

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Nicholas Mastropiero (CRD No. 6312582) and
E.J. Sterling, LLC (CRD No. 16569),

Respondents.

ODS File 16-014

AGREEMENT

THIS AGREEMENT is entered into between and among Nicholas Mastropiero, E.J. Sterling, LLC (collectively, "Respondents"), and the Administrator of the Oklahoma Department of Securities (the "Department") (collectively, the "Parties"), as of the Effective Date set forth below.

On October 2, 2015, the Administrator of the Department issued an Order to Cease and Desist and Notice of Opportunity for Hearing ("Order to Cease and Desist") in this matter pursuant to Section 1-604 of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011). Respondents have not filed an answer to the Order to Cease and Desist in the form required by 660:2-9-2 of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities, and have not requested a hearing. However, E.J. Sterling, LLC, has submitted information in support of the imposition of a reduced civil penalty.

The Parties hereto agree as follows:

1. **Jurisdiction.** The Administrator has jurisdiction over Respondents and the subject matter of this Agreement.
2. **Final Order.** Respondents consent to the entry of a Final Order in the form attached hereto as Exhibit "A".
3. **No Coercion.** Respondents enter into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.
4. **Public Record.** This Agreement is a public record and will be available for public examination, pursuant to Section 1-607 of the Act.
5. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Respondents on the basis

of the Findings of Fact contained in the Order to Cease and Desist, except as provided below in paragraphs 6 and 7.

6. **Failure to Comply.** If Respondents fail to comply with this Agreement or the Final Order, the Administrator may take any action authorized by law including, but not limited to, imposing sanctions authorized by Section 1-411 of the Act.

7. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against Respondents, the Administrator may assist in such action as authorized by law.

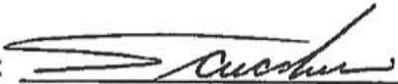
8. **Entire Agreement.** This writing constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the Parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the Parties hereto.

9. **Applicability.** This Agreement applies only to the activities of Respondents, and to no others. It is further agreed that the execution of this Agreement does not mean that the Administrator has approved, condoned or passed in any way upon the merits or qualifications of, or recommended, the transactions to which it relates or any future securities transactions.

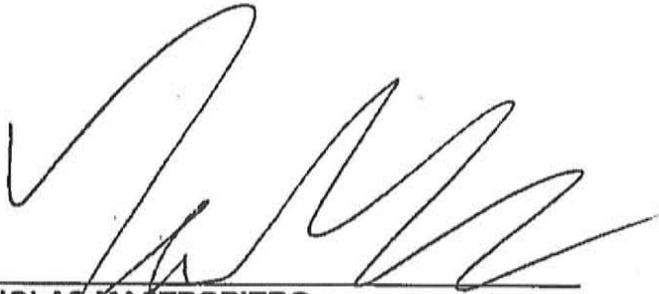
10. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year set forth below their signatures hereto.

E.J. STERLING, LLC

By:  _____

Date: 11/24/15



NICHOLAS MASTROPIERO

Date: 11/24/15

OKLAHOMA DEPARTMENT OF SECURITIES

By: 
Irving L. Faught, Administrator

Date: 11/24/15

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102

In the Matter of:

Nicholas Mastropiero (CRD No. 6312582) and
E.J. Sterling, LLC (CRD No. 16569),

Respondents.

ODS File 16-014

FINAL ORDER

The Administrator of the Oklahoma Department of Securities (the "Department") issues this Final Order against Nicholas Mastropiero and E.J. Sterling, LLC (collectively, "Respondents") pursuant to Section 1-604 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011).

On October 2, 2015, the Administrator of the Department issued the attached Order to Cease and Desist that is incorporated herein by reference.

In an Agreement dated November ___, 2015, among Respondents and the Administrator, Respondents consented to the entry of this Final Order.

IT IS HEREBY ORDERED that, pursuant to Section 1-604 of the Act, the Order to Cease and Desist issued against Respondents on October 2, 2015, is final by operation of law.

IT IS FURTHER ORDERED that E.J. Sterling, LLC, pay a civil penalty in the amount of \$5,000, to the Department's Investor Education Revolving Fund within thirty (30) days of the issuance of this Final Order.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this ___ day of November, 2015.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES



CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the ____ day of November, 2015, a true and correct copy of the above and foregoing Final Order was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, address to:

Mr. Nicholas Mastropiero
79 Prall Avenue
Staten Island, NY 10312

Mr. Nicholas Mastropiero
E.J. Sterling, LLC
40 Broad Street, 6th Floor
New York, NY 10004

Robert Costomiris, CEO
E.J. Sterling, LLC
40 Broad Street, 6th Floor
New York, NY 10004

Brenda London, Paralegal

STATE OF OKLAHOMA
DEPARTMENT OF SECURITIES
204 NORTH ROBINSON, SUITE 400
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Nicholas Mastropiero (CRD No. 6312582) and
E.J. Sterling, LLC (CRD No. 16569),

Respondents.

