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**IN THE MATTER OF:**

**ANDREW M. KOMAROW  
CRD NO. 5838564**

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**CONSENT ORDER**

**MATTER NO. CO-24-20233-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**, Andrew M. Komarow (“Komarow”) is an individual who resides at 75 Juniper Drive, Avon, Connecticut 06001. Komarow was registered with various firms as an investment adviser agent under the Act from April 13, 2011 to December 15, 2022, and as a broker-dealer agent under the Act from October 29, 2010 to December 22, 2022. Relating to the matters herein, Komarow was registered as an investment adviser agent of Private Advisor Group, LLC (“PAG”), an SEC registered investment advisor (CRD No. 155216) from August 23, 2016 to December 15, 2022, and a broker-dealer agent of LPL Financial LLC (CRD No. 6413) from April 26, 2016 to December 22, 2022;

**WHEREAS**, on December 15, 2022, PAG filed a Form U5 (Uniform Termination Notice for Securities Industry Registration) seeking to terminate Komarow’s registrations in all jurisdictions. The Form U5 stated that Komarow had been discharged from the firm effective November 18, 2022 for

“violating investment-related statutes, regulations, rules or industry standards of conduct.” The Form U5 added that: “On at least one occasion, Mr. Komarow initiated an electronic fund transfer (‘EFT’) into his personal account at a third-party custodian for amounts that were not available in the bank account from which Mr. Komarow directed the EFT to be drawn. Mr. Komarow confirmed he knew there were insufficient funds in the bank account at the time he initiated the EFT. Mr. Komarow placed trades in his personal account with those funds thereby creating a debit in the account when the bank did not honor the EFT”;

**WHEREAS**, on December 22, 2022, LPL filed a Form U5 seeking to terminate Komarow’s registrations in all jurisdictions. The Form U5 stated that Komarow had been discharged from the firm effective December 6, 2022 for violating investment-related statutes, regulations, rules or industry standards of conduct and for engaging in fraud or the wrongful taking of property. The Form U5 added that Komarow “processed ACH instructions for his own account knowing there were insufficient funds, then improperly used credit to place trades, resulting in negative balance.” On February 9, 2023, LPL filed an Amended Form U5 stating that on December 30, 2022 it had completed its internal review of Komarow’s conduct and had concluded that Komarow had “[c]aused personal account to be opened and ACH instructions to be processed, knowing accounts had insufficient funds [and] [u]sed credited funds to engage in trading that generated losses in [the personal] account, prior to Firm receiving ACH rejection due to insufficient funds”;

**WHEREAS**, on January 6, 2023, Komarow filed with the Commissioner a Form U4 (Uniform Application for Securities Industry Registration) seeking to register as an investment adviser agent of Hibernia Wealth Partners, LLC (an investment adviser based in Louisiana) (CRD No. 319509) under the Act. On March 9, 2023, Komarow filed with the Commissioner an application to withdraw this investment adviser agent application;

**WHEREAS**, on April 14, 2023, the Financial Industry Regulatory Authority (FINRA) filed a Form U6 (Uniform Disciplinary Action Reporting Form) indicating that on April 13, 2023 it had initiated an

investigation against Komarow (FINRA Case No. 2022077422401) and had made a preliminary determination to recommend that disciplinary action be brought against Komarow alleging violations of FINRA Rules 8210 and 2010 in that he failed to provide documents and information and to appear for testimony that was requested pursuant to FINRA Rule 8210. FINRA's request for documents, information and testimony arose out of its investigation into the circumstances surrounding the Form U5s filed by PAG and LPL for Komarow;

**WHEREAS**, on June 16, 2023, FINRA filed a Form U6 permanently barring Komarow from association with any FINRA member in any capacity for violating FINRA Rules 8210 and 2010 based on his failure to provide documents and information and to appear for testimony requested by FINRA. *Financial Industry Regulatory Authority, Letter of Acceptance, Waiver, and Consent No. Docket/Case Number: 2022077422401*;

**WHEREAS**, on December 8, 2023, the Securities and Exchange Commission ("SEC") filed charges against Komarow in the United States District Court for the District of Connecticut, charging Komarow with securities fraud under Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder, arising out of the free-riding that is the subject of this Consent Order. Among other things, the SEC alleged that "between October 13, 2022 and January 30, 2023 . . . Komarow engaged in a free-riding scheme using his brokerage accounts at four different broker-dealers." *Securities and Exchange Commission v. Andrew M. Komarow*, Civil Action No. 3:23-cv-01599 (D. Conn.).

