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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
whether there has been a violation of the  
Securities Act of Washington by:

Norair Seferian,

Respondent.

Order Number S-05-104-05-TO01

**STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO REVOKE SECURITIES  
SALESPERSON REGISTRATION AND  
IMPOSE FINES**

THE STATE OF WASHINGTON TO: Norair Seferian, CRD #2674569

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**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent, Norair Seferian, has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the revocation of Norair Seferian's securities salesperson registration pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

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2 **TENTATIVE FINDINGS OF FACT**

3 *Respondent*

4 1. Norair Seferian (“Seferian”) is an individual residing in New York. Seferian is licensed through the  
5 National Association of Securities Dealers (“NASD”) as a securities salesperson. His securities salesperson  
6 identification number (CRD #) is 2674569.  
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8 *Nature of the Conduct*

9 2. Seferian was registered in the State of Washington as a securities salesperson from September 10,  
10 1996, until December 31, 1996.

11 3. On June 23, 1999, Seferian received a complaint from a customer that alleged compensatory  
12 damages of over \$229,000. Seferian failed to disclose the complaint on his salesperson registration  
13 application (“Form U-4”) until ten months later, on May 12, 2000.

14 4. On December 7, 1999, Seferian filed a bankruptcy petition pursuant to Chapter 13 of the United  
15 States Bankruptcy Code in the United States Bankruptcy Court, Eastern District of New York. Seferian  
16 failed to disclose the details of the bankruptcy petition on his Form U-4 until March 1, 2005, over five years  
17 later.

18 5. On May 16, 2001, Seferian received complaints from three customers that alleged excessive  
19 activity, unauthorized trading, misrepresentation, excessive commissions, and unsuitable recommendations.  
20 On November 17, 2001, the parties settled. Seferian failed to disclose the complaints on his Form U-4 until  
21 eleven months later on April 16, 2002, however the terms of the settlement that were disclosed were

1 misrepresented. Seferian failed to amend his Form U-4 disclosing the actual terms of the 2001 settlement  
2 until March 18, 2004, almost three years later.

3 6. On June 1, 2001, Seferian received a complaint from a customer alleging unsuitable  
4 recommendations. Seferian failed to amend his Form U-4 to disclose this complaint until ten months later,  
5 on April 16, 2002.

6 7. On November 14, 2001, Seferian received a complaint from a customer alleging unauthorized over-  
7 the-counter stock trading. Seferian failed to amend his Form U-4 to disclose this complaint until April 16,  
8 2002, five months later.

9 8. On December 12, 2002, Seferian received a complaint from a customer alleging unauthorized  
10 trading. Seferian failed to amend his Form U-4 to disclose this complaint until one year later, on January 8,  
11 2004.

12 9. On April 15, 2004, Seferian was re-licensed as a securities salesperson with the State of  
13 Washington. Seferian failed to disclose that he had filed a bankruptcy petition in his application. On June  
14 22, 2004, the license was terminated.

15 10. On September 9, 2004, Seferian filed another securities salesperson re-license application with the  
16 State of Washington. Seferian failed to disclose that he had filed a bankruptcy petition in his application.  
17 Seferian was granted a license on September 20, 2004. Seferian has been continuously licensed in the State  
18 of Washington from this time.

19 11. On September 14, 2004, the State of Missouri entered a Final Order to Cease and Desist. The Order  
20 alleged that by failing to timely amend his Form U-4 disclosing the abovementioned customer complaints  
21 and by failing to disclose that he had filed a bankruptcy petition, Seferian made a statement that was false or  
22 misleading in respect to a material fact, committed a dishonest or unethical business practice, and failed to

1 comply with the NASD Conduct Rule 2110. The State of Missouri ordered the summary denial of  
2 Seferian's application for registration as an agent. It was further ordered that Seferian pay \$5,785 in fines  
3 and costs. The fines and costs have not yet been paid.

4 12. On April 13, 2005, the NASD fined Seferian \$2,500 and suspended him from association with any  
5 NASD member in any capacity for 30 days. The NASD alleged that by failing to disclose that he had filed a  
6 bankruptcy petition on his Form U-4, Seferian failed to disclose a material fact in violation of Conduct Rule  
7 2110. Without admitting or denying the allegations, Seferian consented to the described sanctions and to  
8 the entry of the findings that he failed to disclose a material fact on his Form U-4. The suspension period  
9 was from June 6, 2005, until July 18, 2005.

10 13. On April 29, 2005, the State of New Jersey entered a Summary Revocation Order alleging that  
11 Seferian filed two separate securities salesperson applications for re-registration that contained statements  
12 which were false or misleading in regard to a material fact and failed to promptly update a document that  
13 became inaccurate in a material respect by failing to disclose that he had filed a bankruptcy petition. The  
14 State of New Jersey ordered the revocation of Seferian's registration and a fine of \$10,000. The order was  
15 not contested and became final in May 2005.

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18 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

19 **CONCLUSIONS OF LAW**

20 14. As described above in paragraphs 9 and 10, Norair Seferian filed two securities salesperson  
21 applications in the State of Washington that contained a statement which was, in the light of the  
22 circumstances under which it was made, false or misleading with respect to a material fact. Such filings

1 were in violation of RCW 21.20.350. Such conduct is an independent ground for the suspension of his  
2 salesperson registration pursuant to RCW 21.20.110(1)(a) and (1)(b).

3 15. As described above in paragraph 11, Norair Seferian is the subject to a Final Order to Cease and  
4 Desist in the State of Missouri. The Missouri order is an independent ground for the suspension of his  
5 salesperson registration pursuant to RCW 21.20.110(1)(m).

6 16. As described above in paragraph 12, Norair Seferian failed to comply with an applicable provision  
7 of the Conduct Rules of the NASD. Such conduct is a dishonest or unethical business practice as defined by  
8 WAC 460-22B-090(19) and is an independent ground for suspension of his salesperson registration  
9 pursuant to RCW 21.20.110(1)(g).

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13 **NOTICE OF INTENT TO REVOKE REGISTRATION**

14 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and  
15 Conclusions of Law, the Securities Administrator intends to order that the securities salesperson registration  
16 of the Respondent, Norair Seferian, be revoked.

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19 **NOTICE OF INTENT TO IMPOSE FINES**

20 Pursuant to RCW 21.20.110(3) and based upon the above Tentative Findings of Fact and  
21 Conclusions of Law, the Securities Administrator intends to order that Respondent shall be liable for and  
22 pay to the Securities Division a fine in the amount of \$5,000.

1 **AUTHORITY AND PROCEDURE**

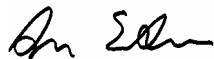
2 This Order is entered pursuant to the provisions of RCW 21.20.110, and is subject to the  
3 provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a written request for a  
4 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
5 HEARING accompanying this Order. If the Respondent does not request a hearing, the Securities  
6 Administrator intends to adopt the foregoing Tentative Findings of Fact and Conclusions of Law as final,  
7 and enter a permanent order against Respondent revoking the Respondent's securities salesperson  
8 registration and imposing the fines sought.

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10 DATED and Entered this 22nd day of August, 2005.

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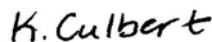
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13 MICHAEL E. STEVENSON  
14 Securities Administrator

15 Approved by:

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18 Suzanne Sarason  
19 Chief of Compliance

20 Presented by:

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22 \_\_\_\_\_  
23 Kristen Culbert  
24 Financial Legal Examiner