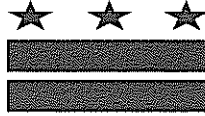


**Government of the District of Columbia**  
**Department of Insurance, Securities and Banking**



**William P. White**  
**Acting Commissioner**

In the matter of: )  
)  
NEWBURY STREET CAPITAL )  
LIMITED PARTNERSHIP )  
372 Washington Street )  
Wellesley, MA 02481 )  
\_\_\_\_\_ )

ORDER NO.: SB-CO-01-11

**ADMINISTRATIVE CONSENT ORDER**

**WHEREAS**, Newbury Street Capital Limited Partnership (“Newbury Street”) is a Massachusetts-based firm with its principal place of business at 372 Washington Street, Wellesley, MA 02481.

**WHEREAS**, Newbury Street is registered as a broker-dealer in the state of Massachusetts, as well as eighteen other jurisdictions; and is a registered broker-dealer with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”);

**WHEREAS**, Newbury Street is not registered as a broker-dealer in the District of Columbia (“District”);

**WHEREAS**, On March 11, 2010 Newbury Street filed a Form U-4 application with the Department of Insurance, Securities and Banking (“Department”) for a license to operate as a broker-dealer in the District;

**WHEREAS**, on March 15, 2010, the Department’s Securities Bureau contacted Newbury Street, to notify the firm of the deficiencies uncovered during a review of the application and to inform Newbury Street of its intent to discontinue consideration of the application;

**WHEREAS**, On March 28, 2010, the Securities Bureau was contacted by Mark O’Keefe, Chief Financial Officer of Newbury Street to discuss the Newbury Street application and to express a desire to continue the application process for a license to operate as a broker-dealer in the District of Columbia (“District”). Mr. O’Keefe also informed the Securities Bureau that Newbury Street had recently been made aware of the fact that the company had been executing

securities transactions in the District on behalf of a client who had relocated from New York to the District several months prior;

**WHEREAS**, upon the Securities Bureau's request, Newbury Street submitted details related to the specific transactions that occurred in the District;

**WHEREAS**, between May 3, 2009 and June 1, 2010 Newbury Street conducted eighteen (18) securities transactions on behalf of one client who resided in the District;

**WHEREAS**, the Acting Commissioner ("Commissioner") of the Department, having the authority to administer and provide for enforcement of the Securities Act of 2000, effective September 29, 2000 (D.C. Law 13-203, D.C. Official Code §§ 31-5601.01 *et seq.* (2001)) ("Act"), pursuant to D.C. Official Code § 31-5606.01, and upon due consideration of the subject matter hereof, has determined that grounds exist to allege that Newbury Street has engaged in acts or practices constituting violations of D.C. Official Code § 31-5602.01(a);

**WHEREAS**, without holding a hearing, trial or formal finding of any issue of fact or law, and prior to the initiation of any formal proceeding, the Department and Newbury Street have reached a mutual agreement; and

**WHEREAS**, Newbury Street agrees voluntarily to waive all rights to a hearing and appeal under the District of Columbia Administrative Procedure Act, D.C. Official Code §§ 2-509(a) and 2-510(a) (2001); the Rules of Practice and Procedures for Hearings in the District of Columbia, 26 DCMR §§ B300 *et seq.*; and the Enforcement-administrative and Judicial review provisions of the Act, D.C. Official Code §§ 31-5606.02(b) and 31-5608.03(a), with respect to this Administrative Consent Order ("Consent Order").

## **I. FINDINGS OF FACT**

1. Newbury Street admits the jurisdiction of the Department, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to the entry of this Order by the Department.

### Background

2. Newbury Street has been continuously licensed in New York to operate as a broker-dealer since October 11, 1996.
3. On March 11, 2010, Newbury Street filed a Form U-4 application with the Securities Bureau for a license to operate as a broker-dealer in the District. Newbury Street is a Massachusetts based firm with its principal place of business at 372 Washington Street, Wellesley, MA 02481, and is currently licensed as a broker-dealer with the SEC, FINRA and nineteen (19) jurisdictions.

