

STATE OF VERMONT  
DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND  
HEALTH CARE ADMINISTRATION  
SECURITIES DIVISION

IN THE MATTER OF:

Barry F. Cassese  
and  
K.C. Ward Financial

Docket No. 12-003-S

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ORDER IMPOSING TERMS, CONDITIONS AND UNDERTAKINGS IN  
CONNECTION WITH REGISTRATION UNDER  
THE VERMONT UNIFORM SECURITIES ACT

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WHEREAS, Barry Cassese ("Cassese"), CRD # 2080657, has filed an application to register as an agent employed by or associated with K.C. Ward Financial ("Firm"), CRD #145135, in Vermont pursuant to 9 V.S.A. Chapter 150, as amended (the "Securities Act"), and Firm is registered as a broker-dealer pursuant to the Securities Act; and

WHEREAS, under the Securities Act, the Commissioner of the State of Vermont Department of Banking, Insurance, Securities and Health Care Administration (the Commissioner") has general supervision and control over any and all broker-dealer firms and their agents, residing or doing business in Vermont; and

WHEREAS under Section 5406 of the Securities Act, an application for registration as an agent must include all information and records required for the filing of a uniform application and, upon request of the Commissioner, any financial or other information or record that the Commissioner determines is appropriate, which may include but is not limited to information and records concerning the qualifications, business history and good character of the applicant and of the broker-dealer with which the applicant will be employed or associated; and

WHEREAS the Commissioner, through his designated representative, the Securities Division (the "Division"), has reviewed the application for registration as an agent and has determined that it is necessary and appropriate for the protection of investors in Vermont and it is in the public interest that Cassese's application for registration as a broker-dealer agent be approved, subject to certain terms, conditions and undertakings imposed pursuant to Section 5412 of the Securities Act; and

WHEREAS each of Cassese and the Firm has consented to the issuance of this Order by the Commissioner and each has agreed to comply with and be subject to all terms, conditions and undertakings of this Order, and in executing such consent Cassese and the Firm have each knowingly, voluntarily and unconditionally waived certain rights in connection with the issuance of this Order;

NOW THEREFORE, IT IS ORDERED that:

1. Cassese's application for registration as an agent employed by or associated with the Firm is hereby approved, subject to the continuous compliance of Cassese and the Firm with the following undertakings and conditions while this Order is in effect:

a. Each of Cassese and the Firm shall execute a written consent to this Order and its terms, undertakings and conditions, in a form acceptable to the Commissioner, which includes provisions that such consent is made knowingly, voluntarily and unconditionally and that no promises were made and no coercion was used to induce Cassese or the Firm to consent.

b. Cassese shall not accept any new accounts for any customer, including any Vermont resident, unless Cassese's branch manager or a principal of the Firm reviews and approves the establishment of such account. The branch manager and/or principal's dated signature shall appear on each new account form to document the review and approval of the account by the branch manager or the principal, as applicable.

c. Each day, a registered securities principal of the Firm shall conduct a heightened review of all Cassese's transactions, including without exception all transactions with respect to any Vermont client accounts, should there ever be any.

d. Cassese will not exercise discretionary authority over and will not have custody of any account of a Vermont resident, should there ever be any, including but not limited to discretion in the use or disposition of funds or securities held by Firm for such client.

e. At least once every 12 months commencing with the execution of the written consent described above in paragraph 1(a) of this Order, Cassese shall be subjected to an unannounced, on-site inspection by a registered securities principal of the Firm, the purpose of which will be to determine whether Cassese is in compliance with the Firm's supervisory and compliance procedures, as well as the rules, laws and regulations of any securities regulator with jurisdiction over Cassese, including, but not limited to, the State of Vermont. The Firm will prepare a written report outlining the results of the unannounced, on-site inspection within 30 days of the completion of the on-site portion of the inspection and provide a copy of that report to the Commissioner.

f. Cassese presently has no accounts for any residents of Vermont, and does not anticipate accepting any accounts from any residents of Vermont. As long as Cassese has no accounts with any resident of Vermont, all aspects of the heightened supervisory obligations detailed in this Order will be required, with the sole exception of the requirement that Cassese receive heightened supervision in his capacity as a broker-dealer agent from a principal or branch manager of the Firm who is physically present and employed in the same office as Cassese. In the unanticipated event, that Cassese does acquire any account from a Vermont resident, then, in addition to all the other heightened

supervisory obligations detailed in this Order, it will also be necessary that Cassese receive heightened supervision in his capacity as a broker-dealer agent from a principal of the Firm who is physically present and employed in the same office as Cassese, consistent with supervisory procedures established by Firm as part of its system of special supervision and internal control.

g. Cassese will not act in any supervisory or managerial capacity with Firm, and will not act as a registered securities principal for Firm.

h. Each of Cassese and the Firm shall notify the Division in writing if Cassese becomes the subject of an inquiry or investigation of any securities regulatory agency or self-regulatory organization, an arbitration proceeding, or securities-related litigation, within fifteen (15) business days of receiving notice of such inquiry or investigation.

