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2005 NOV -3 A 9:32

Attorney for the Securities Department

BEFORE THE STATE AUDITOR AND THE COMMISSIONER OF SECURITIES,  
HELENA, MONTANA

IN THE MATTER OF: )  
)  
) CASE NO.:08-09-05-148-I  
SUMMIT BROKERAGE SERVICES, INC.)  
980 N. Federal Highway )  
Boca Raton, FL 33432; )  
)  
) CONSENT AGREEMENT  
GREGG LORENZO, individually and in )  
his capacity as a broker-dealer salesperson, )  
MICHAEL STANTON, individually and in )  
his capacity as a Summit branch manager, )  
ARNOLD ROSEMAN, individually and in )  
his capacity as CCO for Summit, )  
)  
)  
Respondents. )

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The Montana Commissioner of Securities (Commissioner) pursuant to the authority of the Securities Act of Montana, §30-10-101, et seq., MCA (2003), hereby states the following:

**RECITALS**

WHEREAS, the Securities Department (Department) issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about September 7, 2005, alleging violations of the Montana Securities Act;

WHEREAS, the Action alleged that Gregg Lorenzo (Lorenzo) violated certain provisions of the Montana Securities Act with regard to his handling of an investment account owned by two Montana investors and held at Summit Brokerage Services, Inc. (Summit);

WHEREAS, the Department and Lorenzo agree that the parties' best interests would be served by dismissing the Action with respect to Lorenzo, and entering into the following specific agreement and undertakings set forth below;

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Departments and Lorenzo, as the parties hereto, enter into the following:

### AGREEMENT

A. Without admitting the allegations and conclusions contained within the four corners of the Action, Lorenzo hereby stipulates and consents to the following:

1. Lorenzo shall abide by the provisions of the Montana Securities Act and the rules and regulations promulgated in support of those laws.
2. Lorenzo shall cooperate with the Department in resolving the matters currently existing with the Department about which Lorenzo has knowledge.
3. Lorenzo agrees to pay a fine of \$35,000 within two years of the date of the signing of this agreement.
4. Lorenzo agrees to withdraw his securities registration in Montana and to not apply for any securities licensing for a period of two (2) years.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner shall file with the hearing examiner the Consent Agreement in regards to all matters now pending before him and seek a dismissal of this case, with prejudice, with respect to Lorenzo.

C. The parties agree and stipulate as follows:

1. The Statute of Limitation is tolled for five (5) years from the date of consummation of this consent agreement with regard to the allegations set forth above. In the

event Lorenzo violates the terms of this consent agreement, or violates the securities laws of any other state during the five year period, the Department reserves the right to seek a fine of \$75,000 from Lorenzo.

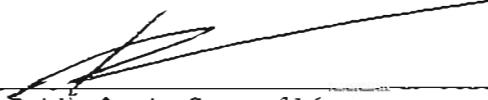
2. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against Lorenzo, regarding the allegations contained in the Action.

3. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. Lorenzo fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 1 day of ~~October~~ November 2005.

  
\_\_\_\_\_  
GREGG LORENZO

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of November 2005.

  
\_\_\_\_\_  
Notary Public for the State of ~~Montana~~ Montana  
Residing at \_\_\_\_\_, Montana  
My commission expires \_\_\_\_\_

BRIAN D. GRAIFMAN  
NOTARY PUBLIC, State of New York  
No. 02GR4967055  
Qualified in Westchester County  
Commission Expires 05/21/2008



MONTANA SECURITIES DEPARTMENT

By: Karen Powell  
Karen Powell  
Deputy Securities Commissioner

SUBSCRIBED AND SWORN to before me this 10<sup>th</sup> day of  
November 2005.

Darla Sautter  
Notary Public for the State of Montana  
Residing at Helena, Montana  
My commission expires 4/14/06.

ROBERTA CROSS GUNS  
Special Assistant Attorney General  
840 Helena Avenue  
Helena, MT 59601  
406-444-2040

STATE OF MONTANA  
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Attorney for Securities Department

BEFORE THE STATE AUDITOR AND THE COMMISSIONER OF SECURITIES,  
HELENA, MONTANA

IN THE MATTER OF:	)	
	)	CASE NO.:08-09-05-148-I
SUMMIT BROKERAGE SERVICES, INC.)	)	
980 N. Federal Highway	)	A F F I D A V I T
Boca Raton, FL 33432;	)	
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his capacity as a broker-dealer salesperson,	)	
MICHAEL STANTON, individually and in	)	
his capacity as a Summit branch manager,	)	
ARNOLD ROSEMAN, individually and in	)	
his capacity as CCO for Summit,	)	
	)	
Respondents.	)	

