

## BrokerCheck Report

# HARVEY IRA HOUTKIN

CRD# 251066

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

## About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
  - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
  - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

[brokercheck.finra.org](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://www.finra.org/brokercheck). It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

**HARVEY I. HOUTKIN**

CRD# 251066

This broker is not currently registered.

**Report Summary for this Broker**

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

**Broker Qualifications**

**This broker is not currently registered.**

**This broker has passed:**

- 3 Principal/Supervisory Exams
- 2 General Industry/Product Exams
- 1 State Securities Law Exam

**Registration History**

**This broker was previously registered with the following securities firm(s):**

- B DOMESTIC SECURITIES, INC.**  
CRD# 34721  
MONTVALE, NJ  
05/1994 - 08/2008
- B ALL-TECH DIRECT, INC.**  
CRD# 13992  
MONTVALE, NJ  
08/1991 - 10/2001
- B ALL-TECH INVESTMENT GROUP, INC.**  
CRD# 13992  
06/1989 - 08/1989

**Disclosure Events**

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

Are there events disclosed about this broker? **Yes**

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	5
Customer Dispute	1

## Broker Qualifications



### Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



## Broker Qualifications

### Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

**This individual has passed 3 principal/supervisory exams, 2 general industry/product exams, and 1 state securities law exam.**

### Principal/Supervisory Exams

Exam	Category	Date
<b>B</b> Registered Options Principal Examination	Series 4	04/14/1980
<b>B</b> Financial Principal Examination	F04	09/06/1979
<b>B</b> General Securities Principal Examination	Series 24	08/27/1979

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Limited Representative-Equity Trader Exam	Series 55	04/11/2000
<b>B</b> Registered Representative Examination	Series 1	04/11/1969

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	10/16/1997

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at [www.finra.org/brokerqualifications/registeredrep/](http://www.finra.org/brokerqualifications/registeredrep/).



## Broker Qualifications

### Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



## Registration and Employment History

### Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 05/1994 - 08/2008	DOMESTIC SECURITIES, INC.	34721	MONTVALE, NJ
B 08/1991 - 10/2001	ALL-TECH DIRECT, INC.	13992	MONTVALE, NJ
B 06/1989 - 08/1989	ALL-TECH INVESTMENT GROUP, INC.	13992	
B 04/1980 - 11/1987	DOMESTIC ARBITRAGE GROUP, INC.	8144	
B 05/1981 - 12/1986	HMS SECURITIES INC.	5940	
B 11/1975 - 09/1979	ICAHN & CO. INC	2274	
B 01/1979 - 06/1979	ARBRITRAGE SECURITIES COMPANY	7381	
B 04/1976 - 01/1979	AMERICAN SECURITIES CORPORATION	41	
B 05/1975 - 04/1978	OPPENHEIMER & CO., INC.	630	
B 12/1973 - 05/1975	AMERICAN SECURITIES CORPORATION	41	
B 03/1972 - 01/1974	BLYTH EASTMAN DILLON & CO. INCORPORATED	6361	

### Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

**Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.**

Employment	Employer Name	Position	Investment Related	Employer Location
11/1987 - Present	HARVEY HOUTKIN	OTHER - PRIVATE INVESTOR	N	ADVENTURA, FL, United States
02/1986 - Present	DOMESTIC SECURITIES, INC.	PRESIDENT	Y	MONTVALE, NJ, United States

## Disclosure Events



### What you should know about reported disclosure events:

**1. Disclosure events in BrokerCheck reports come from different sources:**

- As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	5	0
Customer Dispute	0	N/A



## Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

### Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

#### Disclosure 1 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.
<b>Sanction(s) Sought:</b>	
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	07/17/2000
<b>Docket/Case Number:</b>	CAF000028
<b>Employing firm when activity occurred which led to the regulatory action:</b>	ALL-TECH DIRECT, INC.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	07-18-00, SECTION 15(B)(6)(B)(II) OF THE SECURITIES EXCHANGE ACT OF 1934, ARTICLE III, SECTION 3 OF THE NASD BY-LAWS, NASD RULES 1031, 2110, 2210(B), 2210(D)(1), 2210(D)(2)(M), 9522 - RESPONDENT PERMITTED AN INDIVIDUAL STATUTORILY DISQUALIFIED TO REMAIN ASSOCIATED WITH THE FIRM AND PERFORM ACTS FOR WHICH REGISTRATION IS REQUIRED AND FAILED TO APPLY FOR RELIEF FROM THE STATUTORY DISQUALIFICATION; PERMITTED AN INDIVIDUAL TO ACT AS A BROKER WHEN THE INDIVIDUAL WAS NOT REGISTERED; THROUGH FIRM'S WEB SITE AND PRINT AND RADIO ADVERTISEMENTS DISSEMINATED STATEMENTS THAT WERE EXAGGERATED, MISLEADING, UNWARRANTED, AND WITHOUT A BASIS.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Decision & Order of Offer of Settlement
<b>Resolution Date:</b>	06/04/2001



