

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE AT NASHVILLE**

**IN THE MATTER OF:**

**WESTMINSTER SECURITIES CORPORATION,  
DANIEL LUSKIND, HENRY KRAUSS, and  
DARIN MYMAN**

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No.: 00-010

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**CONSENT ORDER**

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The Tennessee Securities Division (hereinafter referred to as the "Division"), Westminster Securities Corporation, Daniel Luskind, and Henry Krauss agree to the entry of this Consent Order in accordance with Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-2-101, *et seq.* (hereinafter referred to as the "Act"), which states that the Commissioner from time to time may make such orders as are necessary to carry out the provisions of the Act.

**FINDINGS OF FACT**

The Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. § 48-2-101, *et seq.*, places the responsibility for the administration of the Act on the Commissioner of Commerce and Insurance (hereinafter referred to as the "Commissioner"). The Division is the lawful agent through which the Commissioner discharges this responsibility. Tenn. Code Ann. § 48-2-115

2 Westminster Securities Corporation (hereinafter referred to as "Westminster") (CRD #6105) has never heretofore been registered with the Division as a broker-dealer Westminster maintains its principal place of business at 100 Park Avenue, New York, New York 10017.

3 Daniel Luskind (hereinafter referred to as "Luskind") is a citizen of the State of New York residing at 200 East 64th Street, New York City, NY 10006. Luskind is a co-chairman of

Westminster. Luskind has never heretofore been registered with this Division as an agent of a broker-dealer.

4. Henry Krauss (hereinafter referred to as “Krauss”) is a citizen of the State of New York residing at 572 Theresa Avenue, West Hempstead, New York City, New York 11562. Krauss is a co-chairman of Westminster. Krauss has never heretofore been registered with this Division as **an agent of a broker-dealer.**

5. Prior to the date of this Consent Order, Westminster did effect approximately six hundred and twenty-two (622) buy or sell transactions in securities for four (4) accounts where the holders of those accounts were residents of the State of Tennessee.

6. Prior to the date of this Consent Order, Luskind, while employed with Westminster, did act as agent on six (6) of the transactions referenced in Paragraph 5 of this Consent Order.

Prior to the date of this Consent Order, Krauss, while employed with Westminster, did act as agent on six hundred and four (604) of the transactions referenced in Paragraph 5 of this **Consent Order.** All of these six hundred and four (604) transactions were in the accounts of either **his son or his grandson.**

### **CONCLUSIONS OF LAW**

8. Pursuant to Tenn. Code Ann. § 48-2-115(a), the responsibility for the administration **of the Act is upon the Commissioner.** The Division is the lawful agent through which the Commissioner discharges this responsibility.

9. Tenn. Code Ann. § 48-2-112(a)(2)(B) provides that, the Commissioner, by order may deny, suspend, or revoke any registration under this part if the Commissioner finds that the order is in the public interest, necessary for the protection of investors, and if he finds that the registrant, or

in the case of a broker-dealer, any officer, director, or any person occupying a similar status or performing similar functions has willfully violated or willfully failed to comply with any provision of this part or a predecessor chapter or rule or order under this part or a predecessor chapter, including, **without limitation, any net capital requirements.**

**10.** Tenn. Code Ann. § 48-2-109(a) provides that it is unlawful for any person to transact business from or into this state as a broker-dealer or agent unless such person is registered as a **broker-dealer or agent under this part.**

**11** Tenn. Code Ann. § 48-2-109(b) provides that it is unlawful for any broker-dealer to employ an agent to transact business as an agent unless the agent is registered under this part.

**12.** Based upon the Findings of Fact, Westminster has violated Tenn. Code Ann. § 48-2-109(a) by acting as a broker-dealer in this state without being registered under the Act, and provides grounds for sanction pursuant to Tenn. Code Ann. § 48-2-112(a)(2)(B).

**13.** Based upon the Findings of Fact, Westminster has violated Tenn. Code Ann. § 48-2-109(b) by using agents in this state which were not registered under the Act, and provides grounds for sanction pursuant to Tenn. Code Ann. § 48-2-112(a)(2)(B).

**14.** Based upon the Findings of Fact, Luskind has violated Tenn. Code Ann. § 48-2-109(a) by acting as an agent of a broker-dealer in this state without being registered under the Act, and provides grounds for sanction pursuant to Tenn. Code Ann. § 48-2-112(a)(2)(B).

