 2006, Respondent engaged in the sale of securities in Texas through the Agent at a time when the Agent was not registered with the Securities Commissioner.

5. Beginning on or about August 24, 2005, Respondent knew, or should have known, that the Agent was engaged in the sale of securities in Texas on behalf of Respondent.
6. Respondent's written supervisory procedures effective in 2005 specifically required each of Respondent's employees to be properly registered to solicit customers and conduct securities business in each state that the employee was going to conduct business.
7. From on or about August 24, 2005 through December 8, 2005, the Agent recommended sixty-eight (68) securities purchase and sale transactions to a Texas client (the "Client") in one of the Client's accounts with Respondent. The total value of the securities purchased in the Client's account during the same time period was approximately \$842,720. During this same time period, the average value of the equity in the Client's account was approximately \$96,020. The Agent excessively traded securities in the Client's account.
8. The Client was seventy (70) years old and retired at the time of the Agent's recommendations.
9. Respondent represents that all of the securities-related activity by the Agent on behalf of Respondent was reviewed by a Principal located in Respondent's home office. Respondent failed to reasonably supervise the Agent in connection with the Respondent's sale of securities through the Agent.
10. Respondent's written supervisory procedures effective in 2005 required Respondent to conduct monthly audits of activity in customer accounts to assist in detecting various types of inappropriate transactions, including "churning" (excessive trading within a customer account). However, during 2005 Respondent did not utilize any exception reports to identify questionable activity in customer accounts.
11. On or about May 25, 2006, the Agent's application for registration with the Securities Commissioner was withdrawn by Respondent.

#### CONCLUSIONS OF LAW

1. During the period from ( ) 05 to on or about January 20, 2006, the Agent acted as an "agent" of Respondent as the term "agent" is defined by Section 4.D of the Texas Securities Act.
2. Pursuant to Section 14.A(5)(a) of the Texas Securities Act, Respondent's sale of securities in Texas through the Agent at a time that the Agent was not registered with Securities Commissioner is a basis to revoke Respondent's registration with the Securities Commissioner.
3. Respondent's sale of securities in Texas through the Agent when the Agent was not registered with the Securities Commissioner is a failure to enforce Respondent's written supervisory procedures, and constitutes a violation of §115.10(b)(1) of the Rules and Regulations of the Texas State Securities Board ("Board Rules").

4. Respondent's failure to reasonably supervise the Agent's securities activity on behalf of Respondent constitutes an inequitable practice in the sale of securities. Pursuant to Section 14.A(3) of the Texas Securities Act, this inequitable practice in the sale of securities is a basis to revoke Respondent's registration with the Securities Commissioner.
5. Respondent's failure to utilize exception reports to monitor trading activity in customer accounts is a failure to establish a reasonably designed supervisory system, and constitutes a violation of §115.10(a) of the Board Rules.
6. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations of Board Rules are bases for the issuance of an Order revoking Respondent's registration with the Securities Commissioner.

ORDER

It is therefore ORDERED that the registration of Broad Street Securities, Inc. with the Securities Commissioner of Texas is hereby REVOKED.

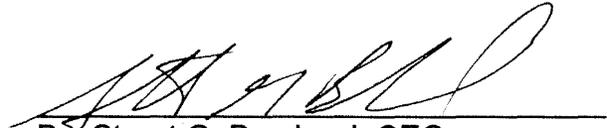
SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 28<sup>th</sup>  
day of August, 2009.



DENISE VOIGT CRAWFORD  
Securities Commissioner

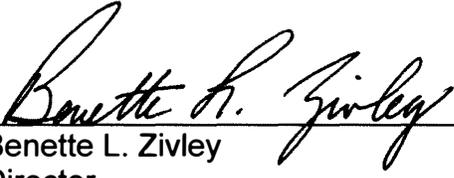
Respondent:

Broad Street Securities, Inc.

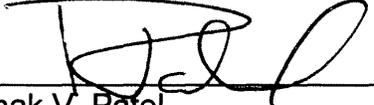


By: Stuart G. Burchard, CEO

Approved as to Form:



Benette L. Zivley  
Director  
Inspections and Compliance Division



Ronak V. Patel  
Attorney  
Inspections and Compliance Division

**ACKNOWLEDGMENT**

On the 24 August, 2009, Broad Street Securities, Inc. ("Respondent"), by and through Stuart G. Burchard, its CEO, personally appeared before me, executed the foregoing Order, and acknowledged that:

1. Stuart G. Burchard is duly authorized to enter into the foregoing Order on behalf of Respondent;
2. Stuart G. Burchard has read the foregoing Order;
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 the Findings of Fact and Conclusions of Law contained therein; and,
5. Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived its rights as set forth therein.

*Lisa Mancuso*

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Notary Public in and for  
the State of \_\_\_\_\_

[affix notary seal here]

My commission expires on: \_\_\_\_\_