**Sanctions Ordered:** Monetary/Fine \$50,000.00  
Suspension

**Other Sanctions Ordered:**

**Sanction Details:** 06-14-01, OFFER OF SETTLEMENT ACCEPTED JUNE 4, 2001 WHEREIN RESPONDENT IS FINED \$50,000, JOINTLY AND SEVERALLY, AND SUSPENDED FROM ASSOCIATION WITH ANY NASD MEMBER IN ANY CAPACITY FOR 15 DAYS TO BEGIN THE DAY FOLLOWING THE COMPLETION OF SUSPENSION OF ANOTHER INDIVIDUAL IN ALL CAPACITIES, AND THEN SUSPENDED FOR 105 DAYS IN A PRINCIPAL AND SUPERVISORY CAPACITY. THE LATTER SUSPENSION SHALL BEGIN THE DAY FOLLOWING THE COMPLETION OF THE PRINCIPAL/SUPERVISORY SUSPENSION OF THE OTHER INDIVIDUAL. SUSPENSION IN ALL CAPACITIES EFFECTIVE OCTOBER 23, 2001 TO CLOSE OF BUSINESS NOVEMBER 12, 2001. SUSPENSION IN ANY PRINCIPAL OR SUPERVISORY CAPACITY EFFECTIVE NOVEMBER 13, 2001 TO CLOSE OF BUSINESS FEBRUARY 25, 2002.

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**Reporting Source:** Firm

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** MONETARY FINE OF \$50,000.00 AND SUSPENSION.

**Date Initiated:** 07/17/2000

**Docket/Case Number:** CAF000028

**Employing firm when activity occurred which led to the regulatory action:** ALL-TECH DIRECT, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** THE NASD ALLEGED THAT MR. HOUTKIN VIOLATED ARTICLE III, SECTION 3 OF THE NASD BY-LAWS, NASD RULES 1031,2110,2210(B),2210(D)(2)(M) AND 9522 AND SECTION 15 (B)(6)(B)(II) OF THE SECURITIES EXCHANGE ACT OF 1934 IN CONNECTION WITH REGISTRATION AND COMMUNICATIONS WITH THE PUBLIC PRACTICES.

**Current Status:** Final



**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/04/2001

**Sanctions Ordered:** Monetary/Fine \$50,000.00  
Suspension

**Other Sanctions Ordered:** N/A

**Sanction Details:** MR. HOUTKIN WAS SUSPENDED FOR (I) FIFTEEN DAYS IN ALL CAPACITIES AND (II) 105 DAYS IN ALL SUPERVISORY CAPACITIES. THE FIFTEEN DAYS SUSPENSION IN ALL CAPACITIES WILL COMMENCE ON THE DAY FOLLOWING THE COMPLETION OF ALL CAPACITIES SUSPENSION OF MR. MARK SHEFTS. WHILE THE ONE HUNDRED AND FIVE DAYS SUSPENSION IN A PRINCIPAL OR SUPERVISORY CAPACITY WILL BEGIN ON THE DAY FOLLOWING THE COMPLETION OF THE PRINCIPAL AND SUPERVISORY SUSPENSION OF MR. SHEFTS. MR. HOUTKIN WAS FINED \$50,000.00.

**Firm Statement** SAME AS #12C ABOVE.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** MONETARY FINE OF \$50,000.00 AND SUSPENSION.

**Date Initiated:** 07/17/2000

**Docket/Case Number:** CAF000028

**Employing firm when activity occurred which led to the regulatory action:** ALL-TECH DIRECT, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** THE NASD ALLEGED THAT MR. HOUTKIN VIOLATED ARTICLE III, SECTION 3 OF THE NASD BY-LAWS, NASD RULES 1031, 2110, 2210 (B), 2210(D)(1), 2210(D)(2)(M) AND 9522 AND SECTION 15 (B)(6)(B)(II) OF THE SECURITIES EXCHANGE ACT OF 1934 IN CONNECTION WITH REGISTRATION AND COMMUNICATIONS WITH THE PUBLIC PRACTICES.

**Current Status:** Final



**Resolution:** Decision & Order of Offer of Settlement

**Resolution Date:** 06/04/2001

**Sanctions Ordered:** Monetary/Fine \$50,000.00  
Suspension

**Other Sanctions Ordered:**

**Sanction Details:** FIFTEEN DAYS SUSPENSION IN ALL CAPACITIES WILL COMMENCE ON THE DAY FOLLOWING THE COMPLETION OF ALL CAPACITIES SUSPENSION OF MR. MARK SHEFTS. THE ONE HUNDRED AND FIVE DAYS SUSPENSION IN A PRINCIPAL OR SUPERVISORY CAPACITY WILL BEGIN ON THE DAY FOLLOWING THE COMPLETION OF THE PRINCIPAL AND SUPERVISORY SUSPENSION OF MR. SHEFTS. MR. HOUTKIN WAS FINED \$50,000.00.

