

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
NOBLETRADING.COM, INC.	)	ADMINISTRATIVE ORDER
	)	
	)	NO. CD-2010-0005
<u>RESPONDENT</u>	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the Authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. NOBLETRADING.COM, INC. ("NOBLE"), Central Registration Depository (CRD) #119024 is a New York domiciled broker dealer with a business address of 50 Broad Street, Suite 408, New York, NY 10004.

STATEMENT OF FACTS

2. On March 20, 2003, NOBLE became registered as a broker dealer in the State of Alabama. On December 31, 2006, NOBLE terminated its broker dealer registration in the State of Alabama.

3. On May 14, 2009, NOBLE submitted a new application electronically via the CRD for registration as a broker-dealer in the state of Alabama.

4. On June 4, 2009, the Commission staff issued a deficiency letter to NOBLE requesting among other items, a statement of prior securities activity in the State of Alabama. On June 4, 2009, the Commission staff issued a visitation letter to NOBLE's clearing firm, Penson Financial Services.

5. On June 10, 2009, the Commission staff received a response from NOBLE which reflected that NOBLE ended its prior broker dealer registration in Alabama in 2006 and that there was no current activity.

6. On June 24, 2009, NOBLE's clearing firm, Penson Financial Services, submitted a list of eight Alabama accounts for NOBLE, along with trade confirmations, from January 1, 2003 through June 10, 2009. Information reflected that, of the eight Alabama accounts, two accounts had securities transactions effected during the time that NOBLE was registered as a broker dealer in the State of Alabama. Information further reflected that NOBLE affected 1,056 securities transactions (including 34 cancelled securities transactions) in the remaining six Alabama accounts from February 20, 2007 through June 10, 2009, with total commissions generated of \$15,621.97 while NOBLE was not registered as a broker dealer in the State of Alabama.

7. On July 31, 2009, the Commission staff issued a continued deficiency letter to NOBLE requesting all account documents for the Alabama accounts as provided by NOBLE's clearing firm, Penson Financial Services.

8. On August 14, 2009, NOBLE provided a response to the Commission staff which reflected that the accounts in Alabama were opened due to oversight; that NOBLE conducts business in a predominantly unsolicited online business; and the Alabama accounts slipped through without any intent of NOBLE to conduct a business in a state where the firm was not yet approved. Documentation also included spreadsheets detailing 959 securities transactions

effected for six Alabama clients generating commissions and fees of \$14,523.60 from February 20, 2007 through August 4, 2009. Commission records reflected that NOBLE was not registered as a broker dealer in the State of Alabama during that time. New account documentation included in the response reflects that the clients are Alabama residents.

9. On October 15, 2009, the Commission staff issued a letter, via facsimile and certified mail with receipt taken October 20, 2009, to NOBLE advising that the prior securities activity responses provided by NOBLE and the clearing firm were under review and that registration was not available at that time. Additionally, NOBLE was advised that effecting securities transactions on behalf of Alabama clients without benefit of registration was unlawful. On October 15, 2009, the Commission staff issued a second visitation letter to NOBLE's clearing firm, Penson Financial Services, requesting all securities activity for NOBLE from May 2009 to the present.

10. On October 29, 2009, Penson provided additional information which reflected that NOBLE had effected 42 additional securities transactions on behalf of two of the eight Alabama clients from June 11, 2009 through September 18, 2009. Documentation further reflected that NOBLE generated commissions of \$794.25.

11. In response to the Commission staff's telephone request for identification of NOBLE broker dealer agents who effected securities transactions on behalf of Alabama clients, on January 13, 2010, Franklin Ogele, legal counsel for NOBLE, provided information that "Noble is an online broker-dealer that provides customers with an online platform to open accounts and enter buy and sell orders which are electronically communicated to NOBLE for entry and execution. Consequently, NOBLE does not have dedicated or designated registered representatives for each such house account..."

12. On January 14, 2010, the Commission staff issued to Mr. Ogele, via email, a request for an explanation as to what representative codes 02 and 26 signify as reflected on the account documents. On January 15, 2010, Mr. Ogele provided information, via email, that the representative codes are not for specific reps but for internal accounting and record keeping purposes.

### CONCLUSIONS OF LAW

13. Pursuant to Code of Alabama, 1975, Section 8-6-2, a Dealer is any person (entity) engaged in the business of effecting transactions in securities for the account of others. A Broker is considered a Dealer as herein defined. NOBLE is a Broker Dealer in that it effects securities transactions for the accounts of its clients.

14. Pursuant to Code of Alabama, 1975, Section 8-6-3(a) it is unlawful for any person to transact securities business in the State of Alabama as a dealer or agent for securities unless properly registered under the Act. Commission records reflect that NOBLETRADING.COM, INC. effected a total of 1,098 securities transactions from February 20, 2007 through September 18, 2009, for six Alabama residents generating commissions and fees of \$16,416.22 without benefit of broker dealer registration in the State of Alabama. Additionally, NOBLE continued executing securities transactions in the accounts of Alabama residents after notification that such activity was unlawful.

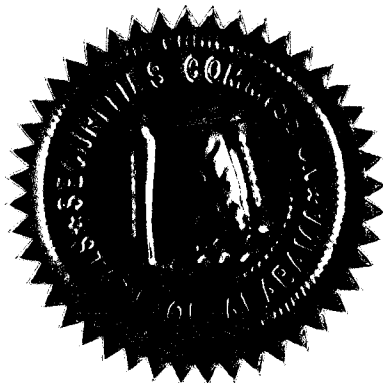
This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

Further, this Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of NOBLE to make a timely request for hearing, or default of NOBLE, it is the intention of the Commission to impose sanctions upon NOBLE. Such sanctions may include, inter alia, an administrative assessment imposed on NOBLE, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against NOBLE, and a permanent order to bar NOBLE from participation in any securities related industry in the state of Alabama.

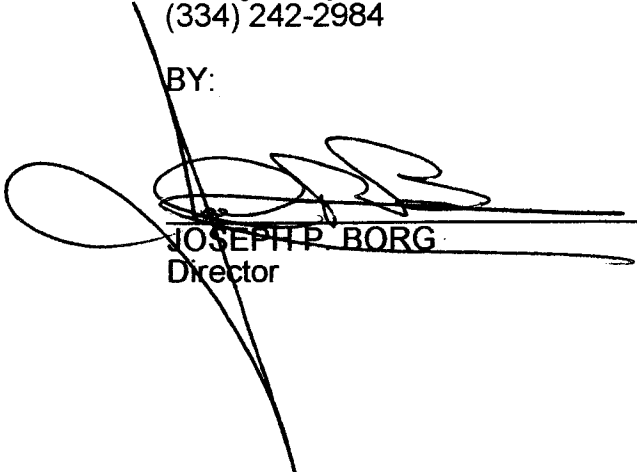
**ACCORDINGLY, IT IS HEREBY ORDERED** that NOBLETRADING.COM, INC. immediately **CEASE AND DESIST** from further offers or sales of any securities into, within, or from the State of Alabama.

Entered at Montgomery, Alabama, this the 29<sup>th</sup> day of January, 2010.



ALABAMA SECURITIES COMMISSION  
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BY:

  
JOSEPH P. BORG  
Director