

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

Leon Fintz

CRD # 2723092

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SUMMARY
REVOCATION ORDER

Leon Fintz
2163 Jacqueline Avenue
N. Bellmore, NY 11710

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law, as amended, L. 1997, c. 276, N.J.S.A. 49:3-47 et seq., ("Law"), more particularly, N.J.S.A. 49:3-58, and after careful review and due consideration of:

(1) NASD Notice of Acceptance of Letter of Acceptance, Waiver and Consent (No. C9B030062), on September 3, 2003; and

(2) NASD Letter of Acceptance, Waiver and Consent (No. C9B030062), on August 7, 2003, the Bureau Chief has determined that the agent registration of Leon Fintz shall be **REVOKED** for the reasons that follow:

1. Leon Fintz ("Fintz"), residing at 2163 Jacqueline Avenue, N. Bellmore, NY 11710 had been registered with the Bureau as an agent with Continental Broker-Dealer Corporation ("Continental") (CRD # 14048), from July 30, 1996 until September 10, 2003.

2. On August 7, 2003, NASD, pursuant to Rule 9216 of NASD Code of Procedure, filed

a Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations. Fintz accepted and consented without admitting or denying the allegations or findings, to the imposition of a bar from association with any member firm in any capacity, as well as the entry of the following findings by NASD: (1) Violation of SEC Auditor Independence Rule. Fintz caused Continental to violate Securities Exchange Act of 1934 ("Exchange Act") Section 17(a)(1) and Rule 17a-5 by employing an accountant to perform its annual audits for Fiscal Years 2001 and 2002 who was not "independent" in accordance with SEC Regulation S-X. Specifically, the accountant's independence was impaired on August 13, 2001 when Fintz, acting at the direction of Continental's owner, issued a \$500,000 loan by Continental to the accountant. Fintz's conduct also caused Continental, as well as himself individually, to violate NASD Conduct Rule 2110. (2) Inaccurate/Misleading Accounting Entries. From August 2001 through July 2002 Fintz inaccurately classified the \$500,000 loan as an allowable, rather than a non-allowable asset on Continental's general ledger. Consequently, all of the monthly FOCUS reports Fintz prepared and filed with the SEC and NASD on behalf of Continental, inaccurately and misleadingly overstated the firm's net capital by \$500,000 on a monthly basis, based on the inclusion of the loan as an allowable asset. Fintz's conduct caused Continental to violate SEC Rule 17a-3, and Continental, as well as himself individually, to violate NASD Conduct Rule 2110 and 3110. (3) Inaccurate/Misleading Filings with NASD and SEC. In addition to the willful misrepresentation of Continental's financial condition in the firm's financial statement, referenced in number 2 above, on December 21, 2002, Fintz filed Continental's annual audited financial statement on SEC Form X-17-a as true and accurate. This statement was materially misleading and inaccurate in that Continental overstated the firm's net

capital by \$500,000. Fintz's conduct caused Continental to violate Section 17(a)(1) of the Exchange Act, SEC Rule 17a-5, and Continental, as well as Fintz individually, to violate NASD Conduct Rule 2110.

3. On September 3, 2003, NASD advised Fintz that the above referenced AWC in paragraph number 2, was accepted by NASD's National Adjudicatory Council ("NAC") Review Subcommittee, or by the Office of Disciplinary Affairs on behalf of the NAC, pursuant to Rule 9216.

FINTZ IS THE SUBJECT OF AN ORDER ENTERED WITHIN THE PAST TWO YEARS BY A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A NATIONAL SECURITIES ASSOCIATION UNDER THE SECURITIES EXCHANGE ACT OF 1934

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(vi)

4. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

5. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(vi)...is the subject of an order of ... a self regulatory organization...expelling him from a national securities or commodities exchange...or association registered under the Securities Exchange Act of 1934...

6. By Notice of Acceptance of Letter of Acceptance, Waiver and Consent, on September 3, 2003, NASD barred Fintz from association with any member firm in any capacity.

7. Pursuant to N.J.S.A. 49:3-58(a)(2)(vi), the bureau chief is authorized to deny, suspend, or revoke any registration if he finds that the applicant is the subject of an order entered within

the past two years by self-regulatory organization, suspending or expelling the applicant from an association registered under the Security Exchange Act of 1934, if the denial is based on facts which would currently constitute grounds for an order under New Jersey law.

FINTZ HAS ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE
SECURITIES BUSINESS
N.J.S.A. 49:3-58(a)(2)(vii)

8. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

9. The foregoing conduct by Fintz constitutes dishonest or unethical practices in the securities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), and is in the public interest, pursuant to N.J.S.A. 49:3-58(a)(1), to revoke Fintz's registration as a securities agent of Continental.

CONCLUSION

For the reasons stated above, it is on this 24th DAY of September ²⁰⁰³ **ORDERED** that the agent registration of Leon Fintz with Continental Broker-Dealer Corporation be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1) and N.J.S.A. 49:3-58(a)(2)(vi) and (vii).



Franklin L. Widmann
Chief, Bureau of Securities

DATED:

September 24, 2003