

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: CHARLES M. SHALMI

FILE NO. 0400646

CONSENT ORDER OF WITHDRAWAL

**TO THE RESPONDENT:** Charles M Shalmi  
(CRD# 1293269)  
99 SE Mizner Boulevard  
Boca Raton, Florida 33432

C/o Jake Gertsman, Counsel  
Office of the General Counsel  
Oppenheimer & Co , Inc  
125 Broad Street  
New York, New York 10004

WHEREAS, Respondent on the 14th day of March 2006 executed a certain Stipulation to Enter Consent Order of Withdrawal (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 September 23, 2005 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order")

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact

- 1 That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

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- 2 That on August 4, 2004 NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No C11040030 which sanctioned the Respondent as follows:
  - a Suspension from association with any member firm in any capacity for sixty (60) calendar days, and
  - b fined \$10,000 00
- 3 That the AWC found During the period from about March 2003 to about June 2003, the Respondent solicited thirty-eight customers to make approximately 136 transactions in five different OTC equity securities He, however, improperly recorded those transactions as "unsolicited" on the order tickets, causing the firm's books and records to be inaccurate The *forementioned* conduct by the Respondent constitutes separate and distinct violations of NASD Conduct Rules 3110 and 2110 The 136 OTC equity securities transactions were neither reviewed nor approved by the firm prior to the recommendations The *forementioned* conduct by the Respondent constitutes separate and distinct violations of NASD Conduct Rules 2315 and 2110.
- 4 That Section 8 E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act from any *fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization*
- 5 That NASD is a self-regulatory organization as specified in Section 8 E(1)(j) of the Act

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8 E(1)(j) of the Act

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that the October 26, 2006 withdrawal of his registration as a salesperson in the State of Illinois will be accepted by the Secretary of State upon entry of this Consent Order; and that he shall not re-apply for registration for a period of two (2) years from the entry of this Consent Order.

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WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand Two Hundred Fifty dollars (\$1,250.00) Said amount shall be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Investors Education Fund

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand Two Hundred Fifty dollars (\$1,250.00) to cover costs incurred during the investigation of this matter Said check has been made payable to the Office of the Secretary of State, Investors Education Fund

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

- 1 The Respondent's October 26, 2005 withdrawal of his registration is hereby accepted by the Secretary of State and Respondent shall not re-apply for registration for a period of two (2) years from the entry of this Consent Order
- 2 The Respondent is levied costs of investigation in this matter in the amount of One Thousand Two Hundred Fifty dollars (\$1,250 00), payable to the Office of the Secretary of State, Investors Education Fund, and on March 14, 2006 has submitted One Thousand Two Hundred Fifty dollars (\$1,250 00) in payment thereof
- 3 The formal hearing scheduled on this matter is hereby dismissed without further proceedings

ENTERED. This 23<sup>rd</sup> day of March 2006



JESSE WHITE  
Secretary of State  
State of Illinois