**Broker Statement** FIFTEEN DAYS SUSPENSION IN ALL CAPACITIES WILL COMMENCE ON THE DAY FOLLOWING THE COMPLETION OF ALL CAPACITIES SUSPENSION OF MR. MARK SHEFTS. THE ONE HUNDRED AND FIVE DAYS SUSPENSION IN A PRINCIPAL OR SUPERVISORY CAPACITY WILL BEGIN ON THE DAY FOLLOWING THE COMPLETION OF THE PRINCIPAL AND SUPERVISORY SUSPENSION OF MR. SHEFTS. MR. HOUTKIN WAS FINED \$50,000.00.

#### Disclosure 2 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 12/10/1998

**Docket/Case Number:** R-98-77

**Employing firm when activity occurred which led to the regulatory action:** ALL-TECH INVESTMENT GROUP, INC.

**Product Type:** Other

**Other Product Type(s):** UNKNOWN TYPE OF SECURITIES

**Allegations:** ON DECEMBER 10, 1998, THE MASSACHUSETTS SECURITIES DIVISION (THE "DIVISION") FILED AN ADMINISTRATIVE COMPLAINT AGAINST ALL-TECH INVESTMENT GROUP, INC. ("ALL-TECH"); ITS PRESIDENT, MARK D. SHEFTS ("SHEFTS"); ITS CHIEF COMPLIANCE



OFFICER, HARVEY I. HOUTKIN ("HOUTKIN"); THE BRANCH MANAGER OF ITS WATERTOWN OFFICE, FRED A. ZAYAS; AND TWO UNREGISTERED INDIVIDUALS, ISAAC BELBEL ("BELBEL") AND JOHN L. POWELL ("POWELL") (COLLECTIVELY, THE "RESPONDENTS"). THE DIVISION ALLEGED THAT ALL-TECH, THROUGH ITS PRINCIPALS AND AGENTS, USED DECEPTIVE MARKETING TO PROMOTE ITS DAYTRADING BUSINESS TO RETAIL INVESTORS; THAT ALL-TECH, THROUGH ZAYAS, ENGAGED IN NUMEROUS VIOLATIONS OF MASSACHUSETTS SECURITIES LAWS; THAT ZAYAS EXERCISED DISCRETION IN DAY TRADING CUSTOMERS' ACCOUNTS WITHOUT WRITTEN AUTHORIZATION; COMMINGLED FUNDS OF CUSTOMERS AND FAILED TO COMPLY WITH CUSTOMERS' INSTRUCTIONS; FORGED CUSTOMERS' SIGNATURES TO AUTHORIZATION FORMS, AND USED THESE FORMS TO HAVE FUNDS TRANSFERRED AMONG CUSTOMERS' ACCOUNTS, WITHOUT THEIR AUTHORIZATION OR KNOWLEDGE; MADE MISREPRESENTATIONS TO THE DIVISION DURING AN EXAMINATION ON NOVEMBER 13, 1998; COOPERATED IN THE CREATION OF FRAUDULENT ACCOUNTS; AND ENCOURAGED AND COOPERATED THE UNLAWFUL ACTIVITIES OF UNREGISTERED INVESTMENT ADVISERS, INCLUDING PREYING UPON CUSTOMERS OF ALL-TECH. THE DIVISION ALSO ALLEGED THAT BELBEL AND POWELL ACTED AS UNREGISTERED INVESTMENT ADVISERS, OPENED FRAUDULENT ACCOUNTS AT ALL-TECH, AND DEFRAUDED CUSTOMERS OF ALL-TECH. THE DIVISION ALSO ALLEGED THAT ALL-TECH FAILED TO SEND CONFIRMATIONS TO CUSTOMERS, AND FAILED TO SUPERVISE THE WATERTOWN OFFICE. THIS COMPLAINT WAS BROUGHT SEEKING AN ORDER TO REVOKE THE REGISTRATION OF ALL-TECH AS A BROKER-DEALER IN MASSACHUSETTS AND TO ORDER ALL-TECH TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE ACT; TO RETROACTIVELY REVOKE THE REGISTRATIONS OF SHEFTS, HOUTKIN AND ZAYAS, AND TO ORDER THEM TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE ACT; TO

**Current Status:**

Final

**Resolution:**

Stipulation and Consent

**Resolution Date:**

05/19/1999

**Sanctions Ordered:****Other Sanctions Ordered:****Sanction Details:**

IN ORDER TO RESOLVE THE PROCEEDING, RESPONDENTS ALL-TECH, SHEFTS, HOUTKIN, AND LEFKOWITZ CONSENTED TO THE ENTRY OF A STIPULATED ORDER AND AGREED THAT: 1) ALL-TECH WILL NOT



