
*
IN THE MATTER OF: *
*
KJM SECURITIES, INC. *
CRD NO. 20277 *
*

**NOTICE OF INTENT TO REVOKE
AND CANCEL REGISTRATION AS
A BROKER-DEALER**

AND

NOTICE OF RIGHT TO HEARING

MATTER NO. NRC-21-202027-S

I. PRELIMINARY STATEMENT

1. 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.

2. Pursuant to Section 36b-26(a) of the Act, the Commissioner, through the Securities and Business Investments Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of KJM Securities, Inc. (“Respondent”) to determine if Respondent violated, is violating or is about to violate provisions of the Act or Regulations (“Investigation”).

3. As a result of the Investigation by the Division, the Commissioner brings this administrative action pursuant to Section 4-182(c) of the General Statutes of Connecticut and subsections (a) and (d) of Section 36b-15 of the Act to revoke and cancel Respondent’s registration as a broker-dealer in Connecticut.

II. RESPONDENT

4. Respondent is an inactive corporation formed under the laws of the State of New York on October 16, 1986. Respondent maintains or has maintained its principal office at 48 Sagamore Road, Suite 29, Bronxville, New York 10708-1534. According to Central Registration Depository records Respondent has been registered as a broker-dealer under the Act since June 24, 1988.

III. STATEMENT OF FACTS

5. The Financial Industry Regulatory Authority (“FINRA”) is a self-regulatory organization registered with the Securities and Exchange Commission (“SEC”) pursuant to Section 15A of the Securities Exchange Act of 1934.

6. On January 2, 2020, FINRA expelled Respondent from FINRA membership pursuant to the FINRA Rule 9552 for failing to provide required information. Respondent filed an application for Review with the SEC of the final FINRA decision expelling it from FINRA membership. Respondent’s expulsion remains in effect pending the appeal filed with the SEC. On December 13, 2021, the SEC extended the period within which the decision in this matter may be issued to March 14, 2022.

7. On August 24, 2020, the Division e-mailed Respondent requesting Respondent’s audited financial report for 2019. On August 27, 2020, Respondent provided the Division with an audited financial report for the fiscal year ending March 2019.

8. Respondent failed to file an annual audited financial report with the Commissioner for the fiscal year ending March 2020 or the calendar year ending December 31, 2020, as required by Section 36b-31-14c(a) of the Regulations.

9. On September 17, 2020, acting pursuant to Section 4-182(c) of the General Statutes of Connecticut, the Division provided Respondent with an opportunity to show compliance with the provisions of the Act and to demonstrate why Respondent’s registration as a broker-dealer should not be suspended or revoked based on FINRA’s expulsion of Respondent from FINRA membership and its failure to submit an audited financial statement for the fiscal year ending March 2020.

10. The Division's September 17, 2020, correspondence, which was sent and delivered via e-mail on September 17, 2020, requested that Respondent respond in writing and submit Respondent's audited financial report for the year ending 2020 to the Division by September 30, 2020.

11. To date, Respondent has not: (i) filed an audited financial report with the Commissioner for the 2020 fiscal or calendar year; (ii) submitted a written response to the Division's September 17, 2020, correspondence; and (iii) requested an extension of time within which to file a written response.

12. CRD records indicate that none of Respondent's direct owners and executive officers are currently registered as an agent of Respondent in any jurisdiction.

13. Respondent no longer has any broker-dealer agents registered under the Act.

IV. STATUTORY BASIS FOR REVOCATION OF REGISTRATION AS A BROKER-DEALER

a. Failure to File Annual Financial Report

14. Paragraphs 1 through 13, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

15. Respondent's failure to file an annual audited financial report as more fully set forth in paragraphs 8 through 11, inclusive, constitutes a violation of Section 36b-31-14c of the Regulations. Such violation was wilful and constitutes a basis for the revocation of Respondent's registration as a broker-dealer in Connecticut pursuant to Section 36b-15(a)(2)(B) of the Act.

b. Ceasing to do Business as a Broker-dealer

16. Paragraphs 1 through 15, inclusive, are incorporated and made a part hereof as if more fully set forth herein.

17. Respondent's apparent cessation of business as a broker-dealer, as more fully described in paragraphs 12 and 13, forms a basis for the cancellation of Respondent's registration as a broker-dealer in Connecticut pursuant to Section 36b-15(d) of the Act.

**V. NOTICE OF INTENT TO REVOKE AND CANCEL REGISTRATION
AS A BROKER-DEALER AND NOTICE OF RIGHT TO HEARING**

WHEREAS, the Commissioner has reason to believe that grounds exist to revoke and cancel Respondent's registration as a broker-dealer in Connecticut pursuant to Sections 36b-15(a) and 36b-15(d) of the Act;

WHEREAS, Section 36b-15(f) of the Act provides, in pertinent part, that "[n]o order may be entered under this section except as provided in subsection (c) of this section without (1) appropriate prior notice to the . . . registrant . . . (2) opportunity for hearing, and (3) written findings of fact and conclusions of law";

AND WHEREAS, the Commissioner believes that the issuance of an order revoking and canceling Respondent's registration as a broker-dealer in Connecticut would be in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act.

NOW THEREFORE, notice is hereby given to Respondent that Respondent's registration as a broker-dealer shall be revoked and canceled, subject to Respondent's right to request a hearing on the allegations set forth above.

THE COMMISSIONER FURTHER ORDERS THAT, pursuant to Section 36b-15 of the Act, Respondent will be afforded an opportunity for a hearing on the allegations set forth above if a written request for a hearing is received by the Department of Banking, Securities and Business Investments Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Notice. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Respondent may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft Team. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates

a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the General Statutes of Connecticut and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on February 22, 2022, at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the General Statutes of Connecticut, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against Respondent will be deemed admitted and the Commissioner shall issue an order revoking and canceling Respondent's registration as a broker-dealer in Connecticut.

Dated at Hartford, Connecticut,
this 23 day of December 2021.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 23 day of December 2021, I caused to be mailed by certified mail, return receipt requested, the foregoing Notice of Intent to Revoke and Cancel Registration as a Broker-dealer and Notice of Right to Hearing to KJM Securities, Inc., at: P.O. Box 734, Bronxville, New York 10708-0734, certified mail no. 7019 1640 0000 1584 4466; and 48 Sagamore Road, Suite 29, Bronxville, New York 10708-1534, certified mail no. 7019 1640 0000 1584 4459.

_____/s/_____
Julie Carta
Administrative Assistant