

1 DEPARTMENT OF INSURANCE AND FINANCE
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 SECURITIES SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCE
5 STATE OF OREGON

6 In the Matter of:) O-92-0038
7)
8 RODMAN & RENSHAW, INC. and) CEASE AND DESIST ORDER
9 JACK L. EISENKRAMER) ORDER REVOKING LICENSE
10) ORDER IMPOSING CIVIL PENALTY
11) CONSENT TO RODMAN & RENSHAW
12) TO ENTRY OF ORDER
13 Respondents.)

14 WHEREAS the Director of the Department of Insurance and Finance has
15 conducted an investigation of RODMAN & RENSHAW, INC. and determined that it
16 transacted a securities broker business in the State of Oregon in violation of
17 Oregon Revised Statutes Chapter 59, the Oregon Securities Law; and

18 WHEREAS RODMAN & RENSHAW, INC. wishes to resolve and settle this matter,
19 and agrees to conduct all future business in compliance with the statutory
20 requirements of ORS Chapter 59, the Oregon Securities Law;

21 NOW THEREFORE, as evidenced by the signature on this Order, Respondent
22 RODMAN & RENSHAW, INC. CONSENTS to the entry of this Order to Cease and Desist,
23 Order to Suspend License, and Order Assessing a Civil Penalty based upon the
24 Director's Findings of Fact and Conclusions of Law as stated hereinafter.

25 FINDINGS OF FACT

26 The Director FINDS that:

1. At all times material herein, Rodman & Renshaw, Inc. (hereinafter
"Rodman") is a Delaware corporation licensed in the state of Oregon as a
securities broker-dealer from June 28, 1988 to the present, with principal
offices located at 120 South LaSalle Street, Chicago, Illinois, 60603.

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Salem OR 97310
(503) 378-4387

1 2. At all times material herein, Jack L. Eisenkramer (hereinafter
2 "Eisenkramer") was licensed as a securities salesperson in Oregon to Rodman from
3 May 3, 1990 to the present.

4 3. At all times material herein, Westin Capital Markets, Inc.
5 (hereinafter "Westin") was an Oregon corporation with principal offices at 10
6 Crater Lake Avenue, Medford, OR, 97504. Westin made application to be licensed
7 as a securities broker-dealer in Oregon on or about February 9, 1990. Westin's
8 application to be licensed as a broker-dealer in Oregon was approved on November
9 8, 1990.

10 4. At all times material herein, Joel H. Austin (hereinafter "Austin")
11 was a resident of Medford Oregon. Austin was licensed as a securities
12 salesperson in the state of Oregon to Smith Barney, Harris & Co., Incorporated
13 (Hereinafter "Smith Barney") from March 15, 1989 to January 16, 1990 and to
14 Westin Capital Markets, Inc. (hereinafter "Westin"), from November 14, 1990 to
15 April 16, 1991. Austin was the Chief Financial Officer, Chief Executive
16 Officer, and majority shareholder of Westin.

17 5. In or about December of 1989, Austin decided to resign his employment
18 with Smith Barney and open his own broker-dealer firm in Oregon. In or about
19 January of 1990, Austin sought and received permission from Eisenkramer to
20 transfer Austin's client's accounts from Smith Barney to Rodman under
21 Eisenkramer's salesperson number. Austin stated that he intended to "park" his
22 clients accounts at Rodman until Westin was duly licensed. Eisenkramer believed
23 that the accounts Austin transferred would be transferred to Westin as soon as
24 Westin was licensed.

25 6. Eisenkramer provided Austin with blank Rodman application forms which
26 were used to establish accounts at Rodman for those clients who agreed to

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1 transfer their accounts. Eisenkramer executed the application forms as the
2 designated salesperson.

3 7. At the same time that Austin was arranging to transfer his clients'
4 accounts from Smith Barney to Rodman, Austin was making application to the
5 National Association of Securities Dealers (hereinafter "NASD") and the State of
6 Oregon to license Westin as a securities broker-dealer.

7 8. Between at least January 4, 1990 and May 1, 1990, Eisenkramer effected
8 at least 40 securities transactions in the accounts of five Oregon residents.
9 The transactions consisted of buying and selling securities, opening cash
10 accounts, entering into various account agreements, and transferring funds
11 between commodities accounts and securities accounts maintained at Rodman.

