
IN THE MATTER OF:

**VAUGHN LEE ANDREWS-MCKAY
CRD NO. 6491985**

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CONSENT ORDER

NO. CO-18-8450-S

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

WHEREAS, Vaughn Lee Andrews-McKay (“Respondent”) is an individual whose address last known to the Commissioner is 17 Drummond Road, Enfield, Connecticut 06082. Respondent was registered under the Act as a broker–dealer agent of PruCo Securities, LLC (CRD No. 5685) (“PruCo”) from September 10, 2015 to May 1, 2018. On May 1, 2018, PruCo filed a Uniform Termination Notice for Securities Industry Registration (“Form U-5”) seeking to terminate Respondent’s Connecticut registration;

WHEREAS, pursuant to Section 36b-15(e)(1) of the Act, Respondent’s withdrawal from registration as a broker-dealer agent under the Act became effective ninety days after receipt of the application to withdraw his registration on Form U-5. Notwithstanding the withdrawal, Section 36b-15(e)(1) of the Act provides that the Commissioner may institute a denial, revocation or suspension proceeding under subsection (a) of Section 36b-15 within one year after withdrawal becomes effective;

WHEREAS, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”), conducted an investigation pursuant to Section 36b-26(a) of the Act into the activities of Respondent to determine if he had violated, was violating or was about to violate provisions of the Act or Regulations (“Investigation”);

WHEREAS, as a result of such Investigation, the Division obtained evidence that from approximately January 2017 to October 2017, Respondent misappropriated approximately \$48,000 from two of his PruCo brokerage clients (“Clients”). Specifically, Respondent used false pretenses to convince the Clients to write personal checks to Respondent that Respondent assured the Clients he would use to satisfy the Clients’ financial obligations. After Respondent received the Clients’ checks, Respondent deposited them into a bank account he controlled and used the funds for his own personal use. In addition, Respondent obtained checks belonging to one of the Clients, forged that Client’s name and wrote several checks to himself. Respondent then deposited the checks into a bank account he controlled and used the funds for his own personal use;

WHEREAS, on May 1, 2018, Respondent was discharged from PruCo as a result of the above conduct;

WHEREAS, on May 8, 2018, the Financial Industry Regulatory Authority (“FINRA”) entered a Letter of Acceptance, Waiver and Consent (“AWC”) against Respondent (No. 2018058343001) arising out of Respondent’s conduct described above. The AWC referenced FINRA Rule 2150(a), which provides that “[n]o member or person associated with a member shall make improper use of a customer’s securities or funds.” FINRA Rule 2010 provides that “[a] member, in the conduct of its business, shall observe high standards of commercial honor and just and equitable principles of trade.” Converting customer funds violates FINRA Rules 2150(a) and 2010. The AWC barred the Respondent “from associating with any FINRA member in any capacity”;

WHEREAS, the Commissioner has reason to believe that the foregoing conduct would support the initiation of administrative proceedings against Respondent under Section 36b-15 of the Act and

subsections (a) and (d) of Section 36b-27 of the 2018 Supplement to the General Statutes (“2018 Supplement”);

WHEREAS, PruCo has provided the Division with documentation evidencing that as of the date this Consent Order is entered, PruCo has remitted the sum of \$49,097.87 to the Clients as full restitution for the monies misappropriated by Respondent, plus interest;

WHEREAS, Respondent Andrews-McCay has provided the Commissioner with a sworn financial affidavit demonstrating that he is financially unable to pay the administrative fine that might otherwise have been imposed against him pursuant to Section 36b-27 of the 2018 Supplement as a result of an administrative proceeding or as a term of this Consent Order;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, an administrative proceeding initiated under Section 36b-15 of the Act and Section 36b-27 of the 2018 Supplement would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondent reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

WHEREAS, Respondent expressly consents to the Commissioner's jurisdiction under the Act and to the terms of this Consent Order;

WHEREAS, Respondent, through his execution of this Consent Order, specifically represents and agrees that none of the violations alleged in this Consent Order shall occur in the future;

AND WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS

WHEREAS, Respondent, through his execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Section 36b-15(f) of the Act, Section 36b-27 of the 2018 Supplement and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail himself of Section 36b-15(f) of the Act, Section 36b-27 of the 2018 Supplement and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present his position in a hearing in which he is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS

WHEREAS, Respondent, through his execution of this Consent Order, acknowledges the following allegations of the Commissioner: 1) Respondent engaged in dishonest or unethical practices in the securities business within the meaning of Sections 36b-15(a)(2)(H) of the Act and Section 36b-31-15b(c) of the Regulations, and 2) the AWC provides a basis for the revocation of Respondent's registration as a broker-dealer agent pursuant to Section 36b-15(a)(2)(F)(iii) of the Act;

WHEREAS, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondent an opportunity for a hearing;

AND WHEREAS, Respondent acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

IV. CONSENT TO ENTRY OF SANCTIONS

WHEREAS, Respondent, through his execution of this Consent Order, consents to the Commissioner's entry of an order imposing on him the following sanctions:

1. Respondent, either directly or through any person, organization, entity or other device, shall cease and desist from directly or indirectly violating any provision of the Act or any regulation or order under the Act, including, without limitation, engaging in dishonest or unethical business practices within the meaning of Sections 36b-15(a)(2)(H) of the Act and Section 36b-31-15b(c) of the Regulations;
2. Based on the contents of the financial affidavit submitted to the Division, the imposition of any fine that otherwise would have been imposed against him pursuant to Section 36b-27 of the 2019 Supplement shall be temporarily stayed for three years from the date this Consent Order is entered by the Commissioner, provided that such stay shall no longer be in force and effect, and Respondent will be obligated to immediately pay a fine of \$50,000 by the Commissioner, if the Commissioner ascertains at any time that (a) the Respondent is able to pay an administrative fine; or (b) Respondent failed to disclose any material asset, materially misstated the value of any asset or made any other material misstatement or omission in the financial affidavit. This paragraph is without prejudice to the right of the Commissioner, in his discretion, to take such further action on the matter in the future following expiration of the temporary stay as may be warranted by the then existing circumstances. The Respondent, through his execution of this Consent Order, knowingly, wilfully and voluntarily waives his right to notice and an administrative hearing in conjunction with the implementation of this paragraph; provided, however, that, prior to invoking any enforcement measures contemplated by this paragraph, the Commissioner shall provide the affected Respondent with an informal opportunity to demonstrate its compliance with this Consent Order. After the completion of three years from the date this Consent Order is entered, if the Division determines that the Respondent is still unable to pay an administrative fine, such fine will be waived; and
3. From the date this Consent Order is entered by the Commissioner, Respondent shall be permanently **barred** from directly or indirectly, through any person, organization, entity or other device, (i) transacting business in or from Connecticut as a broker-dealer, agent, investment adviser or investment adviser agent, as such terms are defined in the Act and notwithstanding any definitional exclusion that might otherwise be available under the Act; and (ii) acting in any other capacity which requires a license or registration from the Commissioner.

V. CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondent based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondent based upon: (i) evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act; or (ii) evidence indicating that Respondent withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
4. Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
5. Respondent shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. However, nothing in this Consent Order affects Respondent's (i) testimonial obligations; or (ii) right to take any legal or factual position in litigation, arbitration, or other legal proceedings in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,
this 25th day of March 2019.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Vaughn Lee Andrews-McKay, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Vaughn Lee Andrews-McKay

State of: Connecticut

County of: Hartford

On this the 12th day of March 2019, before me, the undersigned officer, personally appeared Vaughn Lee Andrews-McKay, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: Sept. 30, 2021