

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

BEFORE THE
SECURITIES COMMISSIONER

In the Matter of First Montauk)
Securities Corp.)
)
Respondents)

CONSENT ORDER

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The North Dakota Securities Commissioner has advised the respondent, First Montauk Securities Corp., that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

FACTUAL AND LEGAL CONCLUSIONS

1. First Montauk Securities Corp. (First Montauk) is a securities dealer (CRD # 13755), headquartered in Red Bank, New Jersey, which was organized in 1983.
2. On or around April 24, 1995, the Commissioner received a dealer application from First Montauk, and the Commissioner began processing the application.
3. On or around November 27, 1995, the Commissioner signed a Registration Agreement (attached hereto and incorporated herein by reference) which permitted First Montauk to be registered as a dealer in North Dakota, but required First Montauk to limit its business and to provide the Commissioner with information regarding customer complaints and enforcement actions. First Montauk consented to the terms of the registration agreement. First Montauk has been registered as a dealer in North Dakota since that time.
4. Subsequent to execution of the Registration Agreement, First Montauk was the subject of certain complaints and enforcement actions which were publicly disclosed on form BD filings and/or other public filings, but which were not reported to the Commissioner as required by the Registration Agreement.

5. Pursuant to N.D.C.C. § 10-04-11(1), the Commissioner may revoke the registration of any dealer if the dealer has engaged in certain activities including: violating Chapter 10-04, or any rule or order of the Commissioner; engaging in dishonest, fraudulent or unethical business practices; or failing to reasonably supervise its agents.

6. Pursuant to N.D.C.C. § 10-04-16, when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, or which is in violation of any Order issued by the Commissioner, the Commissioner may, in her discretion, issue any order to collect civil penalties against any person found in an administrative action to have violated any provision of the chapter or any order issued thereunder in an amount not to exceed \$10,000 for each violation.

7. The facts, as set forth above, demonstrate that First Montauk violated the Registration Agreement, which is an order of the Commissioner issued under the provisions of Chapter 10-04. The violations of the Registration Agreement are sufficient grounds to revoke the dealer registration of First Montauk pursuant to N.D.C.C. § 10-04-11(1).

8. The facts set forth above are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to Section 10-04-16 N.D.C.C.

9. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

10. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, as evidenced by the authorized signature on the attached Consent to Entry of Order.

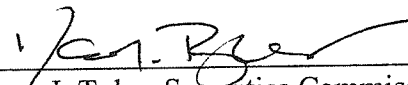
11. The following Consent Order is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall pay a civil penalty of \$7,000 to the Office of the Securities Commissioner pursuant to Section 10-04-16 N.D.C.C.
2. Respondent shall comply with the Registration Agreement dated November 27, 1995, which is currently in effect and shall remain in effect indefinitely.
3. Respondent waives its right to a hearing, for a period of two years from the entry of this Order, in any proceeding initiated by the Commissioner to revoke Respondent's registration based on any subsequent violations of the Registration Agreement dated November 27, 1995.
4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 21 day of ^{MARCH}~~February~~, 2002.





Karen J. Tyler, Securities Commissioner
Office of the Securities Commissioner
State Capitol-5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

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**CONSENT TO ENTRY
OF ORDER**

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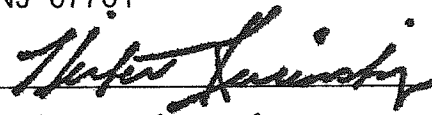
I, the undersigned, state that I have read the foregoing Consent Order and that I know and fully understand its contents and effects. I further state that I am authorized to enter into this Consent Order on behalf of the respondent. I acknowledge that the respondent has waived its right to a hearing with respect to this matter, and that it consents to entry of the Consent Order by the Securities Commissioner, without denying the factual assertions set forth in the Consent Order.

Further, I expressly acknowledge that Respondent, for a period of two years from the date of the entry of the Consent Order, waives its right to a hearing with regard to any proceeding that the Commissioner may bring to revoke the registration of Respondent based on any further violations of the Registration Agreement dated November 27, 1995.

It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 8th day of March, 2002.

First Montauk Securities Corp.
328 Newman Springs Road
Red Bank, NJ 07701

By: 
Herbert Kurinsky
(print name)

Subscribed and Sworn before me this 8th day of March, 2002.



(Notary Seal)

Notary Public

State:

County:

My Commission Expires:

OLGA C. CARMEN
NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES MARCH 7, 2005