OPEN OR OPERATE A BRANCH OFFICE IN MASSACHUSETTS FOR A PERIOD OF TWO (2) YEARS FROM THE DATE OF THE ORDER; 2) ALL-TECH WILL NOT OPEN ANY NEW ACCOUNTS FOR MASSACHUSETTS CUSTOMERS FOR A PERIOD OF TWO (2) YEARS; 3) ALL-TECH WILL SEND A COPY OF THE OFFER AND ORDER TO THE OWNERS OF ALL CURRENT MASSACHUSETTS ACCOUNTS; 4) ALL-TECH WILL NOT ALLOW IMPERMISSIBLE JOURNALING AND/OR LENDING OF FUNDS TO, FROM, BETWEEN, OR AMONG THE ACCOUNTS OF MASSACHUSETTS CUSTOMERS BEYOND THAT PERMITTED UNDER REGULATION T AND REGULATION U; 5) ALL-TECH WILL NOT ENCOURAGE OR ALLOW ANY MASSACHUSETTS CUSTOMERS TO EFFECT TRANSACTIONS FOR ANY THIRD PARTIES, NOR WILL ALL-TECH PERMIT A THIRD PARTY TO HAVE TRADING AUTHORIZATION FOR ANY MASSACHUSETTS CUSTOMER FOR A PERIOD OF LESS THAN TWO (2) YEARS FROM THE DATE OF THIS ORDER; 6) ALL-TECH WILL HIRE, WITHIN THREE (3) MONTHS OF THE ORDER, A COMPLIANCE OFFICER WHO MEETS THE CRITERIA SPECIFIED IN THE ORDER; 7) ALL-TECH WILL RETAIN AN INDEPENDENT CONSULTANT WHO SHALL SUBMIT REPORTS TO THE DIVISION ON 11/15/99, 5/15/00, 11/15/00, AND 5/15/01; ALL-TECH SHALL MAKE PAYMENTS TO THE CUSTOMERS IN ACCORDANCE WITH EXHIBIT B OF THE ORDER; 9) ALL-TECH PAID \$50,000 TO THE MASSACHUSETTS INVESTORS PROTECTION FUND; 10) LEFKOWITZ WILL WITHDRAW FROM MASSACHUSETTS AS AN AGENT, AND WILL NOT REAPPLY FOR REGISTRATION IN ANY CAPACITY FOR TWO (2) YEARS FROM THE DATE OF ORDER. THE PRESIDING OFFICER FOUND THAT LEFKOWITZ FAILED REASONABLY TO SUPERVISE THE OPERATION OF THE WATERTOWN OFFICE AND LEFKOWITZ WAS ORDERED TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE ACT. IN ORDER TO RESOLVE THE PROCEEDING, RESPONDENTS BELBEL, POWELL, AND ZAYAS, CONSENTED TO THE ENTRY OF A STIPULATED ORDER AND AGREED THAT THEY WILL NOT APPLY FOR REGISTRATION WITH THE DIVISION IN ANY CAPACITY \*SEE FAQ #1\*

**Regulator Statement**

 CONTACT: JOE SHEEHAN / (617) 727-3548
 

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**Reporting Source:**

Firm



**Regulatory Action Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Sanction(s) Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s) Sought:**

**Date Initiated:** 12/10/1998

**Docket/Case Number:** R-98-77

**Employing firm when activity occurred which led to the regulatory action:** ALL-TECH INVESTMENT GROUP, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** MISLEADING ADVERTISEMENT. FAILURE TO SUPERVISE.

**Current Status:** Final

**Resolution:** Stipulation and Consent

**Resolution Date:** 05/19/1999

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** N/A

**Firm Statement** APPLICANT AND OTHER NAMED PRINCIPALS OF ALL-TECH AGREED NOT TO OPERATE A BRANCH OF ALL-TECH FOR TWO YEARS IN MASSACHUSETTS; TO SEND COPY OF MASSACHUSETTS ORDER TO MASSACHUSETTS CUSTOMERS; NOT TO ALLOW IMPERMISSIBLE JOURNALING OF FUNDS; NOT TO PERMIT TRADING AUTHORIZATION FOR TWO YEARS AND TO HIRE A COMPLIANCE OFFICER AND CONSULTANT. ALL-TECH WAS FINED \$50,000.00.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** MASSACHUSETTS SECURITIES DIVISION

**Sanction(s) Sought:** Civil and Administrative Penalt(ies) /Fine(s)

**Other Sanction(s) Sought:**

**Date Initiated:** 12/10/1998



**Docket/Case Number:** R-98-77

**Employing firm when activity occurred which led to the regulatory action:** ALL-TECH INVESTMENT GROUP, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** "MISLEADING ADVERTISEMENT". FAILURE TO SUPERVISE.

**Current Status:** Final

**Resolution:** Stipulation and Consent

**Resolution Date:** 05/19/1999

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** N/A

**Broker Statement** APPLICANT AND OTHER NAMED PRINCIPALS OF ALL-TECH AGREED NOT TO OPERATE A BRANCH OF ALL-TECH FOR TWO YEARS IN MASSACHUSETTS; TO SEND COPY OF MASSACHUSETTS ORDER TO MASSACHUSETTS CUSTOMERS; NOT TO ALLOW IMPERMISSIBLE JOURNALING OF FUNDS; NOT TO PERMIT TRADING AUTHORIZATION FOR TWO YEARS AND TO HIRE A COMPLIANCE OFFICER AND CONSULTANT.

