



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
WORDEN CAPITAL MANAGEMENT LLC,) Case No.: AP-21-15
CRD # 148366,)
)
Respondent.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Director of Enforcement, Douglas M. Jacoby, alleges that Respondent Worden Capital Management LLC (“**Worden**”) failed to comply with the terms set forth in a supervisory affidavit regarding enhanced supervisory oversight of a former employee that had been instituted by the Missouri Securities Division (“**Securities Division**”) and executed in April 2020 (the “**Plan of Heightened Supervision**”), in violation of 15 CSR 30-51.171 and Section 409.4-412(d)(9).¹ The Enforcement Section alleges that this action constitutes sufficient grounds to charge Worden pursuant to Sections 409.4-412(c) and 409.4-412(d)(9).
2. Respondent and the Securities Division desire to settle the allegations and the matter raised by the Securities Division relating to alleged violations of 15 CSR 30-51.171 and Section 409.4-412(d)(9).

CONSENT TO JURISDICTION

3. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities (“**the Commissioner**”) has jurisdiction over Respondent and this matter pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

¹ Unless otherwise noted, all statutory references are to the 2020 Revised Statutes of Missouri.

WAIVER AND EXCEPTION

5. Respondent waives any rights to a hearing with respect to this matter.
6. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondent stipulates and agrees with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER'S ORDER

8. Respondent and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegation made by the Securities Division or the Findings of the Commissioner, but consent to the Commissioner's Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

THE COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Relevant Persons

12. Worden is a New York-based broker-dealer with its principal office located at 100 Ring Road North, #210, Garden City, New York. Worden is registered in the Central Registration Depository ("CRD") with number 148366 and has been registered as a broker-dealer in Missouri since April 2009.
13. Robert Nicholas Rotunno ("**Rotunno**") is a forty-one-year-old New York City resident and

has been associated with several broker-dealers since 1999. Rotunno is registered in CRD with number 4025263. Most recently, between December 10, 2019 and October 6, 2021, Rotunno had been associated with Worden as a broker agent, where he worked out of a Worden branch office located at 40 Wall Street, New York, NY 10005.

14. John Michael Marinaccio (“**Marinaccio**”) is a forty-four-year-old resident of New Jersey and was employed at Worden from February 12, 2018 through September 29, 2020. Marinaccio is registered in CRD with number 3274917. He has been a Series 24 (General Securities Principal Exam) supervisor since September 2011. Marinaccio has never been registered with the State of Missouri.

B. The Enforcement Section’s Investigation

15. Rotunno was initially registered as a broker agent in the State of Missouri on August 8, 2005, while employed by Laidlaw & Company (UK) Ltd. (CRD #119037)(“**Laidlaw**”).
16. On February 3, 2016, following Rotunno’s voluntary departure from Laidlaw on January 5, 2016, Rotunno’s aforementioned registration in Missouri terminated.
17. Though subsequently employed by two other broker-dealers from January 2016 through early December 2019, Rotunno was not re-registered in Missouri as a broker agent with the State of Missouri during that time frame.
18. Upon joining Worden on December 10, 2019, Rotunno applied to the Securities Division to re-register as a broker agent in the State of Missouri on January 2, 2020.
19. In the course of reviewing Rotunno’s application, the Securities Division noticed that since April 2008, Rotunno had reported ten disclosure events on his Form U4, all of which involved customer complaints.²
20. As a precondition for approving Rotunno’s application, the Securities Division, as a result of the alleged conduct and activity appearing in Rotunno’s regulatory history, required Worden to implement certain enhanced supervisory measures with respect to Rotunno under a written Plan of Heightened Supervision. The terms of the Plan of Heightened Supervision were agreed and affirmed in separate written affidavits by both Rotunno and Rotunno’s designated supervisor at Worden, Marinaccio, on April 7, 2020.
21. The Plan of Heightened Supervision required, among other things, that Marinaccio promptly send to the Securities Division quarterly reports documenting periodic meetings with Rotunno addressing activities in his Missouri customer accounts and notify the Securities Division immediately upon termination of his supervisory position over Rotunno.

