

\*\*\*\*\*  
\*  
**IN THE MATTER OF:** \*  
\*  
**JOSEPH MICHAEL FEDORKO, JR.** \*  
**CRD NO. 2007317** \*  
\*  
\*\*\*\*\*

**CONSENT ORDER**  
**MATTER NO. CO-22-20225-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**, Joseph Michael Fedorko, Jr. (“Respondent”) is an individual residing in Old Greenwich, Connecticut. Respondent was registered as a broker-dealer agent of various broker-dealers from January 19, 1990 to December 23, 2021, when he submitted an application to withdraw his broker-dealer agent registration. Respondent was most recently employed as a broker-dealer agent of Laidlaw & Company (UK), Ltd. (CRD No. 119037) (“Laidlaw”);

**WHEREAS**, on December 17, 2021, FINRA accepted a Letter of Acceptance, Waiver and Consent (No. 2020066704601) (“AWC”) from Respondent. The AWC was executed by Respondent on December 16, 2021, in resolution of FINRA claims that Respondent, while employed by Laidlaw, violated FINRA Rules 2111 and 2020 by engaging in excessive and unsuitable trading in an account of an older married couple. The AWC barred Respondent from association with any FINRA member firm in any capacity for ten months and fined him \$7,500;

**WHEREAS**, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”), conducted an investigation (“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;

**WHEREAS**, as a result of the Investigation, the Division ascertained that during the term of his association with Laidlaw, Fedorko: 1) transacted business in Connecticut as an unregistered investment adviser agent in connection with several “fee in lieu” accounts in which clients were charged a fee based on a percentage of their assets under management; 2) engaged in excessive trading in at least one client account; and 3) exercised discretionary trading authority for at least one client account without first obtaining written discretionary authority from the client;

**WHEREAS**, as a result of the Investigation, the Commissioner has reason to believe that the foregoing conduct violates certain provisions of the Act and Regulations and would support administrative proceedings against Respondent under Sections 36b-15 and 36b-27 of the Act;

**WHEREAS**, notwithstanding Respondent’s filing of a withdrawal application, Section 36b-15(e) permits the Commissioner to initiate suspension or revocation proceedings under Section 36b-15(a) of the Act within one year;

**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 Sections 36b-15 and 36b-27 of the Act, 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**, 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;

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

**WHEREAS**, Respondent acknowledges that he has had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

**AND 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.

## **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 Act, 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 Act, 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, without admitting or denying, the following allegations of the Commissioner:

1. Respondent violated Section 36b-6(c)(2) of the Act by transacting business as an unregistered investment adviser agent; and
2. Respondent engaged in dishonest or unethical practices in the securities business within the meaning of Sections 36b-4(b) and 36b-15(a)(2)(H) of the Act and Sections 36b-31-15b(a)(8) and 36b-31-15b(c) of the Regulations while he was a broker-dealer agent of Laidlaw;

**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 and the Regulations, including, without limitation, Sections 36b-6(c)(2) and Section 36b-4(b) of the Act and from engaging in dishonest or unethical business practices within the meaning of Sections 36b-31-15b(a)(8) and 36b-31-15b(c) of the Regulations and Section 36b-15 (a)(2)(H) of the Act;
2. The broker-dealer agent registration of Respondent under the Act shall be suspended for a period of eighteen months commencing on the date this Consent Order is entered by the Commissioner; and
3. No later than the date this Consent Order is entered by the Commissioner, Respondent shall remit to the department by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut" the sum of seven thousand five hundred dollars (\$7,500), which shall constitute an administrative fine.

## 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 or otherwise, denying, directly or indirectly, that the Commissioner had a basis to pursue the allegations set forth in Section III of 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. 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 17<sup>th</sup> day of May, 2022.

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

**CONSENT TO ENTRY OF ORDER**

I, Joseph Michael Fedorko, 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/\_\_\_\_\_  
Joseph Michael Fedorko

State of: Connecticut

County of: Fairfield

On this the 13<sup>th</sup> day of May 2022, before me, the undersigned officer, personally appeared Joseph Michael Fedorko, 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 / Commissioner of the Superior Court  
Date Commission Expires: Jul 31, 2022