

BRETT O'NEIL

Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI)
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Helena, MT 59601
406-444-2040

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

<p>IN THE MATTER OF:</p> <p>WOODSTOCK FINANCIAL GROUP INC., a Montana licensed broker-dealer; ANTHONY D. BRANCA, individually and in his capacity as Chief Compliance Officer of Woodstock Financial Group Inc.; JOSEPH L. DERRICO (a/k/a Joseph Edwards), dually and in his capacity as Woodstock Financial Group Inc. employee; and RYAN MURNANE, individually and in his capacity as a Woodstock Financial Group Inc. employee.</p> <p>Respondents.</p>	<p>CASE NO. SEC-2017-80</p> <p>CONSENT AGREEMENT AND FINAL ORDER</p>
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This Consent Agreement (Agreement) is entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101 et seq. (Act), and Woodstock Financial Group Inc. (Woodstock), and Joseph Derrico (Derrico) (Collectively, Respondents). Respondent Ryan Murnane is specifically excluded from this Agreement. The Final Order (Order) is issued by the authority of the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner).

RECITALS

WHEREAS, Respondent Woodstock Financial is a CSI-licensed broker-dealer, Central Resigstration Depoistory (CRD) #38095;

WHEREAS, Respondent Derrico is a CSI registered broker dealer representative, CRD #5727296;

WHEREAS, the CSI filed an agency action (Action) on December 19, 2017;

WHEREAS, the CSI's Action specifically stated Respondent Woodstock violated § 30-10-201(13)(k) by failing to supervise its salespersons;

WHEREAS, the CSI further states Derrico violated Admin. R. Mont. 6.10.401(2)(e) by splitting commissions with an unregistered person;

WHEREAS, the CSI and Respondents agree that the best interests of the public would be served by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondents agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

- I. Respondents Woodstock and Derrico stipulate and consent to the following:
 - A. Respondents neither admit nor deny the allegations in the December 19, 2017 Notice of Agency Action in the Recitals.
 - B. Within 10 days of signing this Agreement, Respondent Woodstock shall pay an administrative penalty to the State of Montana in the amount of \$10,000.00.

C. Within 10 days of signing this Agreement, Respondent Derrico shall pay an administrative penalty to the State of Montana in the amount of \$5,000.

D. Respondent Derrico is liable for restitution of \$101,324.39. Restitution of principal in amount of \$78,556.00 shall be paid in full within five days of signing this Agreement. Respondent Derrico shall pay the interest amount at a rate of 8.47%, for a total of \$22,768.39 by March 1, 2019. Respondent Derrico may request an extension of this time period for up to a period of 3 months. To the extent the CSI reaches a settlement with Respondent Murnane, or holds him accountable through the MAPA process, he will be jointly and severally liable for the total amount of restitution.

E. Respondents fully and forever release and discharge the Commissioner of Securities and Insurance, Montana State Auditor (Commissioner), the CSI, and all of the CSI's employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

F. Respondents specifically and affirmatively waive their right to a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elect to resolve this matter with this Agreement.

G. Respondents acknowledge that they enter into this Agreement voluntarily and without reservation.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have subject matter jurisdiction over this case.

B. Respondents and Branca are dismissed from the Action with prejudice pending successful completion of the terms of the Agreement listed herein.

C. The CSI warrants and represents that so long as Respondents adhere to the terms of this Agreement, the CSI will not bring any further action against Respondents or Branca arising from facts known to the CSI as of the date of the Agreement relating to the Recitals.

D. This Agreement is entered without adjudication of any issue, law, or fact. This Agreement covers the factual allegations addressed above. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against Respondents, limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

E. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations in the Recitals. In the event any Respondent violates the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action against that particular Respondent.

F. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondents to enter into this Agreement.

G. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing, with the same formality as this Agreement, to be effective.

H. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

I. This Agreement shall be effective upon signing of the Final Order.

J. The Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.

DATED this 11 day of January, 2019.

**OFFICE OF THE MONTANA STATE AUDITOR,
COMMISSIONER OF SECURITIES AND
INSURANCE**

BRETT OLIN
Attorney

DATED this ___ day of _____, 2018. **WOODSTOCK FINANCIAL GROUP INC.**

By: _____

Title: _____

DATED this ___ day of _____, 2018.

JOSEPH DERRICO

Reviewed for content for Woodstock and Branca by Bryan Ward, esq.

Reviewed for content for Joseph Derrico, esq. by Michael Farkas, esq.

H. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

L. This Agreement shall be effective upon signing of the Final Order.

J. The Agreement is a public record under Montana law and, as such, may not be sealed or otherwise withheld from the public.


DATED this ___ day of _____, 2018.

**OFFICE OF THE MONTANA STATE AUDITOR,
COMMISSIONER OF SECURITIES AND
INSURANCE**

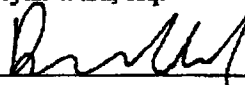
BRETT OLIN
Attorney

DATED this 8th day of JANUARY, 2019 **WOODSTOCK FINANCIAL GROUP INC.**

By: 

DATED this 9 day of January, 2019. Title: COO

JOSEPH DERRICO

Reviewed for content for Woodstock and Branca by Bryan Ward, esq.



Reviewed for content for Joseph Derrico, esq. by Michael Farkas, esq.