STATE OF NEW YORK	)	
COUNTY OF <u>New York</u>	)	: ss

I, Gregg Lorenzo, being first duly sworn upon my oath, do hereby depose and say:

1. I was registered with, and maintained my license to sell securities at Summit Brokerage Services, Inc. ("Summit") beginning on or about September 17, 2003 and continuing until on or about September 14, 2005.
2. While registered with Summit I acted as a securities salesperson and was licensed in the State of Montana.
3. During my tenure with Summit I serviced Barry and Brenda Olson as customers. The Olsons are residents of Montana.

4. Prior to joining Summit, I was previously in a partnership arrangement with Michael Berteletti ("Mr. Berteletti") at JP Turner. Our partnership ended when we left JP Turner. When Mr. Berteletti opened a Summit branch office in Staten Island, New York (the "Summit Branch Office") I moved with him. I moved to the Summit Branch Office where I acted as an individual broker who was an independent contractor for Summit. I believe that Mr. Berteletti was the licensee for the Summit Branch Office and Michael Stanton was the branch manager.
5. I never received any formal training regarding Summit's policies and procedures or other compliance related matters.
6. My standard procedure for opening new Summit accounts, like the Olsons, was to conduct a telephone interview and complete a "speed sheet." I then had my sales assistant, Patricia Costa, take the pertinent information from the speed sheet and place it on the new account form which was, along with a W-9, Fedexed to the client(s) for their signature(s) (as I did with the Olson's).
7. While at Summit, I was appointed to the Presidential Club one year based upon obtaining Summit Brokerage's required level of gross commission production, which I believe was \$250,000. The year after, I made Summit Brokerage's Chairman's Club by reaching in excess of \$500,000 in gross production.
8. I worked closer to Michael Stanton than anyone at the Summit Branch Office. To the best of my recollection, Mr. Stanton (i) looked at every new account form and approved them; (ii) reviewed all branch trade tickets at the end of each day; (iii) approved every trade that I presented; and (iv) never questioned any of them.

9. I understood that Mr. Stanton was licensed as a Chartered Market Technician (CMT), which I was informed is quite prestigious. Mr. Stanton evaluated different stocks on a technical basis. I got the large majority (my best estimate would be approximately 90%) of my trading ideas from Mr. Stanton. It was my practice at Summit to present to Mr. Stanton for analysis stock ideas that I generated without his input.
10. Anthony Urrico, another broker in the Summit Branch Office, came up with the idea to trade in Wireless Age Communications, and Mr. Stanton analyzed it. It was my understanding that one of Mr. Stanton's responsibilities as the branch manager was to ensure that the securities I recommended to clients were registered in the applicable client's state of residence.
11. I solicited all the trading in the Wireless Age Communications securities in the Olson's account.
12. The process of executing a trade began when I would write a trade ticket and would give the order to Patricia Costa in my office. She would then either phone the order to Summit headquarters or enter the order onto the computer and send it to headquarters. I would then either get a call from Patricia or access my computer to obtain the details of the trade execution. I never saw the confirmations on the trades I executed for customers, my understanding is that confirmations were only mailed to the customer directly from either Summit headquarters or the clearing agent.
13. I reviewed a document faxed to my attorney's office by the State of Montana that the State of Montana informed me was provided to them by Summit Brokerage. I

was informed that the document was supposed to represent an order ticket that came from headquarters, but I had never seen it before. I do not know who "Alisha" is, but I think she may work at Summit Brokerage's corporate offices. I do not know her to be a person who takes trade orders. The information on this document is erroneously marked as "unsolicited". I solicited every Wireless Age Communications trade I made for the Olson's and marked the order ticket that I wrote as "solicited".

14. Generally, I recommended to the Olson's stocks which Michael Stanton told me were good investment choices. Ms. Robin Bush, Summit Brokerage's compliance manager during the period I was employed by them, informed me that she was going to call the Olson's and/or insure that their investment objectives were changed to include "speculation." I was appreciative of her stated efforts.

DATED this 27 day of October 2005.

  
\_\_\_\_\_  
GREGG LORENZO

Subscribed and sworn to before me this 27 day of October 2005.

  
\_\_\_\_\_  
NOTARY PUBLIC for the State of \_\_\_\_\_  
Residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
**JUSTIN H. COHEN**  
**Notary Public, State of New York**  
**No. 02CO6104927**  
**Qualified in King County**  
**Commission Expires February 2, 2008**