4. On March 15, 2010, the Securities Bureau notified Mr. Robert Katz, Managing Director and contact person of Newbury Street, of the deficiencies revealed during the preliminary review of its application, and of the Securities Bureau's intent to discontinue consideration of the application.
5. On May 28, 2010 Mr. Mark O'Keefe, Chief Financial Officer, contacted the Securities Bureau to discuss the matter concerning Newbury Street's application. During a discussion on June 2, 2010, Mr. O'Keefe informed the Securities Bureau of Newbury Street's desire to continue the application process to obtain a broker-dealer license in the District of Columbia. Mr. O'Keefe explained that Newbury Street had recently become aware that it had been executing securities transactions in the District of Columbia for one of its clients who relocated from New York to the District a few months earlier. The Securities Bureau suggested that Newbury Street submit details pertaining to those specific transactions for review.
6. On June 4, 2010, Newbury Street submitted the following items to the Securities Bureau:
  - a. A cover letter dated June 2, 2010 and executed by Mr. O'Keefe;
  - b. Financial Statements for years ending December 31, 2008 and 2009;
  - c. DC Clean Hands Certification Form executed by Mr. Katz on June 1, 2010;
  - d. Statement of Financial Condition executed by Mr. O'Keefe on June 2, 2010;
  - e. Newbury Street's FOCUS Report for the period ending March 31, 2010;
  - f. DC Transaction Certification Form executed by Mr. Katz on June 2, 2010;
  - g. Attachments submitted in connection with Newbury Street's affirmative response in the DC Transaction Certification Form.
7. On June 14, 2010, Newbury Street notified the Securities Bureau that there had been eighteen (18) items that appeared in the transaction log but were not executed transactions and therefore no commission was charged to the District resident.
8. Newbury Street also disclosed that during a "mock-audit" of the firm performed by an undisclosed compliance consultant, it was discovered that the firm overlooked applying for licensure in the District to operate as a broker-dealer when one of their clients moved from New York to the District in May, 2009.
9. Newbury Street informed the Securities Bureau on June 14, 2010 that it was seeking approval of licensure to correct the firm's oversight as noted in paragraph 9, above.
10. On July 1, 2010, Newbury Street filed a Form U4 application with the Department.

11. On March 14, 2011, the state of Illinois initiated sanctions against the Newbury Street alleging that the firm acted as a broker without being properly licensed. The matter has been resolved.

## II. CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter pursuant to D.C. Official Code § 31-5606.01(a)(1).
2. The Commissioner finds that Newbury Street has transacted business in the District of Columbia without being licensed or authorized to do so, in violation of D.C. Official Code § 31-5602.01.
3. The Commissioner finds the following relief appropriate and in the public interest:

## III. ORDER

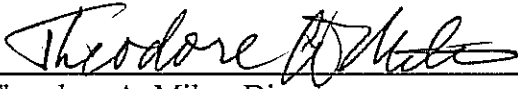
1. On the basis of the Findings of Fact and Conclusions of Law, Newbury Street consents to enter into this Consent Order for the sole purpose of settling this matter, prior to a hearing and without admitting or denying any violation of law.
2. This Consent Order concludes the concerns of the Department and any other action that the Commissioner could commence on behalf of the District of Columbia as it relates to Newbury Street; provided, however, that the Commissioner may enforce any claims arising from or relating to any violation of this Consent Order.
3. This Consent Order shall become final upon its entry by the Department.
4. Newbury Street will continue to provide to the Department all information reasonably necessary to demonstrate the company's compliance with the terms of this Consent Order.
5. Newbury Street shall pay an amount of five thousand, five hundred and ninety dollars (\$5,590.00) to the Department as a civil monetary penalty pursuant to District of Columbia Official Code § 31-5606.02(b)(4), made payable to the 'D.C. Treasurer' to be deposited into the District of Columbia's General Fund, pursuant to District of Columbia Official Code § 1-204.50. This amount shall be paid to the District of Columbia Department of Insurance, Securities and Banking within ten (10) days of the entry of this Consent Order.
6. If payment is not made as agreed, the Commissioner may vacate this Consent Order, at its sole discretion, upon ten days' notice to Newbury Street and without opportunity for administrative hearing, and Newbury Street agrees that any statute of

limitations applicable to the subject of the investigation and any claims arising from or relating thereto are tolled from and after the date of this Consent Order until such date that the Commissioner vacates this Consent Order.

7. This Consent Order and any dispute related thereto shall be construed and enforced in accordance, and governed by, the laws of the District of Columbia, without regard to any choice of law principles.
8. Newbury Street represents, warrants, and agrees that the firm has received independent legal advice from its attorney(s) with respect to the advisability of executing this Agreement.
9. Newbury Street, through its execution of this Consent Order, voluntarily waives its right to a hearing on this matter and to judicial review of this consent order under D.C. Official Code §§ 31-5606.02 (b) and 31-5608.03.

**AGREED AND CONSENTED TO:**

**DEPARTMENT OF INSURANCE, SECURITIES AND BANKING**

BY:   
Theodore A. Miles, Director  
Securities Bureau

**NEWBURY STREET CAPITAL LIMITED PARTNERSHIP**

BY:  5.9.11  
Samuel E. Bain, Jr., Managing Partner

DATED THIS 24<sup>th</sup> OF May \_\_\_\_\_

DEPARTMENT OF INSURANCE, SECURITIES  
AND BANKING

IN WITNESS WHEREOF, I have hereunto set my  
hand and affixed the official seal of this Department  
in the District of Columbia, this 24 day of May  
\_\_\_\_\_, 2011.



William P. White  
Acting Commissioner