i. Each of Cassese and the Firm shall furnish to the Division a copy of any written complaint or action, or a written summary of any oral complaint, which is made with respect to Cassese within fifteen (15) business days of receiving such complaint or action, when such complaint or action concerns a Vermont resident, or any sale, offer to sell, purchase or offer to purchase of any security(ies) or other activity that is subject to the jurisdiction of the Securities Act.

j. Cassese and the Firm shall comply with and abide by all conditions imposed in this Order, all federal and state securities laws, and all applicable supervisory procedures established by Firm as part of its system of supervision and internal control. As long as this Order remains in effect, Cassese shall not transfer registration from the Firm to another broker-dealer pursuant to any mass transfer, without prior approval of the Division. Such approval shall not be presumed from completion of the mass transfer.

k. Firm shall abide by and enforce all conditions placed upon Cassese's

registration by this Order.

2. Each of Cassese and the Firm acknowledges that any inaccuracy, omission, or untrue statement in any of the statements, undertakings or representations, whether verbal or written, covered by this Order, or otherwise made in connection with this Order, or any failure to comply with any provision of this Order may constitute grounds for enforcement action by the Division.

3. If the Division determines that Cassese has violated any securities law or rules, regulations, or orders promulgated thereunder, a rebuttable presumption shall exist that the Firm has failed to reasonably supervise Cassese and such failure may constitute grounds for enforcement action under the Securities Act.

4. Firm shall file with the Division a written report within thirty (30) days of the effective date of this Order detailing the steps to be taken to supervise the activities of Cassese pursuant to the terms and conditions of this Order.

5. Cassese and the Firm shall each file with the Division a written certification of compliance with the terms of this Order on or before December 31 of each year the Order is in effect.

6. This Order shall become effective immediately upon the date set forth below and shall remain in effect until this Order is modified or rescinded by order of the Commissioner. Firm may petition the Division, in writing, to have some or all of the conditions of this Order removed or modified no earlier than 3 years from date of effectiveness.

7. The registration of Cassese as an agent employed by or associated with the Firm shall become effective immediately upon the date set forth below. This Order shall apply to Cassese's registration as an agent employed by or associated with the Firm and to all subsequent renewals of such registration until this Order is modified or rescinded by order of the Commissioner

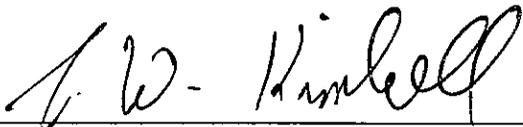
pursuant to paragraph 6.

8. Cassese's termination from the Firm does not alleviate either Cassese or the Firm's obligation pursuant to this Order. Both parties may request the Order be rescinded or amended at that time.

9. Cassese's termination of registration in Vermont does not alleviate either Cassese or the Firm's obligation pursuant to this Order. Both parties may request the Order be rescinded or amended at that time.

BY ORDER OF THE COMMISSIONER

Entered at Montpelier, Vermont, this 26<sup>th</sup> day of January, 2012.



STEPHEN KIMBELL, Commissioner  
Vermont Department of Banking, Insurance,  
Securities and Health Care Administration

CONSENT BY BARRY CASSESE  
TO THE ENTRY OF AN ORDER BY THE COMMISSIONER  
IMPOSING TERMS, CONDITIONS AND UNDERTAKINGS  
IN CONNECTION WITH REGISTRATION  
UNDER THE VERMONT UNIFORM SECURITIES ACT

1. Barry F. Cassese ("Cassese") knowingly, voluntarily and unconditionally waives his right to a hearing before the Commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration (the "Commissioner") or the Commissioner's designee, and any other procedures otherwise available to Cassese under the Vermont Uniform Securities Act, 9 V.S.A. Chapter 150, including but not limited to 8 V.S.A. § 5412, under any rule, regulation or order promulgated thereunder, or under the Vermont Administrative Procedures Act, 3 V.S.A. Chapter 25, regarding contested cases, in connection with the Order Imposing Terms, Conditions and Undertakings in Connection With Registration Under the Vermont Uniform Securities Act, Docket No.12-003-S (the "Order"). Cassese further knowingly, voluntarily and unconditionally waives any right he may have to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to the Order.

2. The Order shall be executed by the Commissioner upon: (i) due execution by and delivery to the Division of a Consent by K.C. Ward Financial ("Firm") to Entry of an Order by the Commissioner Imposing Terms, Conditions and Undertakings in Connection with Registration Under the Vermont Uniform Securities Act, with respect to the registration of Cassese; and (ii) due execution by Cassese and delivery to the Division of this Consent by Cassese to Entry of an Order by the Commissioner Imposing Terms, Conditions and Undertakings in Connection with Registration Under the Vermont Uniform Securities Act (the "Consent").

