

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: STANSLAV KAMINSKY

FILE NO. 0300068

ORDER OF REVOCATION

TO THE RESPONDENT:

Stanslav Kaminsky  
(CRD#: 2721200)  
2775 East 12 Street  
Brooklyn, New York 11235

c/o Dupont Securities Group, Inc.  
42 Broadway  
11<sup>th</sup> Floor  
New York, New York 10004

WHEREAS, the above-captioned matter came on to heard on June 18, 2003, pursuant to the Notice of Hearing dated May 1, 2003, Filed by Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Soula J. Spyropoulos, Esq. in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of ht secretary of State:

1. Section 130-1102 of Subpart K of the Rules and Regulations under the Illinois Securities Law of 1953 (the "Rules and Regulations") states that each respondent shall be given a Notice of Hearing at least 45 days prior to the first date set for any hearing under the Act. Proper notice is given by depositing a Notice of Hearing with the United States Postal Service, either by certified or registered

Order of Revocation

-2-

mail, return receipt requested, or by the personal service of the Notice of Hearing, to the last *known address* of the respondent.

As per Exhibit 1, the Notice was given Respondent via certified United States mail, return receipt requested, on May 1, 2003. Further, the Notice was sent to Respondent's last known home address and to Respondent's last *known* business address. As the hearing on the Notice occurred, on June 18, 2003, a date more than 45 days after Respondent was given notice thereof, the Notice that the Department served upon Respondent was properly served.

2. Section 11.F(1) of the Act provides that the Secretary of State shall not undertake any action or impose a fine against a registered salesperson of securities within the State of Illinois for a violation of the Act without first providing the salesperson an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person concerned.

As per Exhibit 1, attached hereto and incorporated herewith, the Notice was timely provided Respondent. In fact, one of the return receipts for the certified mailings of the Notice, wherein Respondent himself acknowledges receipt of the Notice via his signature thereon, was received by the Department well in advance of hearing, having been received 40 days before the hearing date. Hence, as the Department gave proper notice of the hearing to Respondent, the Department has personal jurisdiction over Respondent.

3. Respondent failed to appear, whether personally or through counsel, at the hearing.
4. The Department offered exhibits, identified above, each of which was received and admitted into evidence, a proper record of all proceedings having been made and preserved as required.
5. No outstanding petitions, motions, or objections exist as to this proceeding.
6. At all material and relevant times, Respondent was registered with the Secretary of State as a salesperson.
7. On January 29, 2003, without admitting or denying the findings alleged by the S.E.C. as per their Order, Respondent consented to the entry thereof, the Order stating, in part (in its section entitled "Background"), that:

Respondent, 25 years old, is a resident of Brooklyn, New York. From about April 1997 through November 1997, Respondent was a registered representative associated with W.J. Nolan and Co. ("W.J. Nolan"), a broker-dealer registered with the Commission. W.J. Nolan was headquartered in New York, New York and was a member of the New York Stock Exchange. Respondent worked at the

## Order of Revocation

-3-

W.J. Nolan office located at 381 South Park Avenue, New York, New York. From about April 1996 through November 1996, and from February 1998 to the present, Respondent was also a registered representative associated with other broker-dealers registered with the Commission.

During the period April 1997 through November 1997, Respondent engaged in fraudulent sales practices in the accounts of five customers at W.J. Nolan. His activities included churning, unauthorized trading, and unsuitable trading.

Respondent made one or more trades without the customer's authority in the accounts of four of the customers. Respondent also purchased certain, highly speculative, thinly traded micro cap securities priced below \$5.00 per share in the accounts of four of the customers. Respondent failed to disclose the risks of these investments to the customers. These investments were unsuitable in light of the financial situations and investment objectives of the customers.

Respondent also engaged in churning in the accounts of three of the customers. Respondent exercised defacto control over the accounts of these three customers. The annualized turnover ratios in the three accounts ranged, from 7 to 15.5 and the annualized break-even rates of return ranged from 66.3% to 155.1%. The trading in these accounts was excessive in light of the customers' investment objectives and financial needs. This excessive trading was also unsuitable for these customers.

Respondent acted with scienter. Respondent knowingly or recklessly engaged in the fraudulent sales practices described above for the purpose of generating commissions. Respondent earned \$20,509.00 in commissions from these fraudulent transactions, and the customers incurred realized and unrealized losses totaling \$92,746.00. Respondent knowingly or recklessly disregarded the customers' financial situations, investment objectives, and interests for his own financial gain.

W.J. Nolan maintained certain required customer account records that contained false information in violation of Section 17(a) of the Exchange Act and Rule 17a-3 thereunder. By failing to make and keep certain required records containing information that is true and correct, Respondent knowingly provided substantial assistance to W.J. Nolan in its violations.

As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the proposed offer or sale of securities.

As a result of the conduct described above, Respondent caused and willfully aided and abetted W.J. Nolan's violations of section 17(a) of the Exchange Act and

Order of Revocation

-4-

Rule 17a-3 thereunder, which require that broker-dealers registered with the S.E.C. make and keep current certain books and records.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

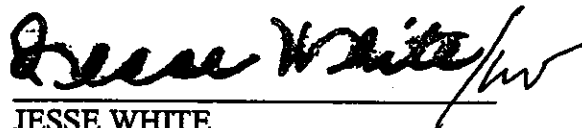
1. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
2. Section 8.E(1)(k) of the Act provides, inter alia, that the registration of salespeople registered within the State of Illinois may be revoked if the Secretary of State finds that such have had entered against them after notice and an opportunity for hearing by the S.E.C. any orders arising from any fraudulent or deceptive acts or practices in violation of any statutes, rules, or regulations administered or promulgated by the Commission.
3. Respondent, a registered salesperson of securities in the State of Illinois, has had entered against him, after due notice and opportunity for hearing from the S.E.C., the Order, which arose from fraudulent or deceptive acts or practices in violation of Section 17(a) of the Securities Act, Section 17(9) of the Exchange Act and Rule 17a-3 thereunder, and of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, rules that are administered or promulgated by the Commission.
4. By virtue of the foregoing, Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(k) of the Act.

WHEREAS, the Hearing Officer recommended that the Secretary of State should revoke the Respondent's registration as a salesperson in the State of Illinois, and the Secretary of State adopts in its entirety the Recommendation made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That Stanslav Kaminsky's registration as a salesperson in the State of Illinois is revoked pursuant to the authority provided under Section 8.E(1)(k) of the Act.
2. That this matter is concluded without further proceedings.

DATED: This 10<sup>th</sup> day of July, 2003.



JESSE WHITE  
Secretary of State  
State of Illinois

Order of Revocation

-5-

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.