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**IN THE MATTER OF:** \*  
\*  
**KJM SECURITIES, INC.** \*  
**CRD NO. 20277** \*  
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**CONSENT ORDER**  
**MATTER NO. NRC-21-202027-S**

**I. PRELIMINARY STATEMENT**

**WHEREAS**, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”) promulgated under the Act;

**WHEREAS**, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”), conducted an investigation pursuant to Section 36b-26(a) of the Act into the activities of KJM Securities, Inc. (“Respondent”) to determine if Respondent had violated, was violating or was about to violate provisions of the Act (“Investigation”);

**WHEREAS**, as a result of the Investigation, on December 23, 2021, the Commissioner, acting pursuant to Section 36b-27 and Section 36b-15 of the Act issued a Notice of Intent to Revoke and Cancel Registration as a Broker-dealer, and Notice of Right to Hearing (Matter No. NRC-219-202027-S) (collectively, “Notice”) against Respondent, which Notice is incorporated by reference herein;

**WHEREAS**, on January 7, 2022, Respondent requested a hearing on the matters alleged in the Notice;

**WHEREAS**, on February 3, 2022, the Commissioner issued a Notification of Hearing and Designation of Hearing Officer wherein the Commissioner appointed Attorney Eric Beckenstein as Hearing Officer, and scheduled a hearing on the matters alleged in the Notice for April 14, 2022, at 10 a.m. (“Hearing”);

**WHEREAS**, Respondent is an inactive corporation formed under the laws of the State of New York that maintains or has maintained its principal office at 48 Sagamore Road, Suite 29, Bronxville, New York 10708-1534;

**WHEREAS**, according to Central Registration Depository records Respondent was been registered as a broker-dealer under the Act from June 24, 1988 until Respondent failed to renew its registration on December 31, 2021;

**WHEREAS**, Respondent violated Section 36b-31-14c of the Regulations by failing to file an annual audited financial report;

**WHEREAS**, on January 2, 2020, the Financial Industry Regulatory Authority (“FINRA”) expelled Respondent from FINRA membership pursuant to the FINRA Rule 9552 for failing to file an annual report that was audited by an accounting firm registered with the Public Company Accounting Oversight Board (“PCAOB”) for the fiscal year ending March 31, 2019;

**WHEREAS**, Respondent filed an application for review with the Securities and Exchange Commission (“SEC”) and the expulsion remained in effect pending the outcome of the appeal *In the Matter of the Application of KJM Securities, Inc. For Review of Disciplinary Action taken by FINRA* Admin. Proc. File No. 3-19631;

**WHEREAS**, on January 25, 2022, the SEC found that expelling Respondent from FINRA membership was a remedial sanction and was not excessive or oppressive and sustained the disciplinary action taken by FINRA against Respondent;

**WHEREAS**, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

**WHEREAS**, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

**WHEREAS**, an administrative proceeding initiated under Sections 36b-27 and 36b-15 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

**WHEREAS**, Section 36b-27(f) of the Act provides, in relevant part, that “[a]ny time after the issuance of an order or notice provided for in subsection (a) . . . or subdivision (1) of subsection (d) of this section, the commissioner may accept an agreement by any respondent named in such order or notice to enter into a written consent order in lieu of an adjudicative hearing”;

**WHEREAS**, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, Respondent and the Commissioner now desire to resolve the matters alleged in the Notice without the need for further administrative proceedings;

**WHEREAS**, Respondent expressly consents to the Commissioner’s jurisdiction under the Act and to the terms of this Consent Order;

**WHEREAS**, Respondent, through its execution of this Consent Order, specifically assures the Commissioner that the violations alleged in the Notice shall not occur in the future;

**AND WHEREAS**, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Act.

## **II. CONSENT TO WAIVER OF PROCEDURAL RIGHTS**

**WHEREAS**, Respondent, through its execution of this Consent Order, voluntarily waives the following rights:

1. To be afforded notice and an opportunity for a hearing within the meaning of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177(a) of the General Statutes of Connecticut;
2. To present evidence and argument and to otherwise avail itself of Sections 36b-15(f) and 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut;
3. To present its position in a hearing in which it is represented by counsel;
4. To have a written record of the hearing made and a written decision issued by a hearing officer; and
5. To seek judicial review of, or otherwise challenge or contest, the matters described herein, including the validity of this Consent Order.

### **III. ACKNOWLEDGEMENT OF THE COMMISSIONER'S ALLEGATIONS**

**WHEREAS**, Respondent, through its execution of this Consent Order, acknowledges the allegations of the Commissioner in the Notice, and admits that, if the allegations were proven, the Commissioner could find facts to support the issuance of an order revoking and canceling Respondent's registration as a broker-dealer in Connecticut;

**WHEREAS**, the Commissioner would have the authority to enter findings of fact and conclusions of law after granting Respondent an opportunity for a hearing;

**AND WHEREAS**, Respondent acknowledges the possible consequences of an administrative hearing and voluntarily agrees to consent to the entry of the sanctions described below.

### **IV. CONSENT TO ENTRY OF SANCTIONS**

**WHEREAS**, Respondent, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. Respondent shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, either directly or through any person, organization or other device;
2. Respondent shall not re-apply for registration in Connecticut as a broker-dealer until Respondent's FINRA membership and registration have been reinstated by FINRA and Respondent is registered as a broker-dealer under federal law.

## V. CONSENT ORDER

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Entry of this Consent Order by the Commissioner is without prejudice to the right of the Commissioner to take enforcement action against Respondent based upon a violation of this Consent Order or the matters underlying its entry if the Commissioner determines that compliance with the terms herein is not being observed;
3. Nothing in this Consent Order shall be construed as limiting the Commissioner's ability to take enforcement action against Respondent based upon evidence of which the Division was unaware on the date hereof relating to a violation of the Act or any regulation or order under the Act;
4. Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
5. Respondent shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects Respondent's (i) testimonial obligations or (ii) right to take a legal or factual position in litigation, arbitration, or other legal proceeding in which the Commissioner is not a party; and
6. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut,  
this 16<sup>th</sup> day of May 2022.

\_\_\_\_\_/s/\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

**CONSENT TO ENTRY OF ORDER**

I, Kostas J. Moustakas, President and CEO, state on behalf of KJM Securities, Inc., that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of KJM Securities, Inc.; that KJM Securities, Inc. agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that KJM Securities, Inc. consents to the entry of this Consent Order.

KJM Securities, Inc.

\_\_\_\_\_/s/\_\_\_\_\_  
Kostas J. Moustakas  
President and CEO

State of: NY

County of: Westchester

On this the 25 day of March 2022, before me, the undersigned officer, personally appeared Kostas J. Moustakas, who acknowledged himself to be the President and CEO of KJM Securities, Inc., and that he, as such President and CEO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President and CEO.

In witness whereof I hereunto set my hand.

\_\_\_\_\_/s/\_\_\_\_\_  
Notary Public  
Date Commission Expires: 05/26/2022