² Respondent Rotunno recently received an award from FINRA Dispute Resolution Services, dated June 17, 2021, to expunge all ten of the aforementioned disclosures (See FINRA Arbitration No. 20-02119 at https://www.finra.org/arbitration-mediation/arbitration-awards-online?ao_radios=case_id&field_case_id_text=20-02119&search=&field_forum_tax=All&field_special_case_type_tax=All&field_core_official_dt%5Bmin%5D=&field_core_official_dt%5Bmax%5D=) As of the date of this Consent Order, the subject ten disclosures remain outstanding on Respondent Rotunno’s Form U4 pending judicial confirmation of the arbitration award.

22. The Plan of Heightened Supervision also stated that failure to adhere to its terms may constitute grounds for the Commissioner to revoke Rotunno's registration with the State of Missouri and to take any other available actions against Marinaccio as well as Worden.
23. The Securities Division subsequently approved Rotunno's application on April 21, 2020.
24. Since April 21, 2020, the Securities Division has not received any quarterly reports documenting periodic meetings with Rotunno addressing activities in his Missouri customer accounts, as prescribed under the Plan of Heightened Supervision.
25. Further, in September 2021, without having received any prior notice from Marinaccio, as required under the Plan of Heightened Supervision, the Securities Division discovered that Marinaccio's employment with Worden had been terminated on September 29, 2020, due to downsizing.
26. The Securities Division also received no notice from Worden of Marinaccio's departure.
27. The Enforcement Section alleges that Marinaccio's breach of his supervisory obligations and responsibilities under to the Plan of Heightened Supervision represents a failure to implement reasonable supervision over Rotunno by Worden, in violation of Section 409.4-412(d)(9).
28. On October 6, 2021, Worden filed a voluntary withdrawal of its broker-dealer registration with FINRA and several states, including Missouri.

II. CONCLUSIONS OF LAW

29. **THE COMMISSIONER CONCLUDES** that Respondent Worden's failures to comply with the responsibilities and obligations under the Plan of Heightened Supervision constitute violations of 15 CSR 30-51.171 and Section 409.4-412(d)(9).
30. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
31. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

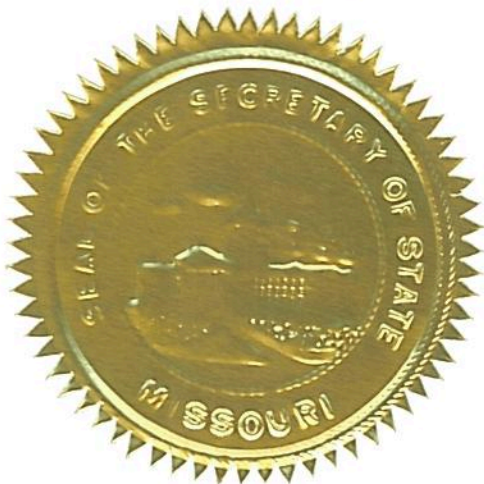
NOW, THEREFORE, it is hereby Ordered that:

32. Respondent Worden, including any successor organization or entity, shall not apply for registration as a broker-dealer or investment adviser in the State of Missouri for a period of five (5) years from the date of issuance of this Order;

33. Respondent Worden shall pay \$1,500 to the Missouri Secretary of State's Investor Education and Protection Fund for violations of 15 CSR 30-51.171 and Section 409.4-412(d)(9). This amount is due upon execution of this Order and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund and sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
34. Respondents, their agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this Order, are permanently enjoined and restrained from engaging in violations of 15 CSR 30-51.171 and Section 409.4-412(d)(9); and
35. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 9th DAY OF ~~OCTOBER~~ November, 2021.



JOHN R. ASHCROFT
SECRETARY OF STATE

David M. Minnick
DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

Douglas M. Jacoby
Director of Enforcement

RESPONDENT

WORDEN CAPITAL MANAGEMENT LLC,
CRD # 148366

Jamie John Worden, Chief Executive Officer