#### Disclosure 3 of 5

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.

**Sanction(s) Sought:**

**Other Sanction(s) Sought:**

**Date Initiated:** 07/31/1989

**Docket/Case Number:** PHL-847



**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC ARBITRAGE GROUP, INC.

**Product Type:**

**Other Product Type(s):**

**Allegations:**

**Current Status:** Final

**Resolution:** Decision

**Resolution Date:** 05/09/1991

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

**Regulator Statement**

[TOP] COMPLAINT NUMBER PHL-847 (DISTRICT NO. 11) FILED 7/31/89 AGAINST HARVEY I. HOUTKIN, ET AL. ALLEGING VIOLATIONS OF ART. III, SECT. 1, 4, 21(a), 27(a) & 33 OF THE RULES OF FAIR PRACTICE. HOUTKIN FAILED TO: 1) ACCURATELY PREPARE RECORDS; 2) PREPARE AN ACCURATE FOCUS I REPORT; 3) COMPLY WITH EXEMPTION FROM SEC RULE 15c3-3; 4) MAKE DISCLOSURES ON CONFIRMATIONS; 5) ADOPT WRITTEN SUPERVISORY PROCEDURES IN BRANCH OFFICES; 6) PROMPTLY DEPOSIT LTD. PARTNERSHIP OFFERING FUNDS TO ESCROW ACCOUNT; 7) EFFECTED SECURITIES CUSTOMER'S TRANSACTIONS AT UNFAIR PRICES. FAILED TO: 8) MAINTAIN INFO. OF OPTION ACCOUNTS; 9) ACCEPT IN WRITING, BY A REGISTERED OPTIONS PRINCIPAL, DISCRETIONARY ACCOUNTS; 10) PROVIDE FOR APPROVAL/INITIALING BY A REGISTERED OPTIONS PRINCIPAL OF DISCRETIONARY OPTIONS TRANSACTIONS; AND, 11) DEVELOP A WRITTEN SUPERVISORY PROGRAM OF OPTIONS ACCOUNTS AND TRANSACTIONS. DECISION 8/29/90, HOUTKIN, ET AL.: ARE CENSURED, FINED \$10,000 JOINTLY AND SEVERALLY (J+S), AND REQUIRED J+S TO PAY \$10,975 TO CUSTOMERS HE MUST REQUALIFY AS GENERAL SECURITIES OR FINANCIAL AND OPERATIONS PRINCIPAL; AND ARE ASSESSED COSTS OF \$1,002, J+S. THE COMMITTEE DISMISSED A PORTION OF COMPLAINTS: FAILURE TO PREPARE A CHECK RECORD AS FIRM DID NOT RECEIVE CHECKS TO RECORD; FAILURE TO DISCLOSE, AS THE FIRM COMPILED AND PROVIDED INFO FOR CONFIRMATIONS SUPERVISORY PROCEDURES; DIRECT PARTICIPATION PROGRAMS AS IT WAS UNABLE TO CONCLUDE THAT FIRM HAD TO



DEPOSIT/FORWARD INVESTOR FUNDS IN ESCROW ACCOUNT; AND VARIOUS OPTIONS VIOLATIONS. 9/5/90 - HOUTKIN APPEALED TO THE BOARD OF GOVERNORS (BOG). DECISION RENDERED 4/9/91, C9A890004 (PHL-847) FINDINGS AND SANCTIONS MODIFIED; SO HOUTKIN, ET AL. ARE CENSURED, FINED \$1,000, J+S, PLUS DBCC COSTS OF \$1,002, J+S; HOUTKIN IS RELIEVED FROM OBLIGATION TO REQUALIFY BOG REVERSED DBCC'S FINDINGS WITH REGARD TO THE 7TH CAUSE. 5/9/91 - DECISION IS FINAL. \*\*\*\$2,002.00 J&S PAID ON 4/30/91 INVOICE #91-9A-486\*\*\*

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**Reporting Source:** Firm

**Regulatory Action Initiated By:** NASD

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** MONETARY FINE OF \$1000.00 AND ORDERED TO REQUALIFY AS A PRINCIPAL.

**Date Initiated:** 07/31/1989

**Docket/Case Number:** PHL-847

**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC ARBITRAGE GROUP, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** VIOLATION OF ARTICLE III SECTION 1, 2 (A), 4 OF THE RULES OF FAIR PRACTICE.

**Current Status:** Final

**Resolution:** Decision

**Resolution Date:** 05/09/1991

**Sanctions Ordered:** Censure  
Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FINED \$10,000, REQUALIFY FOR SERIES 24 AND 27, AND PAY REPARATIONS TO CLIENTS OF DOMESTIC ARBITRAGE GROUP, INC. IN THE AMOUNT OF



\$10,975.00.

