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**IN THE MATTER OF:**  
  
**NYPPEX, LLC**  
**CRD NO. 47654**  
  
**LAURENCE GEOFFREY ALLEN**  
**CRD NO. 1063970**  
  
**(Collectively, “Respondents”)**  
  
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**NOTICE OF INTENT TO DENY  
REGISTRATION AS  
BROKER-DEALER**  
  
**NOTICE OF INTENT TO REVOKE  
REGISTRATION AS A BROKER-  
DEALER AGENT**  
  
**AND**  
  
**NOTICE OF RIGHT TO HEARING**  
  
**DOCKET NO. NDR-20-14445-S**

**I. PRELIMINARY STATEMENT**

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the Connecticut General Statutes, 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.

2. Pursuant to Sections 36b-8 and 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an Investigation of Respondents (“Investigation”).

3. As a result of the Investigation by the Division, the Commissioner brings this administrative action pursuant to Section 4-182(c) of the General Statutes of Connecticut and Section 36b-15(a) of the Act to deny the broker-dealer registration of Respondent NYPPEX, LLC in Connecticut and to revoke the broker-dealer agent registration of Respondent Laurence Geoffrey Allen in this state. Section 36b-15(a) of the Act provides, in pertinent part, that:

- (a) The commissioner may, by order, deny, suspend or revoke any registration or, by order, restrict or impose conditions on the securities or investment advisory activities that an applicant or registrant may perform in this state if the commissioner finds that (1) the order is in the public

interest, and (2) the applicant or registrant or, in the case of a broker-dealer . . . any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer . . . (D) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of a business involving securities, commodities, investments, franchises, business opportunities, insurance, banking or finance . . . .

Section 36b-15(e)(2) of the Act provides, in part, that:

If the registration of . . . [an] agent . . . expires due to the registrant's failure to renew, within one year of such expiration, the commissioner may nevertheless institute a revocation or suspension proceeding or issue an order suspending or revoking the registration under subsection (a) of this section.

## **II. RESPONDENTS**

4. NYPPEX, LLC is a Delaware limited liability company with its principal office at 800 Westchester Avenue, Rye Brook, New York 10573. Prior to September 29, 2010, the firm had been located at 55 Old Field Point Road, Greenwich, Connecticut 06830. NYPPEX, LLC was registered as a broker-dealer under the Act from November 29, 1999 to December 31, 2019 when its registration was terminated for failing to renew. On January 14, 2020, the firm reapplied for registration as a broker-dealer under the Act.

5. Laurence Geoffrey Allen ("Allen"), a resident of Greenwich, Connecticut, is the managing member of NYPPEX, LLC. Allen was registered as a broker-dealer agent of NYPPEX, LLC under the Act from November 29, 1999 to December 31, 2019 when his broker-dealer agent registration was terminated for failing to renew.

## **III. STATEMENT OF FACTS**

6. On February 4, 2020, in an action brought by the Attorney General of the State of New York, the Supreme Court of the State of New York, County of New York, entered a preliminary injunction enjoining NYPPEX, LLC, Allen and others from, *inter alia*, "[v]iolating Article 23-A of the New York General Business Law and from engaging in fraudulent, deceptive and illegal acts, and further employing any device, scheme or artifice to defraud or to obtain money or property by means of false pretense, representation or promise" ("Preliminary Injunction") (*People v. Allen, Laurence G.*, No. 2378/2019 (Supreme Ct. N.Y. Cnty. 2019)). The underlying conduct involved limited partnership investments.

**IV. STATUTORY BASIS FOR DENIAL OF REGISTRATION AS BROKER-DEALER  
AND REVOCATION OF REGISTRATION AS A BROKER-DEALER AGENT**

**Preliminary Injunction Entered Against Respondents**

7. Paragraphs 1 through 6, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

8. The Preliminary Injunction entered against NYPPEX, LLC, as more fully described in paragraph 6 forms a basis for the denial of NYPPEX, LLC's registration as a broker-dealer in Connecticut pursuant to Section 36b-15(a)(2)(D) of the Act.

9. The Preliminary Injunction entered against Allen, as more fully described in paragraph 6, forms a basis for revoking the registration of Allen pursuant to Section 36b-15(a)(2)(D) of the Act.

**V. NOTICE OF INTENT TO DENY REGISTRATION AS BROKER-DEALER,  
NOTICE OF INTENT TO REVOKE REGISTRATION AS A BROKER-DEALER  
AGENT AND NOTICE OF RIGHT TO HEARING**

**WHEREAS**, the Commissioner has reason to believe that grounds exist for denying NYPPEX, LLC's registration as a broker-dealer in Connecticut under Section 36b-15(a)(2)(D) of the Act;

**WHEREAS**, the Commissioner has reason to believe that grounds exist for revoking the broker-dealer agent registration of Allen under Section 36b-15(a)(2)(D) of the Act;

**WHEREAS**, the Commissioner finds that the issuance of an order denying Respondent NYPPEX, LLC's registration as a broker-dealer in Connecticut and the issuance of an order revoking the broker-dealer agent registration of Allen in this state would be in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act;

**AND WHEREAS**, Section 36b-15(f) of the Act provides, in pertinent part, that "[n]o order may be entered under this section . . . without (1) appropriate prior notice to the applicant or registrant and to the employer or prospective employer if such applicant or registrant is an agent or investment adviser agent, (2) opportunity for hearing, and (3) written findings of fact and conclusions of law";

**NOW THEREFORE**, notice is hereby given to Respondent NYPPEX, LLC that its application for registration as a broker-dealer in Connecticut shall be denied, subject to its right to request a hearing on the allegation set forth above;

**NOW THEREFORE**, notice is hereby given to Respondent Allen that his registration as a broker-dealer agent in Connecticut shall be revoked, subject to his right to request a hearing on the allegation set forth above;

Pursuant to Section 36b-15(f) of the Act, Respondent will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following each Respondent's receipt of this Notice. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If any Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". If a hearing is requested, the hearing will be held on April 1, 2020, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

The hearing will be held in accordance with the provisions of Chapter 54 of the General Statutes of Connecticut. At such hearing, each Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If any Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against any such Respondent will be deemed admitted and the Commissioner shall issue an order denying the registration of NYPPEX, LLC as a broker-dealer in Connecticut and/or revoking the registration of Allen as a broker-dealer agent in this state.

Dated at Hartford, Connecticut,  
this 21st day of February 2020.

\_\_\_\_\_/s/\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

**CERTIFICATION**

I hereby certify that on this 21st day of February 2020, I caused to be mailed by certified mail, return receipt requested, the foregoing Notice of Intent to Deny Registration as a Broker-Dealer, Notice of Intent to Revoke Registration as a Broker-dealer Agent and Notice of Right to Hearing to: NYPPEX, LLC, 800 Westchester Avenue, Rye Brook, New York 10573, certified mail no. 7014 2120 0000 3701 2259, and Laurence Geoffrey Allen, 43 Maple Avenue, Greenwich, CT 06830, certified mail no. 7014 2120 0000 3701 2266.

\_\_\_\_\_/s/\_\_\_\_\_  
W.C. Hall  
Paralegal