

BEFORE THE
DIVISION OF SECURITIES
DEPARTMENT OF FINANCIAL INSTITUTIONS
STATE OF WISCONSIN

In the Matter of
SHOCHET SECURITIES INC.

PETITION FOR ORDER

Respondent.

File No. S-01080(LX)

The staffs of the Bureau of Licensing & Compliance and the Enforcement Unit, Bureau of Registration & Enforcement, of the Division of Securities, Department of Financial Institutions, State of Wisconsin have conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats., and as a result thereof allege as follows:

1. Shochet Securities, Inc. ("Shochet") is a broker-dealer (CRD #8275) with a business address at 433 Plaza Real, Boca Raton, FL 33432;
2. On November 6, 1996, Shochet filed an application to be licensed as a broker-dealer in Wisconsin;
3. The staff was concerned about the large number of complaints filed against Shochet and years of unlicensed activity in Wisconsin;
4. These concerns were communicated to Shochet in a letter dated April 7, 1997;
5. Rather than issue an administrative order against Shochet, and based on representations by the firm that they had a new compliance system in place, the staff allowed Shochet to withdraw its application;
6. The staff suggested that Shochet allow a year to pass before it reapplied to see if the new compliance system was working;
7. On March 16, 2001, Shochet reapplied to be licensed as a broker-dealer in Wisconsin;
8. As part of its application, Shochet submitted its "Wisconsin Broker-Dealer Activity of Applicant" form ("BD Activity Form") signed by David F. Greenberg, President of Shochet, stating that Shochet, "is not now and has never transacted broker-dealer business in Wisconsin";
9. Staff contacted Shochet's clearing broker-dealer to determine if there was any Wisconsin broker-dealer activity by Shochet since January 1, 1997;
10. Shochet's clearing broker-dealer's records indicate that agents of Shochet conducted securities broker-dealer activity with over 30 persons in Wisconsin from 1997-2001;
11. Shochet has never been licensed as a broker-dealer in Wisconsin;

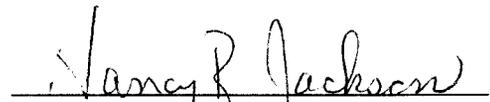
12. Shochet has violated sec. 551.31(1), Wis. Stats., by transacting business as a broker-dealer in Wisconsin without being licensed;
13. Shochet has violated sec. 551.31(2), Wis. Stats., by employing unlicensed agents to transact business in Wisconsin;
14. Shochet's actions, as described above, show that it has failed reasonably to supervise agents to assure their compliance with this chapter and that they have not established written procedures, and a system for applying such procedures which would reasonably be expected to prevent and detect, insofar as practicable, any violations of statutes or rules;
15. Shochet's actions in failing to reasonably supervise agents or having adequate compliance procedures provide a basis, pursuant to sec. 551.34(1)(j), Wis. Stats., for the denial of its license;
16. Shochet's filing of its BD Activity Form which stated that it had not conducted business in Wisconsin, is the filing of a document with the division with a statement which was, at the time and in the light of the circumstances under which it was made, false or misleading in a material respect, in violation of sec. 551.54, Wis. Stats.;

THEREFORE, the staffs of the Bureaus of Registration & Enforcement and Licensing & Compliance petition the Administrator to issue the attached Order.

DATED this 26th day of April, 2001.



David A. Cohen
Supervising Attorney
Bureau of Registration & Enforcement



Nancy R. Jackson
Examiner
Bureau of Licensing & Compliance