12 9. From about May 3, 1990 to December 18, 1990 Eisenkramer effected at
13 least 29 securities transactions in two accounts at the direction of Austin and
14 in the absence of a signed power of attorney or discretionary authorization form.

15 10. Rodman was notified by the Securities Section that an investigation
16 into the facts surrounding the Austin/Eisenkramer transactions was opened.
17 Thereafter, Rodman cooperated with the investigation by providing information
18 and documents in a timely manner.

19 **CONCLUSIONS OF LAW**

20 The Director **CONCLUDES** that:

- 21 1. Respondent Eisenkramer transacted a securities business in the State
22 of Oregon without a license on at least 40 occasions in violation of the
23 provisions of ORS 59.165(1).
24 2. Respondent Rodman employed an unlicensed salesperson in violation of
25 the provisions of ORS 59.165(3).
26 3. Respondent Eisenkramer, by effecting transactions at the direction of

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1 Austin, caused the execution of unauthorized trades in violation of ORS
2 59.205(3) and Oregon Administrative Rule OAR 441-205-130(8).

3 **ORDER**

4 The Director, pursuant to ORS 59.245 hereby **ORDERS** that Respondent Rodman &
5 Renshaw, Inc. shall **CEASE AND DESIST** from violating any of the provisions of ORS
6 Chapter 59.

7 The Director, pursuant to the provisions of ORS 59.995 imposes a **CIVIL**
8 **PENALTY** against Respondent Rodman & Renshaw, Inc. of \$12,000.00 for violations
9 of ORS 59.165(3).

10 The Director, pursuant to the provisions of ORS 59.205 **SUSPENDS** the
11 Broker-Dealer license of Respondent Rodman & Renshaw Inc. for a period of 7
12 calendar days commencing on Feb 15, 1993 and ending at close of business
13 on Feb 21, 1993. This suspension applies only to opening transactions. This
14 suspension does not apply to closing transactions or transactions with persons
15 enumerated in ORS 59.035(4), ORS 59.035(5) or ORS 59.035(8).

16 Dated this 11th day of January, 199~~2~~³ at Salem, Oregon.

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18 
19 GARY WEEKS
20 DIRECTOR
21 DEPARTMENT OF INSURANCE AND FINANCE

22 **CONSENT TO ENTRY OF ORDER**
ADMISSION OF FACTS

23 I, Guy D'Egidio state that I am Vice President of Respondent Rodman &
24 Renshaw, Inc. (hereinafter "Rodman") herein, and I am authorized to act on its
25 behalf; that I have read the foregoing Order and that I know and fully
26 understand the contents hereof; that Rodman has been advised of its right to

1 a hearing on this matter and that Rodman without admitting or denying the
2 Findings of Fact and Conclusions of Law contained herein, consents to the entry
3 of this Order without further hearing; that Rodman understands that the Director
4 reserves the right to take further actions upon discovery of other violations of
5 the Oregon Securities Law by Rodman and to enforce this Order; and that Rodman
6 will fully comply with the terms and conditions stated herein.

7 Rodman further assures the Director that it will not transact any business
8 in the State of Oregon unless such transactions are in full compliance with
9 Chapter 59 of the Oregon Revised Statutes. Rodman agrees to undertake a review
10 of its internal policies and procedures to determine if they are adequate to
11 prevent future violations and to adopt whatever changes are necessary to insure
12 compliance with Chapter 59 of the Oregon Revised Statutes. I understand that
13 this Consent Order is a public document.

14 Dated this 6th day of ^{January 1993} ~~November~~, 1992 at Chicago, Illinois.

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17 
18 Guy D'Egidio, Vice-President
Rodman & Renshaw, Inc.

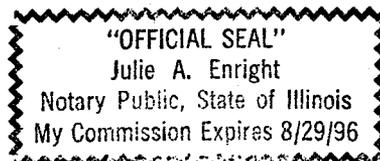
19 **CORPORATE ACKNOWLEDGMENT**

20 There appeared before me this 6th day of ^{JANUARY 1993} ~~November~~, 1992, Guy D'Egidio,
21 who was first duly sworn on oath, and stated that he was and is the Vice
22 President of Rodman & Renshaw, Inc. and that he is authorized and empowered to
sign this Consent to Entry of Order on behalf of Rodman & Renshaw, Inc. to the
terms hereof.

23 Julie A. Enright
24 Notary in and for the State of: ILLINOIS

25 JULIE A. ENRIGHT
Printed Name of Notary Public

26 My commission expires: 8-29-96



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