**Firm Statement**

CASE WAS APPEALED. MR. HOUTKIN WAS FINED \$1000.00 FOR VIOLATING ARTICLE III SECTION 1 OF THE RULES.

**Reporting Source:**

Broker

**Regulatory Action Initiated By:**

NASD

**Sanction(s) Sought:**

Other

**Other Sanction(s) Sought:**

MONETARY FINE OF \$1000.00 AND ORDERED TO REQUALIFY AS A PRINCIPAL.

**Date Initiated:**

07/31/1989

**Docket/Case Number:**

PHL-847

**Employing firm when activity occurred which led to the regulatory action:**

DOMESTIC ARBITRAGE GROUP, INC.

**Product Type:**

Equity - OTC

**Other Product Type(s):**

**Allegations:**

VIOLATION OF ARTICLE III SECTION 1, 2(A), 4 OF THE RULES OF FAIR PRACTICE.

**Current Status:**

Final

**Resolution:**

Decision

**Resolution Date:**

05/09/1991

**Sanctions Ordered:**

Censure  
Monetary/Fine \$1,000.00

**Other Sanctions Ordered:**

**Sanction Details:**

FINED \$10,000, REQUALIFY FOR SERIES 24 AND 27, AND PAY REPARATIONS TO CLIENTS OF DOMESTIC ARBITRAGE GROUP INC. IN THE AMOUNT OF \$10,975.

**Broker Statement**

CASED WAS APPEALED. HOUTKIN WAS FINED \$1000 FOR VIOLATING ARTICLE III SECTION 1 OF THE RULES.

**Disclosure 4 of 5**



**Reporting Source:** Regulator  
**Regulatory Action Initiated By:** NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.  
**Sanction(s) Sought:**  
**Other Sanction(s) Sought:**  
**Date Initiated:** 01/11/1985  
**Docket/Case Number:** NY-3013  
**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC ARBITRAGE GROUP (DAG)  
**Product Type:**  
**Other Product Type(s):**  
**Allegations:**  
**Current Status:** Final  
**Resolution:** Decision  
**Resolution Date:** 09/07/1985  
**Sanctions Ordered:** Censure  
 Monetary/Fine \$2,000.00  
**Other Sanctions Ordered:**  
**Sanction Details:**  
**Regulator Statement** COMP #NY-3013, FILED 1/11/85, DIST. #12, ALLEGING VIOLATIONS OF ARTICLE III, SECTION 1 OF THE RULES OF FAIR PRACTICE IN THAT RESPONDENT MEMBER, AS A SOES ORDER ENTRY FIRM, ACTING THROUGH HARVEY I. HOUTKIN, EFFECTED TRANSACTIONS WITH OTHER MEMBERS OF THE ASSOCIATION FOR ITS PROPRIETARY ACCOUNT THROUGH SOES, WHICH TRANSACTIONS WERE IN CONTRAVENTION OF THE PROVISIONS OF THE AGREEMENT BETWEEN THE MEMBER, THE ASSOCIATION AND NASD MARKET SERVICES, INC. \*\*\*\*\* DECISION RENDERED JULY 25, 1985, WHEREIN RESPONDENTS DOMESTIC ARBITRAGE GROUP AND HARVEY I. HOUTKIN ARE CENSURED, FINED \$2,000 AND ASSESSED COSTS OF \$400,



JOINTLY AND SEVERALLY. IF NO FURTHER ACTION, DECISION IS FINAL  
 SEPTEMBER 7, 1985. \*\*\*\*\* DECISION FINAL 9/7/85. \*\*\*\*\*  
 8/13/85, FC #9140, PAID IN FULL.

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**Reporting Source:** Firm

**Regulatory Action Initiated By:** DBCC DISTRICT 12

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** MONETARY FINE OF \$2000.00

**Date Initiated:** 01/11/1985

**Docket/Case Number:** NY-3013

**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC ARBITRAGE GROUP, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** VIOLATION OF ARTICLE III, SECTION 1 OF THE FAIR PRACTICE RULES.

**Current Status:** Final

**Resolution:** Decision

**Resolution Date:** 09/07/1985

**Sanctions Ordered:** Censure  
Monetary/Fine \$2,000.00

**Other Sanctions Ordered:**

**Sanction Details:** FOUND GUILTY; FINED JOINTLY AND SEVERALLY \$2,000.00, ASSESSED COSTS OF \$400.00.

**Firm Statement** VIOLATION OF ARTICLE III, SECTION 1 OF RULES OF FAIR PRACTICE. FOUND GUILTY; FINED JOINTLY AND SEVERALLY \$2000.00, ASSESSED COSTS OF \$400.00.

