

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSION

RECEIVED

In the Matter of Gerard Cerullo )  
Respondent )

CONSENT ORDER

JUL 10 2000

SECURITIES COMMISSIONER  
STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner has advised the respondent, Gerard Cerullo, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent is a securities salesman employed by and associated with LCP Capital Corp., a broker dealer firm headquartered in Staten Island, New York. LCP Capital Corp. is not now and has never been registered as a Broker Dealer in North Dakota. Respondent is not now and has never been registered as a securities agent in North Dakota.
2. From July of 1999 to April of 2000, respondent solicited several North Dakota residents to purchase securities. LCP Capital Corporation's supervisory system did not prevent the solicitations, but that system was designed to prevent the opening of an account by a person who resides in any state where they are not registered to conduct business.
3. With regard to at least one of the North Dakota residents solicited by Mr. Cerullo, Mr. Cerullo used aggressive and pushy tactics in soliciting the investments.
4. Pursuant to section 10-04-10 N.D.C.C., no dealer may offer for sale or sell any securities within or from this state unless registered as a Broker/Dealer, and no agent may offer for sale or sell any securities within or from this state, unless registered as an agent in North Dakota, unless the securities are sold through exempt transactions under section 10-04-06 N.D.C.C.
5. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may, in his discretion, issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.
6. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.

7. Respondent acknowledges his right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.
8. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the signature below.
9. The following Order is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondent shall not transact any securities business with any person in North Dakota respondent is registered as an agent, and conducting business through a registered broker/dealer, or properly exempted under Chapter 10-04 N.D.C.C.
2. Respondent shall pay a civil penalty of \$10,000 to the Office of the Securities Commissioner pursuant to NDCC §10-04-16.
3. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 10<sup>th</sup> day of July, 2000.



Syver Vinje  
Syver Vinje, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

STATE OF NORTH DAKOTA

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COUNTY OF BURLEIGH

SECURITIES COMMISSIONER


In the Matter of Gerard Cerullo, )  
 )  
 Respondent )

**CONSENT TO ENTRY  
OF ORDER**

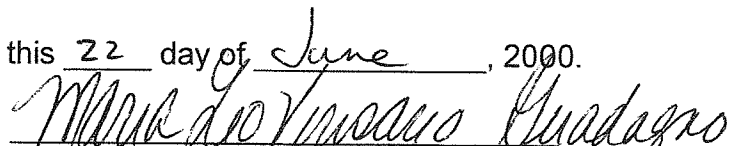
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Gerard Cerullo, the undersigned, states that he has read the foregoing Consent Order and that he knows and fully understand its contents and effects. He further states that he is executing this Consent to Entry of Order in his personal capacity. He acknowledges that respondent he has waived his rights to a hearing with respect to this matter, and that he consents to entry of the Consent Order by the Securities Commissioner.

It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 22<sup>nd</sup> day of June, 2000.

  
Gerard Cerullo  
LCP Capital Corporation  
100 Wall Street  
New York, NY 10005

Subscribed and Sworn before me this 22 day of June, 2000.

  
Notary Public  
State: \_\_\_\_\_ County: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

(Notary Seal)

MARIA LEOVIRISARIO GUADAGNO  
Notary Public, State of New Jersey  
No 2187202  
Commission Expires May 10, 2001