

**BEFORE THE ARKANSAS SECURITIES COMMISSIONER  
CASE NO. S-13-0038  
ORDER NO. S-13-0038-13-OR01**

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ARKANSAS SECURITIES DEPT.

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**IN THE MATTER OF:  
NEWBRIDGE SECURITIES CORPORATION, CRD NO. 104065                      RESPONDENT**

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**CONSENT ORDER**

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Newbridge Securities Corporation (“Newbridge”) in full and final settlement of all claims that could be brought against Newbridge by the Staff on the basis of the facts set forth herein.

Newbridge admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, without admitting or denying the findings of facts made herein, consents to the entry of this order and agrees to abide by its terms in settlement of any possible violations committed by Newbridge concerning the matters detailed in this order.

**FINDINGS OF FACT**

1. Newbridge, CRD No. 104065, is a registered broker-dealer organized and operating under the laws of the State of Virginia. Newbridge has been registered in Arkansas under the Act since October 6, 2000.

2. From January 2008 to October 2011, Newbridge charged a handling fee to Arkansas clients. The handling fee, which was in an amount up to \$49.95, was excessive and had no relation to any actual costs incurred by Newbridge. Therefore, this fee amounted to an undisclosed commission fee being charged by Newbridge to Arkansas clients.

3. On or about January 29, 2013, FINRA entered a consent order against Newbridge concerning violations committed by Newbridge that were similar to the violations detailed in this order. In the FINRA consent order, Newbridge agreed to pay a fine in the amount of \$50,000 to FINRA for said violations. However, the FINRA consent order did not make any provision for the refund or return of any fees or commissions to Arkansas investors.

4. Newbridge has assured the Staff that it has already instituted significant internal changes and controls to prevent a reoccurrence of this violation.

#### APPLICABLE LAW

5. Ark. Code Ann. § 23-42-308(a)(2)(G) states that the Commissioner may by order suspend or revoke any registration if he finds that the registrant has engaged in dishonest or unethical practices in the securities business.

6. Rule 308.01(C) of the Rules states that each broker-dealer shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Charging undisclosed, unreasonable and inequitable fees for the exchange or transfer of securities shall constitute grounds for the suspension or revocation of a broker-dealer registration.

7. Ark. Code Ann. §23-42-308(a)(2)(B) provides that the Commissioner may by order suspend or revoke any registration if he finds that the registrant has willfully violated or failed to comply with any rule or order under the Act.

### CONCLUSIONS OF LAW

8. In violation of Ark. Code Ann. § 23-42-308(a)(2)(G), Newbridge engaged in dishonest or unethical practices in the securities business when Newbridge charged Arkansas residents an undisclosed commission fee that was characterized as a handling fee as detailed in paragraph two.

9. In violation of Rule 308.01(C) of the Rules, Newbridge failed to observe high standards of commercial honor and just and equitable principles of trade when it charged Arkansas residents an undisclosed commission fee that was characterized as a handling fee as detailed in paragraph two.

10. Pursuant to Ark. Code Ann. § 23-42-308(a)(2)(B) the violations committed by Newbridge warrant the entry of an order in this case.

### UNDERTAKINGS

In settlement of this matter, but without admitting or denying the findings of fact made above, Newbridge agrees to refund and return handling fees in the total amount of \$17,377.44, which represents the fees collected from Arkansas investors that were in excess of any actual out-of-pocket expenses actually incurred by Newbridge for the time period covered by this order.

### OPINION

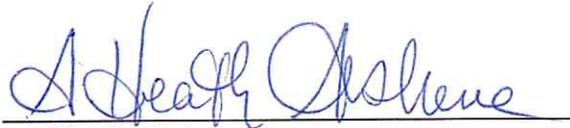
This order is in the public interest. The facts as set out in paragraphs two and three support the violations of the Act and Rules as set out in paragraphs eight and nine.

### ORDER

IT IS THEREFORE ORDERED that within 30 days of the entry of this order Newbridge shall provide proof to the Staff that Newbridge has refunded and returned handling fees in the total amount of \$17,377.44 to Arkansas investors for the time period covered by this order. Said amount represents the fees charged by Newbridge in excess of any actual out-of-pocket expenses

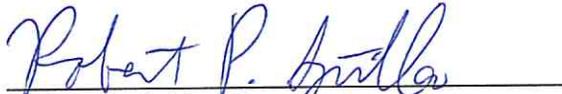
actually incurred. The proof of refund or return by Newbridge shall be in a form that is acceptable to the Staff. Further, along with the refund payments Newbridge shall include a letter that fully explains the refunds to the Arkansas investors.

WITNESS MY HAND AND SEAL on this 2<sup>nd</sup> day of April, 2013.

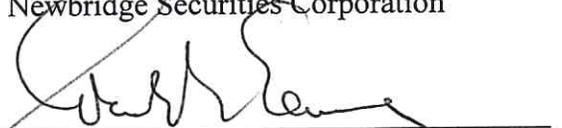


A. Heath Abshure  
Arkansas Securities Commissioner

APPROVED AS TO CONTENT  
AND FORM:



Robert P. Spitler, President  
Newbridge Securities Corporation



Arnold Levine, General Counsel  
Newbridge Securities Corporation

APPROVED AS TO CONTENT  
AND FORM:



Scott Freydl  
Staff Attorney  
Arkansas Securities Department