

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF)	
)	
GARDEN STATE SECURITIES, INC.)	ADMINISTRATIVE ORDER
)	
SCOTT HENRY SARI)	CD-2006-0027
)	
KEVIN JOHN DEROSA)	
)	
MICHAEL DAVID SHENLOOGIAN)	
)	
)	
RESPONDENTS)	

CEASE AND DESIST

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. GARDEN STATE SECURITIES, INC ("GARDEN STATE"), Central Registration Depository ("CRD") # 10083, is represented to be a New Jersey domiciled broker-dealer with a business address of 1540 Highway 138, Suite 303, Wall, New Jersey, 07719. GARDEN STATE was previously registered as a broker-dealer in the State of Alabama from September 13, 1994 to December 14, 1998 and June 9, 1999 to March 18, 2002.

2. SCOTT HENRY SARI ("SARI"), CRD # 2226426, is represented to be a broker-dealer agent for GARDEN STATE with a business address of 1540 Highway 138, Suite 303, Wall, New Jersey 07719. SARI was registered as a broker-dealer agent in Alabama with H. J. Meyers & Company, Inc. (CRD # 15609) from July 28, 1994 to October 5, 1998; and with GARDEN STATE from September 16, 1998 to October 8, 1998.

3. KEVIN JOHN DEROSA ("DEROSA"), CRD # 2314895, is represented to be a broker-dealer agent for GARDEN STATE with a business address of 1540 Highway 138, Suite 303,

Wall, New Jersey 07719. DEROSA was registered as a broker-dealer agent in Alabama with Investors Associates, Inc. (CRD # 958) from May 26, 1993 to November 16, 1993; with M. S. Farrell & Company, Inc. (CRD # 24232) from November 16, 1993 to July 17, 1994; with Investors Associates, Inc. (CRD # 958) from July 12, 1994 to October 21, 1996; with H. J. Meyers & Company, Inc. (CRD # 15609) from October 18, 1996 to October 5, 1998; and with GARDEN STATE from June 9, 1999 to December 3, 1999. DEROSA's current application for broker-dealer agent registration with GARDEN STATE has been pending since January 6, 2006.

4. MICHAEL DAVID SHENLOOGIAN ("SHENLOOGIAN"), CRD # 2381760, is represented to be a broker-dealer agent for GARDEN STATE with a business address of 620-A Tinton Avenue, 2nd Floor, Tinton Falls, New Jersey 08857. SHENLOOGIAN was previously registered as a broker-dealer agent in Alabama with GARDEN STATE from January 14, 2000 to December 19, 2000.

STATEMENT OF FACTS

5. On January 6, 2006, GARDEN STATE filed an electronic application for broker-dealer registration in the State of Alabama through the CRD maintained by National Association of Securities Dealers.

6. On February 13, 2006, a visitation letter dated February 10, 2006 was issued via certified mail to RBC Dain Rauscher, Inc., GARDEN STATE's clearing firm, to ascertain if any securities transactions had been effected by GARDEN STATE on behalf of Alabama clients.

7. On February 10, 2006, a deficiency letter was sent regular mail to GARDEN STATE requesting, among other things, a description of any prior broker-dealer activity GARDEN STATE had undertaken in the State of Alabama.

8. On February 23, 2006, the Commission staff received a response to the visitation letter that was issued to RBC Dain Rauscher, Inc. This response reflected nine open accounts with Alabama investors with a total of 27 securities transactions in the State of Alabama taking place between October 13, 2004 and January 25, 2006. These securities transactions resulted in \$3,002.63 of commission income for GARDEN STATE. The confirmations received from RBC

Dain Rauscher, Inc. in the visitation letter response reflected broker-dealer agent codes "WA66" and "WA50" as the broker-dealer agents that effected the securities transactions. "WA50" was labeled as "Scott H. Sari," while "WA66" was labeled as "Kevin DeRosa / Michael Sh." Given the ambiguity of the identity of "Michael Sh" Commission staff contacted Mr. Vincent Bruno, Chief Compliance Officer for GARDEN STATE, for verification of this broker-dealer agent's full name, which was SHENLOOGIAN.

9. On February 28, 2006, GARDEN STATE submitted a response to the deficiency letter which reflected the same information the Commission staff received from the clearing firm (nine open accounts with Alabama investors with a total of 27 securities transactions in the State of Alabama, netting GARDEN STATE commission income of \$3,002.63).

CONCLUSIONS OF LAW

10. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a dealer or agent for securities unless he is registered under this article. It is unlawful for any dealer or issuer to employ an agent unless the agent is registered. A review of Commission records reflected that GARDEN STATE was not registered as a broker-dealer in the State of Alabama from October 13, 2004 to January 25, 2006, the time frame during which 27 securities transactions took place in the State of Alabama.

11. SARI, DEROSA, and SHENLOOGIAN effected securities transactions through GARDEN STATE on behalf of Alabama clients without benefit of broker-dealer agent registration in violation of Section 8-6-3(a), Code of Alabama, 1975. A review of Commission records reflected that SARI, DEROSA, and SHENLOOGIAN were not registered as broker-dealer agents in the State of Alabama during the time the securities transactions took place in Alabama.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

Further, this Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS, GARDEN STATE SECURITIES, INC., SCOTT HENRY SARI, KEVIN JOHN DEROSA, and MICHAEL DAVID SHENLOOGIAN CEASE AND DESIST from all broker-dealer activity in the State of Alabama.

Entered at Montgomery, Alabama this the 14th day of June, 2006.

ALABAMA SECURITIES COMMISSION
770 Washington Street, Suite 570
Montgomery, Alabama 36130-4700
(334) 242-2984



BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

JOSEPH P. BORG
Director