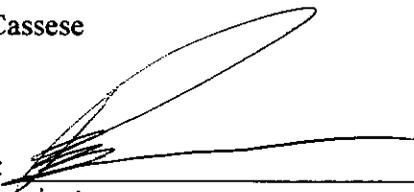
3. Cassese acknowledges that upon execution by the Commissioner, the Order constitutes a valid order duly rendered by the Commissioner, and Cassese consents

to the issuance of the Order, and agrees to be fully bound by its terms, conditions, undertakings and obligations.

4. Cassese acknowledges and agrees that this Consent is entered into knowingly, voluntarily and unconditionally and that no promise was made nor coercion used to induce him to enter into it.

5. Cassese acknowledges his understanding of all terms, conditions, undertakings and obligations contained in the Order and further acknowledges that any inaccuracy or untrue statement by Cassese regarding the Order and any failure by him to comply with any provision of the Order shall constitute grounds for further enforcement action by the Commissioner subject to Cassese's rights under the Vermont Uniform Securities Act.

Barry F. Cassese

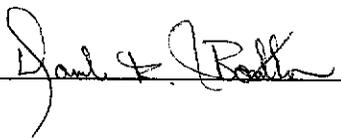
Signature: 

Date: 1/10/12

Typed/Printed Name: Barry Cassese

Title: Portfolio Manager

BEFORE ME this 10<sup>th</sup> day of JANUARY, 2012, personally appeared Barry F. Cassese who acknowledged that (s)he, as being authorized so to do, executed the foregoing for the purposes therein contained, and that such act of execution is his/~~her~~ free act and deed.

Notary Public: 

My Commission Expires: \_\_\_\_\_

DAVID R. BOULTON  
Notary Public  
Vermont  
My Commission Expires February 10, 2015

CONSENT BY K.C. WARD FINANCIAL  
TO THE ENTRY OF AN ORDER BY THE COMMISSIONER  
IMPOSING TERMS, CONDITIONS AND UNDERTAKINGS  
IN CONNECTION WITH REGISTRATION  
UNDER THE VERMONT UNIFORM SECURITIES ACT

1. K.C. Ward Financial ("Firm") knowingly, voluntarily and unconditionally waives its right to a hearing before the Commissioner of the Vermont Department of Banking, Insurance, Securities and Health Care Administration (the "Commissioner") or the Commissioner's designee, and any other procedures otherwise available to the Firm under the Vermont Uniform Securities Act, 9 V.S.A. Chapter 150, including but not limited to 8 V.S.A. § 5412, under any rule, regulation or order promulgated thereunder, or under the Vermont Administrative Procedures Act, 3 V.S.A. Chapter 25, regarding contested cases, in connection with the Order Imposing Terms, Conditions and Undertakings in Connection With Registration Under the Vermont Uniform Securities Act, Docket No.12-003-S. Firm further knowingly, voluntarily and unconditionally waives any right it may have to judicial review by any court by way of suit, appeal, or extraordinary remedy with respect to the Order.

2. The Order shall be executed by the Commissioner upon: (i) due execution by Cassese and delivery to the Division of a Consent by Cassese to Entry of an Order by the Commissioner Imposing Terms, Conditions and Undertakings in Connection with Registration Under the Vermont Uniform Securities Act with respect to the registration of Cassese as a broker-dealer agent; and (ii) due execution by the Firm and delivery to the Division of this Consent by the Firm to Entry of an Order by the Commissioner Imposing Terms, Conditions and Undertakings in Connection with Registration Under the Vermont Uniform Securities Act.

3. Firm acknowledges that upon execution by the Commissioner, the Order constitutes a valid order duly rendered by the Commissioner, and the Firm consents to the issuance of the Order, and agrees to be fully bound by its terms, conditions, undertakings and obligations.

4. Firm acknowledges and agrees that this Consent is entered into knowingly, voluntarily and unconditionally and that no promise was made or coercion used to induce it to enter into it.

5. Firm acknowledges its understanding of all terms, conditions, undertakings and obligations contained in the Order and further acknowledges that any inaccuracy or untrue statement by Firm or Cassese regarding the Order and any failure by it or Cassese to comply with any provision of the Order shall constitute grounds for further enforcement action by the Commissioner subject to the Firm's rights under the Vermont Uniform Securities Act.

K.C. Ward Financial

Firm's Authorized Representative:  Date: 1/12/12

Typed Name: CHARLES CARRILLO

Title: CHIEF COMPLIANCE OFFICER

BEFORE ME this 12<sup>th</sup> day of January, 2012,  
personally appeared Charles Carrillo who acknowledged that (s)he, as being  
authorized so to do, executed the foregoing for the purposes therein contained by signing as an  
authorized representative of K.C. Ward Financial and that such act of signing is his(her) free act  
and deed and the free act and deed of K.C. Ward Financial.

Notary Public: 

My Commission Expires: 03/31/2015

**PATRICK GUGLIOTTA**  
Notary Public, State of New York  
Qualified in Suffolk County  
Expires 03 / 31 / 2015  
Notary No 01GU6089935