**15** Based upon the Findings of Fact, Krauss has violated Tenn. Code Ann. § 48-2-109(a) by acting as an agent of a broker-dealer in this state without being registered under the Act, and provides grounds for sanction pursuant to Tenn. Code Ann. § 48-2-112(a)(2)(B).

## **ORDER**

**NOW, THEREFORE**, on the basis of the foregoing, and the waiver by Westminster, Luskind and Krauss of their right to a hearing and appeal under the Tennessee Securities Act and Tennessee's Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101, *et seq.*, and the admission by Westminster, Luskind and Krauss of the above Findings of Fact and Conclusions of Law, the Commissioner finds that Westminster, Luskind and Krauss have consented to the entry of this Order and that the following Order is appropriate, in the public interest and necessary for the protection of investors.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 48-2-116 of the Tennessee Securities Act that:

1 Westminister, Luskind, and Krauss shall fully comply with the Tennessee Securities Act of 1980, as amended, and all rules promulgated thereunder.

2 Westminister shall make a contribution to the Tennessee Investor Education Fund in the amount of Ten Thousand Dollars (\$10,000.00). Said contribution to the Investor Education Fund shall be due and paid in full within thirty (30) days from the date of entry of this Order, and directed to the following address

Tennessee Securities Division  
Broker-Dealer Registration Section  
Davy Crockett Tower, Suite 680  
500 James Robertson Parkway  
Nashville, Tennessee 37243.

3 Luskind shall make a contribution to the Tennessee Investor Education Fund in the amount of Five Hundred Dollars (\$500.00). Said contribution to the Investor Education Fund shall be due and paid in full within thirty (30) days from the date of entry of this Order, and directed to the Division at the above address.

4. Krauss shall make a contribution to the Tennessee Investor Education Fund in the amount of Five Hundred Dollars (\$500.00). Said contribution to the Investor Education Fund shall be due and paid in full within thirty (30) days from the date of entry of this Order, and directed to the **Division at the above address.**

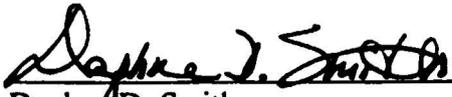
**IT IS ORDERED** that this Order represents the complete and final resolution of, and discharge with respect to all administrative and civil, claims, demands, actions and causes of action **by the Commissioner against Westminster for the above violations of the Act.**

This Consent Order is in the public interest and in the best interests of the parties, and represents a compromise and settlement of the controversy between the parties and is for settlement purposes only. By the signatures affixed below, Westminster, Luskind and Krauss affirmatively state that they have freely agreed to the entry of this Consent Order, that they have been advised by the undersigned counsel of record in this matter, that they waive their rights to a hearing on the matters underlying this Consent Order and to a review of the Findings of Fact and Conclusions of Law contained herein, and that no threats or promises of any kind have been made by the Commissioner, the Division, or any agent or representative thereof. The parties, by signing this Consent Order, affirmatively state their agreement to be bound by the terms of this Consent Order and aver that no promises or offers relating to the circumstances described herein, other than the terms of settlement set forth in this Consent Order, are binding upon them.

**ENTERED** this 1 day of September, 2000.

  
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Anne B. Pope, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY:**

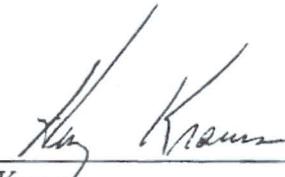
  
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Daphne D. Smith  
Assistant Commissioner for Securities  
Department of Commerce and Insurance

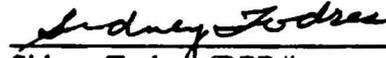
  
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John F. Morris (BPR #019144)  
Staff Attorney  
Department of Commerce and Insurance  
25th Floor, William Snodgrass Tower  
312 Eighth Avenue North  
Nashville, Tennessee 37243  
615 741 2199

Westminster Securities Corporation

By:   
\_\_\_\_\_  
Name: DANIEL LUSKIND  
Title: CO-CHAIRMAN

  
\_\_\_\_\_  
Daniel Luskind

  
\_\_\_\_\_  
Henry Krauss

  
\_\_\_\_\_  
Sidney Todres (BPR# )  
Epstein Becker & Green, PC  
250 Park Avenue  
New York, New York 10177-1211  
212 351 4500  
Attorney for Westminster, Luskind and Krauss