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** DBCC DISTRICT 12



<b>Sanction(s) Sought:</b>	Other
<b>Other Sanction(s) Sought:</b>	MONETARY FINE OF \$2000.00
<b>Date Initiated:</b>	01/11/1985
<b>Docket/Case Number:</b>	NY-3013
<b>Employing firm when activity occurred which led to the regulatory action:</b>	DOMESTIC ARBITRAGE GROUP (DAG)
<b>Product Type:</b>	Equity - OTC
<b>Other Product Type(s):</b>	
<b>Allegations:</b>	VIOLATION OF ARTICLE III, SECTION 1 OF RULES OF FAIR PRACTICE.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Decision
<b>Resolution Date:</b>	09/07/1985
<b>Sanctions Ordered:</b>	Censure Monetary/Fine \$2,000.00
<b>Other Sanctions Ordered:</b>	
<b>Sanction Details:</b>	FOUND GUILTY; FINED JOINTLY AND SEVERALLY \$2,000.00, ASSESSED COSTS OF \$400.00.
<b>Broker Statement</b>	VIOLATION OF ARTICLE III, SECTION 1 OF RULES OF FAIR PRACTICE. FOUND GUILTY; FINED JOINTLY AND SEVERALLY \$2000.00, ASSESSED COSTS OF \$400.00.

#### Disclosure 5 of 5

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	NJ BUREAU OF SECURITIES
<b>Sanction(s) Sought:</b>	
<b>Other Sanction(s) Sought:</b>	
<b>Date Initiated:</b>	06/25/1990
<b>Docket/Case Number:</b>	BOS 3957-89



**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC SECURITIES, INC.

**Product Type:**

**Other Product Type(s):**

**Allegations:** SETTLEMENT. ORDER OF DENIAL WITHDRAWN AND VACATED. CONSENT ORDER FOR COSTS AND THREE YEAR STIPULATION NOT TO APPLY FOR ANY REGISTRATION IN NJ.

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 06/25/1990

**Sanctions Ordered:**

**Other Sanctions Ordered:**

**Sanction Details:** NOT REGISTERED--MAY NOT APPLY FOR 3 YEARS.

**Regulator Statement** ORDER OF DENIAL OF APPLICATION FOR BROKER-DEALER REGISTRATION, AND NAMING HARVEY HOUTKIN INDIVIDUALLY ENTERED. HEARING REQUESTED AND DECISION OF ADMINISTRATIVE LAW JUDGE RENDERED. CANNOT APPLY FOR REGISTRATION IN NJ FOR 3 YEARS FROM DATE OF ORDER.

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**Reporting Source:** Firm

**Regulatory Action Initiated By:** STATE OF NEW JERSEY SECURITIES BUREAU

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** APPLICANT AGREED NOT TO REGISTER IN NEW JERSEY FOR 3 YEARS.

**Date Initiated:** 06/25/1990

**Docket/Case Number:** BOS 3957-89

**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC SECURITIES, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** ALLEGED UNDISCLOSED PRINCIPAL AND UNREGISTERED REPRESENTATIVE. ALLEGED FAILURE TO SUPERVISE.

**Current Status:** Final

**Resolution:** Consent

**Resolution Date:** 06/25/1990

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** MR. HOUTKIN AGREED NOT TO APPLY FOR REGISTRATION IN THE STATE OF NEW JERSEY FOR A PERIOD OF THREE YEARS. MR. HOUTKIN REGISTERED IN NEW JERSEY IN 1993. DOMESTIC WAS REGISTERED IN 1994.

**Firm Statement** MATTER WAS SETTLED PURSUANT TO A CONSENT ORDER. MR. HOUTKIN AGREED NOT REGISTER IN THE STATE OF NEW JERSEY FOR THREE YEARS AND PAID A FINE OF \$50,000.00.

**Reporting Source:** Broker

**Regulatory Action Initiated By:** STATE OF NEW JERSEY SECURITIES BUREAU

**Sanction(s) Sought:** Other

**Other Sanction(s) Sought:** APPLICANT AGREED NOT TO REGISTER IN NEW JERSEY FOR 2 YEARS.

**Date Initiated:** 06/25/1990

**Docket/Case Number:** BOS 3957-89

**Employing firm when activity occurred which led to the regulatory action:** DOMESTIC SECURITIES, INC.

**Product Type:** Equity - OTC

**Other Product Type(s):**

**Allegations:** ALLEGED UNDISCLOSED PRINCIPAL AND UNREGISTERED REPRESENTATIVE ALLEGED FAILURE TO SUPERVISE.

**Current Status:** Final



**Resolution:** Consent

**Resolution Date:** 06/25/1990

**Sanctions Ordered:** Monetary/Fine \$50,000.00

**Other Sanctions Ordered:**

**Sanction Details:** AGREES NOT TO APPLY FOR REGISTRATION IN THE STATE OF NEW JERSEY FOR A PERIOD OF THREE YEARS. MR HOUTKIN REGISTERED IN NEW JERSEY IN 1993. DOMESTIC REGISTERED IN 1994.

