

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

IN THE MATTER OF:

Richard Hans Bach
(CRD No. 1011097)

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SUMMARY
REVOCATION ORDER

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 the (i) Request for Expedited Hearing, Disciplinary Proceeding No. 2011025506901, issued by Financial Industry Regulatory Authority (“FINRA”) on August 15, 2012 (“Westor I”); (ii) Request for Expedited Proceeding, Disciplinary Proceeding No. 2012031479601, issued by FINRA on January 22, 2013 (“Westor II”); (iii) Notice of Suspension, Expedited Proceeding, No. TCDO1300010, issued by FINRA on March 13, 2013; (iv) Order Modifying Notice of Suspension and Dismissal Proceeding, Expedited Proceeding, No. TCDO130001-01, issued by FINRA on April 1, 2013; (v) Notice of Extended Hearing Panel Decision and Extended Hearing Panel Decision, No. 2011025506901, issued by FINRA on December 27, 2013; and (vi) a February 24, 2014 letter from FINRA barring Mr. Bach from association with any FINRA member in any capacity, the Bureau Chief has determined that the agent registration of Richard Hans Bach (“Bach”) shall be **REVOKED** for the reasons that follow:

FINDINGS OF FACT

1. Bach (CRD#1011097), residing in Mohawk, New York 13407, has been registered with the Bureau as an agent of various broker-dealers since 1984. Most recently, on June 22, 2009, Bach was registered as an agent of Westor Capital Group, Inc. (CRD#103823) (“Westor”).
2. Westor was first registered as a broker-dealer with the Bureau on February 1, 2001. Westor’s primary address is 100 S. Main St. Herkimer, New York, 13350.
3. Bach served as Westor’s President, Registered Financial and Operations Principal, and Chief Compliance Officer.

Westor I

4. On August 15, 2012, FINRA filed a ten-count complaint against Westor and Bach.
5. The Westor I complaint contained allegations that included, among other things:
 - a. From in or about November 11, 2011 through in or about June 2012, Westor and Bach concealed the true nature of Westor’s securities business, which was the liquidation of penny stocks on behalf of customers, as well as the identity of Westor’s customers and the location of Westor’s custodial accounts.
 - b. Westor, acting through Bach, conducted a securities business while failing to maintain minimum net capital.
 - c. Westor and Bach repeatedly failed to submit timely responses to FINRA requests for information.
6. FINRA set a hearing on its Westor I complaint for January 28, 2013.

Westor II

7. On January 22, 2013, FINRA filed a second three-count complaint and a notice of the initiation of a proceeding seeking the issuance of a Temporary Cease and Desist Order (“TCDO”), against Westor and Bach.
8. The Westor II complaint contained allegations that included, among other things that:
 - a. From in or about August 2012 through in or about October 2012 Westor, as directed by Bach, misused customers’ fully-paid securities to effect and cover short sales in the accounts of other customers without the customers’ knowledge.
 - b. Westor and Bach failed to maintain possession or control of fully paid securities.
9. On January 30, 2013, the hearing in Westor I was postponed and Westor and Bach agreed on the terms of a TCDO.
10. Westor I and Westor II were consolidated on February 7, 2013.
11. FINRA scheduled a pre-hearing conference for June 20, 2013, as well as a six-day hearing.

Hearing Panel Decision

12. On December 27, 2013 a FINRA Extended Hearing Panel issued a decision and found that Bach committed multiple violations of FINRA’s Rules and imposed eight separate bars in all capacities.
13. The violations included:
 - a. Violation of FINRA Rule 2010, for causing his firm to violate the Next Capital Rule by engaging in securities transactions when it had a net capital deficiency;

- b. Violation of FINRA Rule 2010, for causing his firm to violate the Customer Protection Rule, by failing to perform reserve calculations and failing to obtain a “no-lien” letter from the bank where his firm maintained a reserve account;
- c. Violation of FINRA Rule 2010, for misrepresenting to a clearing firm that Bach’s firm would be clearing only proprietary trades, when Bach intended to deposit customer assets in the account;
- d. Violations of FINRA Rules 1122 and 2010 for filing a false Form BD;
- e. Violations of NASD Rule 1017 and FINRA Rule 2010 for causing his firm to violate its FINRA membership agreement, for failing to obtain FINRA approval for a material change in its business operations;
- f. Violations of NASD Rule 3110 and FINRA Rule 2010, for causing his firm to fail to make and keep current order memoranda for trades by the firm’s holding company and others;
- g. Violations of FINRA Rules 8210 and 2010, for failing to submit timely and complete responses to requests for documents and information;
- h. Violations of FINRA Rules 2150 and 2010, for failing to deliver securities to a customer despite repeated requests;
- i. Violations of NASD Rule 2330(b) and FINRA Rule 2010, for failing to maintain physical possession or control of customers’ fully-paid stock; and
- j. Violations of FINRA Rules 2150 and 2010 by refusing to return a free credit balance to a customer despite repeated requests for the funds.

14. On February 24 2014, FINRA mailed Bach a letter advising him the decision was final and the bar became effective on February 12, 2014.

**BACH IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY
ORGANIZATION EXPELLING THEM FROM A NASIONAL SECURITIES
ASSOCIATION**

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

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

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

[t]he bureau chief may be 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 or...a self-regulatory organization...suspending or expelling him from a national securities or commodities exchange or national securities or commodities association...

17. Having been barred from association with any FINRA member, Bach has effectively been expelled from a self-regulatory organization.. This is cause, pursuant to N.J.S.A. 49:3:58(a)(2)(vi), to revoke Bach's registration and certain exemptions.

18. Based upon the foregoing, the revocation of Bach's registration is in the public interest.

**BACH ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE
SECURITIES BUSINESS**

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vii)

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

20. The foregoing conduct by Bach, as described above, 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 it is in the public interest pursuant to N.J.S.A. 49:3-58(a)(1), to revoke Bach's registration and certain exemptions.

CONCLUSION

For the reasons stated above, it is on this 5th day of January, 2015 that:

- a. The agent registration of Richard Bach be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1) N.J.S.A. 49:3-58(a)(2)(vi), and N.J.S.A. 49:3-58(a)(2)(vii);
- b. Bach is denied all exemptions contain in N.J.S.A. 49:3-50 subsection (a) paragraph 9,10, and 11 subsection (b); and
- c. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c) and N.J.S.A. 49:3-56(g) are hereby revoked.

By: _____


Laura H. Posner
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.