ODS File 16-014

ORDER TO CEASE AND DESIST
AND
NOTICE OF OPPORTUNITY FOR HEARING

ORDER TO CEASE AND DESIST

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (the "Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Oklahoma Department of Securities (the "Department") conducted an investigation into the activities of Nicholas Mastropiero ("Mastropiero") and E.J. Sterling, LLC ("E.J. Sterling") (collectively, "Respondents"). Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are adopted in support of this Order against Respondents.

Findings of Fact

1. E.J. Sterling has been registered under the Act as a broker-dealer since June 2012. The home office of E.J. Sterling is located in New York, New York.
2. Mastropiero is a resident of Staten Island, New York. Mastropiero has been registered with FINRA as a general securities representative of E.J. Sterling since April 2014. Mastropiero has never been registered under the Act.
3. In August 2015, Mastropiero called a certain Oklahoma resident on a landline located in Oklahoma on two occasions.
4. During the first telephone call, Mastropiero briefly introduced himself and E.J. Sterling and told the Oklahoma resident that he would call back within a week with a stock recommendation.
5. During the second telephone call, Mastropiero solicited the purchase of shares of stock in Fiat Chrysler Automobiles N.V. (Fiat). Mastropiero touted his "approach to the market" and investment philosophy to the Oklahoma resident.

Mastropiero repeatedly asked the Oklahoma resident to "give [him] a shot" by purchasing shares of stock from him. Mastropiero offered to do an entire portfolio review for the Oklahoma resident. Mastropiero told the Oklahoma resident again that his firm is E.J. Sterling.

6. Mastropiero made a third telephone call to the same Oklahoma resident in September 2015. Once again, Mastropiero stated that he is "with E.J. Sterling" and solicited the purchase of shares of stock in Fiat. Mastropiero told the Oklahoma resident that news came out that Fiat would spin off Ferrari in the next couple of weeks; that once there is news of the spinoff, it would be a "catalyst" to "launch" Fiat to "north of at least \$18 per share"; and that the Oklahoma resident would also receive shares of Ferrari on a "one for one basis."

7. Mastropiero also told the Oklahoma resident that he could extend the time for the Oklahoma resident to pay for the trade to about a week.

8. The Oklahoma resident has not purchased, or agreed to purchase, shares of stock from Mastropiero.

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

Authorities

1. Section 1-102 of the Act states, in pertinent part:

In this act, unless the context otherwise requires:

* * *

2. "Agent" means an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities. A partner, officer, or director of a broker-dealer or issuer, or an individual having a similar status or performing similar functions is an agent only if the individual otherwise comes within the term. The term does not include an individual excluded by rule adopted or order issued under this act[.]

2. Section 1-402 of the Act states, in pertinent part:

A. It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection B of this section.

B. The following individuals are exempt from the registration requirement of subsection A of this section:

1. An individual who represents a broker-dealer in effecting transactions in this state limited to those described in Section 15(h)(2) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)(2));

2. An individual who represents a broker-dealer that is exempt under subsection B or D of Section 18 of this act [Section 1-401 of this title];

3. An individual who represents an issuer with respect to an offer or sale of the issuer's own securities or those of the issuer's parent or any of the issuer's subsidiaries to existing employees, partners, members or directors of the issuer or the issuer's parent or any of the issuer's subsidiaries, and who is not compensated in connection with the individual's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities;

4. An individual who represents an issuer and who effects transactions in the issuer's securities exempted by Section 7 of this act [Section 1-202 of this title], other than paragraphs 11 and 14 of Section 7 of this act [Section 1-202 of this title];

5. An individual who represents an issuer who effects transactions solely in federal covered securities of the issuer, but an individual who effects transactions in a federal covered security under Section 18(b)(3) or 18(b)(4)(D) [subsequently renumbered 18(b)(4)(E)] of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(3) or 77r(b)(4)(D)[subsequently renumbered 15 U.S.C. Section 77r(b)(4)(E)]) is not exempt if the individual is compensated in connection with the agent's participation by the payment of commissions or other remuneration based, directly or indirectly, on transactions in those securities;

