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**IN THE MATTER OF:** \*  
\*  
**WILMINGTON CAPITAL** \*  
**SECURITIES, LLC** \*  
**(CRD NO. 133839)** \*  
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**CONSENT ORDER**  
**NO. CO-20-202091-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**, Wilmington Capital Securities, LLC (“Wilmington”), located at 600 Old Country Road, Suite 200, Garden City, New York 11530, has been registered as a broker-dealer under the Act since June 17, 2005;

**WHEREAS**, on May 11, 2020, the staff of the Securities and Business Investments Division (“Division”) of the Department of Banking (“Department”) conducted an examination of Wilmington (“Examination”);

**WHEREAS**, during the Examination, the Division ascertained, among other things, that (1) one of Wilmington’s employees (“Employee A”) has been employed by Wilmington as a non-registered sales assistant since February 15, 2008; (2) Employee A has never been registered in any capacity under the Act; and (3) from approximately February 2008 to at least May 11, 2020, in addition to Employee A

receiving a salary, Employee A received compensation derived from a percentage of the commissions earned by the registered broker-dealer agents that Employee A assisted;

**WHEREAS**, Wilmington represents to the Division that Employee A does not have (or ever had) any investor or client contact with any Wilmington clients;

**WHEREAS**, Wilmington has an ongoing duty to supervise Employee A;

**WHEREAS**, Wilmington does not contest the underlying facts discovered during the Examination;

**WHEREAS**, as a result of the Investigation, the Commissioner has reason to believe that the foregoing payment structure violates certain provisions of the Regulations, and would support administrative proceedings against Wilmington under Section 36b-15 of the Act and Section 36b-27 of the Act;

**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 Section 36b-15 of the Act and Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

**WHEREAS**, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations provide: “unless precluded by law, any contested case may be resolved by stipulation, agreed settlement, consent order or default”;

**WHEREAS**, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Wilmington have reached an

agreement, the terms of which are reflected in this Consent Order, in full and final resolution of the matters described herein;

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

**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;

**AND WHEREAS**, Wilmington, through its execution of this Consent Order, specifically assures the Commissioner that the violations alleged in this Consent Order shall not occur in the future.

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

**WHEREAS**, Wilmington, 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**, Wilmington, through its execution of this Consent Order, acknowledges the allegations of the Commissioner in the Notice, without admitting or denying them:

1. Wilmington engaged in dishonest or unethical business practices within the meaning of Section 36b-31-15a(b) of the Regulations by compensating an unregistered sales assistant with a percentage of the commissions earned by the Wilmington broker-dealer agents Employee A worked for and assisted;

2. Wilmington violated Section 36b-31-6f(b) of the Regulations by failing to establish, enforce and maintain a system for supervising the activities of its agents that was reasonably designed to achieve compliance with applicable securities laws and regulations.

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

**AND WHEREAS**, Wilmington 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**, Wilmington, through its execution of this Consent Order, consents to the Commissioner's entry of an order imposing on it the following sanctions:

1. Wilmington, its representatives, agents, and employees shall cease and desist from engaging in conduct constituting or which would constitute a violation of the Act or any regulation, rule or order adopted or issued under the Act, either directly or through any person, organization or other device, including without limitation engaging in any activity in or from Connecticut that violates Section 36b-31-6f(b) of the Regulations or that constitutes dishonest or unethical business practices within the meaning of Section 36b-31-15a(b) of the Regulations; and
2. No later than the date this Consent Order is entered by the Commissioner, Wilmington shall remit to the Department by cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut," the sum of eleven thousand two hundred and seventy five dollars (\$11,275), ten thousand dollars (\$10,000) of which shall constitute an administrative fine and one thousand two hundred and seventy five dollars (\$1,275) of which shall constitute reimbursement for past due broker-dealer agent registration fees;

#### **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 Wilmington and/or its affiliates and successors in interest 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 Wilmington and/or its affiliates and successors in interest 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. Wilmington 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. Wilmington 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 Wilmington's (i) testimonial obligations; or (ii) right to take a legal or factual position in litigation 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 25th day of August 2020.

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

**CONSENT TO ENTRY OF ORDER**

I, Ronald Dorushkin, state on behalf of Wilmington Capital Securities, LLC (“Wilmington”), 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 Wilmington; that Wilmington agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that Wilmington consents to the entry of this Consent Order.

Wilmington Capital Securities, LLC

By: \_\_\_\_\_/s/\_\_\_\_\_  
Ronald Dorushkin  
Chief Executive Officer

Date: 8/24/20