**Broker Statement** CONSENT ORDERS BY NJ BUREAU OF SECURITIES, HAVING NEGOTIATED AN AMICABLE RESOLUTION WITHOUT ADMITTING OR DENYING ANY ALLEGATIONS. HOUTKIN AND DOMESTIC SECURITIES INC AGREED NOT TO REAPPLY TO THE STATE OF NEW JERSEY FOR REGISTRATION FOR THREE YEARS FROM 6/26/90 AND HOUTKIN'S FIRM PAID \$50,000 TO REIMBURSE THE STATE FOR THE COSTS AND EXPENSES OF THE INVESTIGATION. MR HOUTKIN REGISTERED IN NEW JERSEY IN 1993; DOMESTIC SECURITIES WAS REGISTERED IN 1994.



## Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Employing firm when activities occurred which led to the complaint:</b>	ALL-TECH INVESTMENT GROUP, INC.
<b>Allegations:</b>	BREACH OF FIDUCIARY DUTY, BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING, CONSPIRACY TO COMMIT FRAUD, CONSPIRACY TO COMMIT COMMON LAW FRAUD, CONSTRUCTIVE FRAUD, NEGLIGENT MISREPRESENTATION, PROFESSIONAL NEGLIGENCE, MALPRACTICE, INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS, NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS, BREACH OF WRITTEN CONTACT.
<b>Product Type:</b>	Other
<b>Other Product Type(s):</b>	UNKNOWN TYPE OF SECURITIES
<b>Alleged Damages:</b>	\$400,000.00
<b>Arbitration Information</b>	
<b>Arbitration/Reparation Claim filed with and Docket/Case No.:</b>	<a href="#">NATIONAL ASSOCIATION OF SECURITIES DEALERS - CASE #99-02325</a>
<b>Date Notice/Process Served:</b>	05/17/1999
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Award
<b>Disposition Date:</b>	08/01/2001
<b>Disposition Detail:</b>	JOINTLY AND SEVERALLY LIABLE TO AND SHALL PAY CLAIMANTS \$277,719.00 IN COMPENSATORY DAMAGES AND \$41,781.00 IN INTEREST.

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<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	ALL-TECH DIRECT, INC.



**Allegations:** \$225,00 + INTEREST + \$50,000 FALSE ADVERTISING, FRAUD, BREACH OF FIDUCIARY DUTY, UNSUITABLE RECOMMENDATIONS- ALL UNDER AGENCY THEORY BECAUSE REGISTRANT IS A PRINCIPAL OF FIRM.

**Product Type:** Equity - OTC

**Alleged Damages:** \$275,000.00

### Customer Complaint Information

**Date Complaint Received:** 05/24/1999

**Complaint Pending?** No

**Status:** Arbitration/Reparation  
Litigation

**Status Date:** 05/24/1999

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD 99-02325](#)

**Date Notice/Process Served:** 05/24/1999

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 08/01/2001

**Monetary Compensation Amount:** \$471,794.00

**Individual Contribution Amount:** \$0.00

### Civil Litigation Information

**Court Details:** US DISTRICT COURT OF SOUTHERN CALIFORNIA  
01CV147BTM (CCA)

**Date Notice/Process Served:** 08/13/2001

**Litigation Pending?** Yes



**Reporting Source:** Broker

**Employing firm when activities occurred which led to the complaint:** ALL-TECH DIRECT, INC.

**Allegations:** \$225,000 + INTEREST + \$50,000 FALSE ADVERTISING, FRAUD, BREACH OF FIDUCIARY DUTY, UNSUITABLE RECOMMENDATIONS-ALL UNDER AGENCY THEORY BECAUSE REGISTRANT IS A PRINCIPAL OF FIRM.

**Product Type:** Equity - OTC

**Alleged Damages:** \$275,000.00

### Customer Complaint Information

**Date Complaint Received:** 05/24/1999

**Complaint Pending?** No

**Status:** Arbitration/Reparation  
Litigation

**Status Date:** 05/24/1999

**Settlement Amount:**

**Individual Contribution Amount:**

### Arbitration Information

**Arbitration/Reparation Claim filed with and Docket/Case No.:** [NASD 99-02325](#)

**Date Notice/Process Served:** 05/24/1999

**Arbitration Pending?** No

**Disposition:** Award to Customer

**Disposition Date:** 08/01/2001

**Monetary Compensation Amount:** \$471,794.00

**Individual Contribution Amount:** \$0.00

### Civil Litigation Information

**Court Details:** US DISTRICT COURT OF SOUTHERN CALIFORNIA 01CV147BTM (CCA)



**Date Notice/Process Served:** 08/13/2001

**Litigation Pending?** Yes

**Broker Statement** AN NASD ABRITRATION PANEL AWARDED \$471,974.00 IN TOTAL DAMAGES, INCLUDING FORUM AND ATTORNEY FEES. THE AWARD WAS JOINTLY AND SEVERALLY WITH RESPONDENTS, HARVEY HOUTKIN, ALL-TECH DIRECT, INC. MR. MARK SHEFTS. RESPONDENTS FILED AN APPEAL IN THE UNITED STATES DISTRICT COURT OF SOUTHERN CALIFORNIA ON AUGUST 13, 2001.

## End of Report



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