

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

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DEPARTMENT OF INSURANCE  
SECURITIES AND BANKING



In the Matter of )  
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CONSENT AGREEMENT AND ORDER  
Order No. SB-05-03

Howard Brous (CRD# 31868 )  
Wunderlich Securities, Inc. (CRD No 2543)

CONSENT AGREEMENT AND ORDER

This Consent Agreement and Order of Undertaking for Agent Employment is made and entered into this 20<sup>th</sup> day of JULY, 2005, between and among the Department of Insurance, Securities and Banking ("Department"), and Howard Brous ("Agent"), and Wunderlich Securities, Inc. ("Broker-Dealer"):

Whereas, Howard Brous, (CRD No. 31868), is affiliated with Wunderlich Securities, Inc., CRD No. 2543 , as an agent;

Whereas, on May 19, 2005, an application was filed by Broker-Dealer on behalf of the Agent a Uniform Application for Securities Industry Registration and Transfer Form (Form U-4) with the Securities Bureau of the Department through the Central Registration Depository ("CRD");

Whereas, the District of Columbia requires that every broker-dealer exercise diligent supervision over the securities activities of all of its agents, pursuant to D. C. Official Code § 31-5602.07(a)(12);

Whereas, the Agent has a disciplinary history, as reflected on the CRD, that causes the Department, in the public interest, to require that the Broker-dealer augment its supervision of the Agent;

Whereas, Wunderlich Securities, Inc., a registered broker-dealer firm in the District of Columbia agrees and undertakes that it will supervise the activities of the agent as provided below for a period of not less than two (2) years from the date of this agreement;

NOW THEREFORE:

The Commissioner has determined that it is in the public interest of the residents of the District of Columbia, that Howard Brous shall be registered as a Broker-Dealer agent in the District of Columbia under the diligent supervision of Wunderlich Securities, Inc. for a period not less than two (2) years. Accordingly, the Department shall allow the Agent to act in behalf of the broker-dealer in the District of Columbia, effective on the date of this Order. This Registration is subject to the following conditions:

1. The Broker-dealer agrees to establish and enforce written supervisory procedures designed to ensure that the agent will not violate any District of Columbia law, regulation, or order issued by the Department.
2. The agent will not act in any training, recruiting, or supervisory capacity in the District of Columbia;
3. The agent will not solicit or maintain any discretionary authority over any client accounts for persons residing in the District of Columbia;
4. The branch office manager, or whomever has direct supervisory responsibility over the Agent, shall perform the following procedures:
  - A. Daily supervision of the Agent which shall include, but is not to be limited to, the following procedures:
    1. Review and approval of each new account document or a similar document prior to effecting any transactions for clients residing in the District of Columbia. The supervisor shall also initial each such approval.
    2. Review of all trade tickets, for clients residing in the District of Columbia.
    3. Review of all correspondence sent to or received from clients residing in the District of Columbia.
  - B. Monthly supervision or audit procedures that shall include, but are not limited to the following:
    1. The Agent's accounts, for clients residing in the District of Columbia, shall be reviewed monthly for unusual trading or unauthorized or unsuitable transactions.

2. Records of the above monthly account reviews shall be initialed by the branch manager (or supervisor) and maintained for review and examination by the Department.
- C. The broker-dealer shall keep a record of all special procedures established and enforced under this order in the branch office where the agent has his principal office. These records shall be made available upon request of the Commissioner.
5. The Broker-dealer shall notify the Department in writing within ten (10) calendar days of the occurrence of any of the following:
  - Any criminal complaint or conviction, fine, penalty, civil injunction or civil judgment, court or administrative order or finding, or arbitration award relating to any securities transaction effected or caused by the Agent;
  - Any inquiry or proceeding of any governmental, regulatory or self-regulatory organization, concerning the agent's securities activities; or
  - Any instance in which the Broker-Dealer or Agent ceases to perform the above requirements or if the Agent terminates his affiliation with the Broker-Dealer.
6. In the event that either the Agent or the Broker-Dealer violates any term of this Order, the Commissioner of the Department of Insurance, Securities, and Banking may institute an action to bar or suspend the registration of the Agent, the Broker-Dealer, or both, based on such violation.
7. This Order shall expire upon the earliest of the termination of the Agent's employment with the Broker-Dealer or twenty-four months from the date of this Order, providing the Agent does not obtain any additional disciplinary disclosures.
8. The parties to this Consent Agreement and Order agree that any violation of one or more of any of the conditions or requirements of this Agreement and Order will constitute a violation of the Securities Act of 2000, D.C. Official Code § 31-5601.01 et seq.
9. By signing this Agreement and Order, the Broker-Dealer and Agent consent to the terms as set forth in this Order.

Dated: District of Columbia

\_\_\_\_\_, 2005

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING

APPROVED and so ORDERED:

In Witness Whereof, I have hereunto

set my hand and affixed the official seal. Of this  
Department in the District of Columbia, this 20<sup>th</sup> day of July, 2005.

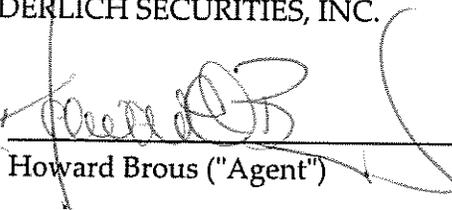
Lawrence H. Mirel, Commissioner



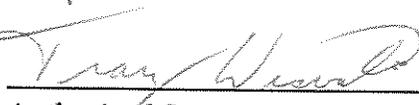
By Theodore A. Miles, Director  
Securities Bureau

WUNDERLICH SECURITIES, INC.

By:

  
Howard Brous ("Agent")

By:

  
Authorized Supervisor,  
Securities, Inc. ("Broker-Dealer")