**WHEREAS**, none of Komarow's clients at PAG or LPL were harmed by the above described activity nor has the Commissioner received any client complaints about the above described activity;

**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 of the Act into the activities of Komarow to determine if he had violated, was violating or was about to violate any provisions of the Act or any regulation or order under the Act ("Investigation");

**WHEREAS**, as a result of the Investigation, the Division ascertained that Komarow violated Section 36b-4 of the Act by engaging in fraudulent or deceptive acts or practices and engaged in dishonest and unethical business practices within the meaning of Section 36b-15(a)(2)(H) of the Act and Section 36b-31-15b(c) of the Regulations. Specifically, in December 2023, Komarow engaged in “free riding”, the practice of purchasing securities without having the funds to pay for or “cover” the purchase, which is prohibited by Regulation T of the Federal Reserve Board (“Regulation T”). Regulation T, among other things, prohibits making a trade in one’s brokerage account while knowing there are insufficient funds to pay for the trade;

**WHEREAS**, the Commissioner, as a result of the Investigation, has reason to believe that the foregoing conduct violates certain provisions of the Act and would support administrative proceedings against Komarow under Sections 36b-15 and 36b-27 of the Act; including conduct which, if proven, would constitute a basis for revocation of Komarow’s investment adviser agent and investment adviser agent registrations, respectively, under Section 36b-15(a) of the Act;

**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**, 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**, 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 Komarow have reached an agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

**WHEREAS**, Komarow expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order, without admitting or denying the underlying allegations made by the Commissioner, as set forth below;

**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**, Komarow has provided the Commissioner with a sworn financial affidavit demonstrating that he is financially unable to pay the administrative fine of one hundred thousand dollars (\$100,000) that otherwise would have been imposed against him by the Commissioner, and therefore, such fine will be stayed for a period of three years (as set forth in Section IV below). After the expiration of three years from the date this Consent Order is entered, if the Division determines that Komarow is still unable to pay administrative fine, such fine will be waived;

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

**AND WHEREAS**, Komarow, through his execution of this Consent Order, specifically assures the Commissioner that none of the violations alleged in this Consent Order shall occur in the future.

## **II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS**

**WHEREAS**, Komarow, 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 Sections 36b-15(f) and 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 Sections 36b-15(f) and 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**, Komarow, through his execution of this Consent Order, acknowledges, without admitting or denying, the following allegations of the Commissioner:

1. Komarow violated Sections 36b-4(a)(1) and 36b-4(b) of the Act and engaged in dishonest and unethical business practices within the meaning of Section 36b-15(a)(2)(H) of the Act and Section 36b-31-15b(c) of the Regulations;

2. The bar imposed against Komarow by FINRA on June 16, 2023 forms a basis for proceedings against Komarow's current or future registrations under 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 Komarow an opportunity for a hearing;

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

1. Komarow shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, including, without limitation, violating Section 36b-4 of the Act and engaging in dishonest or unethical conduct proscribed by the Act or the Regulations;
2. Effective upon the entry of this Consent Order by the Commissioner, Komarow's application for registration as an investment adviser agent is **DENIED**, and Komarow shall be **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; and
3. Based on the contents of the financial affidavit submitted by Komarow to the Division, the imposition of any fine that otherwise would have been imposed against him pursuant to Section 36b-27 of the Act 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 Komarow will be obligated to pay a fine of one hundred thousand dollars (\$100,000) to the Department, if the Commissioner ascertains at any time that (i) Komarow is able to pay an administrative fine; or (ii) Komarow 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. Komarow, 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 Komarow with an informal opportunity to demonstrate his compliance with this Consent Order. After the expiration of three years from the date this Consent Order is entered, if the Division determines that Komarow is still unable to pay administrative fine, such fine will be waived.

#### 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 Komarow based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that Komarow has failed to comply with the terms herein;

3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Komarow 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 Komarow withheld material information from, or made any material misstatement or omission to, the Commissioner in connection with this matter;
4. Komarow 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. Komarow 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 Komarow'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 31st day of January 2024.

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



**CONSENT TO ENTRY OF ORDER**

I, Andrew M. Komarow, 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/\_\_\_\_\_  
Andrew M. Komarow

State of: [Blank in Original]

County of: [Blank in Original]

On this the 30th day of January 2024, before me, the undersigned officer, personally appeared Andrew M. Komarow, 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: 12/31/2025