6. An individual who represents a broker-dealer registered in this state under subsection A of Section 18 of this act [Section 1-401 of this title] or exempt under subsection B of Section 18 of this act [Section 1-401 of this title] in the offer and sale of securities for an account of a nonaffiliated federal covered investment adviser with investments under

management in excess of One Hundred Million Dollars (\$100,000,000.00) acting for the account of others pursuant to discretionary authority in a signed record;

7. An individual who represents an issuer in connection with the purchase of the issuer's own securities;

8. An individual who represents an issuer and who restricts participation to performing ministerial or clerical work; or

9. Any other individual exempted by rule adopted or order issued under this act.

* * *

D. It is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection A of this section or exempt from registration under subsection B of this section.

3. Section 1-604 of the Act provides, in pertinent part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act;

2. Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under subparagraph d or f of paragraph 1 of subsection B of Section 18 of this act [Section 1-401 of this title] or an investment adviser under subparagraph c of paragraph 2 of subsection B of Section 20 of this act [Section 1-403 of this title]; or

3. Issue an order under Section 9 of this act [Section 1-204 of this title].

B. An order under subsection A of this section is effective on the date of issuance. Upon issuance of the order, the Administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the Administrator will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing and the hearing shall be commenced within fifteen (15) days of the matter being set for hearing. If a person subject to the order does not request a hearing and none is ordered by the Administrator, within thirty (30) days after the date of service of the order, the order, that may include a civil penalty or costs of the investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

C. If a hearing is requested or ordered pursuant to subsection B of this section, a hearing must be held pursuant to the Administrative Procedures Act. A final order may not be issued unless the Administrator makes findings of fact and conclusions of law in a record in accordance with the Administrative Procedures Act. The final order may make final, vacate, or modify the order issued under subsection A of this section.

D. In a final order under subsection C of this section, the Administrator may impose a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for multiple violations in a single proceeding or a series of related proceedings.

E. In a final order, the Administrator may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act.

Conclusions of Law

1. Mastropero is transacting business in this state as an unregistered agent of E.J. Sterling, in violation of Section 1-402 of the Act.

2. E.J. Sterling is engaged in offering and selling securities in this state and is associated with an unregistered agent who transacts business in this state on its behalf, in violation of Section 1-402 of the Act.

3. The Administrator has the authority to order Respondents to cease and desist from engaging in acts, practices, and/or courses of business constituting a violation of the Act, and to impose a civil penalty on Respondents.

4. It is in the public interest for the Administrator to order Respondents to cease and desist from engaging in the acts, practices, and/or courses of business constituting a violation of the Act, and to impose a civil penalty on Respondents.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

Order

Based on Section 1-604 of the Act and the Findings of Fact, Authorities, and Conclusions of Law set forth above, IT IS HEREBY ORDERED that Mastropero cease and desist transacting business in this state as an unregistered agent and E.J. Sterling cease and desist associating with unregistered agents who transact business in this state on its behalf, in violation of Section 1-402 of the Act.

The Administrator may impose a civil penalty in the amount of \$15,000 on E.J. Sterling in a final order issued under Section 1-604.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 2nd day of October, 2015.

(SEAL)



IRVING L. FAUGHT, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

NOTICE OF OPPORTUNITY FOR HEARING

Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondents of their right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of the Order to Cease and Desist ("Order"). The request for hearing must be in writing and Respondents shall specifically admit or deny each allegation that is contained in the Order.

Within fifteen (15) days after receipt of a request for hearing from Respondents, this matter will be scheduled for hearing. Notice of the date, time and location of the hearing shall be given to Respondents. If a hearing is requested, the Administrator, after notice of and opportunity for hearing, may modify or vacate the Order or extend it until final determination.

If Respondents do not request a hearing within thirty (30) days after the date of service of the Order and none is ordered by the Administrator, the Order becomes final by operation of law.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 2nd day of October, 2015.

(SEAL)



IRVING FAUGH, ADMINISTRATOR OF THE
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 2nd day of October, 2015, a true and correct copy of the above and foregoing *Order to Cease and Desist and Notice of Opportunity for Hearing* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

Mr. Nicholas Mastropiero
79 Prall Avenue
Staten Island, NY 10312

Mr. Nicholas Mastropiero
E.J. Sterling, LLC
40 Broad Street, 6th Floor
New York, NY 10004

Robert Costomiris, CEO
E.J. Sterling, LLC
40 Broad Street, 6th Floor
New York, NY 10004

Brenda London
Brenda London, Paralegal