

**SECRETARY OF STATE  
SECURITIES DEPARTMENT**

<b>IN THE MATTER OF: WUNDERLICH SECURITIES, Inc.</b>	)	
	)	<b>FILE NO. 0500528</b>

**CONSENT ORDER OF CENSURE**

**TO THE RESPONDENT:** Wunderlich Securities, Inc.  
C/O Counsel for Wunderlich  
Stephen Berkeley, Esq.  
Neil, Gerber & Eisenberg LLP  
Two North LaSalle Street  
Chicago, IL 60602-3801

Wunderlich Securities, Inc.  
C/O Stephen J. Bonnema  
Chief Operating Officer  
6305 Humphreys Blvd. Suite 210  
Memphis, TN 38120

WHEREAS, Respondent Wunderlich Securities, Inc. ("Wunderlich" or "Respondent") on the 23rd day of July, 2007 executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department dated July 23<sup>rd</sup>, 2007 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. Wunderlich Securities, Inc. ("Wunderlich") (CRD #2543) is a broker-dealer with its headquarters in Memphis, Tennessee and is registered with the Secretary of State, Illinois Securities Department.

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2. Wunderlich does business in the State of Illinois primarily through a branch office located at 200 West Madison St., Chicago Illinois.
3. Wunderlich employs approximately thirty (30) registered representatives throughout the State of Illinois that, among other things, deal in the offering for sale, and the sale of, securities as defined by Sections 2.1, 2.5, and 2.5(a) of the Act.
4. From April 30, 2004, through September 5, 2005, Tom Vabakos ("Vabakos"), CRD# 1028169, was employed as a registered salesperson for Wunderlich, working out of the 200 West Madison St. office.
5. Prior to being employed by Wunderlich, from July 1, 1996, through April 19, 2004, Vabakos was registered as a salesperson at A.G. Edwards & Sons, Inc.
6. While working as a salesperson at A.G. Edwards Vabakos entered into an agreement in which he borrowed \$27,000.00 from a securities customer.
7. Soon after Vabakos' employment at A.G. Edwards ceased, Vabakos accepted employment with Wunderlich.
8. On or about April 30, 2004, Vabakos submitted or caused to be submitted an application for registration as a salesperson in the State of Illinois ("U-4 Application").
9. On or about December 3, 2004, the Secretary of State issued a Summary Order denying the salesperson application of Vabakos due to his borrowing of customer money while employed at A.G. Edwards.
10. On December 8, 2004, Vabakos entered into a Consent Order with the Department wherein he acknowledged borrowing money from a securities customer while employed at A.G. Edwards.
11. To obtain his registration as a salesperson in Illinois the Department required both Wunderlich and Vabakos to enter a Special Supervision Agreement ("Supervision Agreement").
12. The Supervision Agreement was attached as "Exhibit A" to the Consent Order, and it is signed and acknowledged by Wunderlich and Vabakos.
13. The Supervision Agreement required, among other things:
  - a. A Principal to review and approve any new customer accounts of Vabakos;

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- b. Maintain records of all Vabakos' sales reviews;
  - c. A Principal to review a minimum of twenty-five percent of the prior month's transactions that Vabakos received a commission from; and
  - d. File a semi-annual statement with the Department on or before January 15<sup>th</sup> and July 15<sup>th</sup> of each year detailing the transactions reviewed in which Vabakos received a commission.
14. In the Supervision Agreement Wunderlich acknowledged that the failure to comply with any of the obligations set forth in the Supervision Agreement would subject Wunderlich to Section 8.E(1)(e)(iv) of the Illinois Securities Law of 1953, as amended. 815 ILCS 5/1 *et seq.*
  15. Wunderlich complied with all the obligations of the Supervision Agreement described in Paragraphs 13 (a) through 13(c), above, but did not file with the Department the July 15, 2005, statement pursuant to the Supervision Agreement as described in Paragraph 13(d), above.

WHEREAS, by means of the Stipulation Respondent has acknowledged that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Respondent Wunderlich is subject to Section 8.E(1)(e)(iv) of the Act.

WHEREAS, by means of the Stipulation and issuance of the Consent Order, all claims that were made in the Notice of Hearing, or could have been made arising from the Department's August 2005 Branch Audit, are resolved.

WHEREAS, by means of the Stipulation, Respondent has acknowledged and agreed that the Secretary of State will issue this Order of Censure.

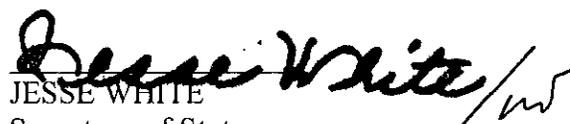
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WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it shall pay the sum of Five Thousand dollars (\$5,000.00) to the Office of the Secretary of State, Audit and Enforcement Fund, for costs of the investigation, and shall pay the sum of Five Thousand dollars (\$5,000.00) to the Office of the Secretary of State, Investor Education Fund. Said sums shall be payable by means of a certified or cashier's checks within ten (10) days of the entry of the Consent Order of Censure.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondent Wunderlich Securities, Inc. is hereby censured.
2. Respondent Wunderlich Securities, Inc. shall pay the sum of Ten Thousand dollars (\$10,000.00) as specified above.
3. The formal hearing, as it pertains to Respondent Wunderlich Securities, Inc. scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 26<sup>th</sup> day of July 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

**This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.**