

2. 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, he registered with the Bureau as an agent of Westor.
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, that:
 - 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 28, 2013 the hearing in Westor I was postponed and on January 30, 2013 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.

Default Decision

12. Westor failed to appear at both the pre-hearing conference and the six-day hearing.
13. On December 27, 2013, FINRA issued a default decision that expelled Westor from FINRA membership for violations that included:
 - a. Violations of FINRA Rule 2010, and willfully violations of Section 15(c) of the Exchange Act and Exchange Act Rule 15c3-1 (the Net Capital Rule), for engaging in securities transactions when it had a net capital deficiency;
 - b. Violations of FINRA Rule 2010, and willful violations of Section 15(c) of the Exchange Act and Exchange Act Rule 15c3-3 (the Customer Protection Rule), for failing to perform reserve calculations and failing to obtain a

required certification from a bank at which it maintained an account for the exclusive benefit of customers;

- c. Willful violations of FINRA Rules 1122 and 2010 for filing a false Form BD;
- d. Violations of NASD Rule 1017 and FINRA Rule 2010 by violating its FINRA membership agreement, for changing its clearing arrangement and failing to obtain FINRA approval for a material change in business operations;
- e. Violations of NASD Rule 3110 and FINRA Rule 2010, and willful violations of Exchange Act Rule 17a-3, for failing to make and keep current order memoranda for trades by Westor's holding company and others;
- f. Violations of FINRA Rules 8210 and 2010 for failing to submit timely and complete responses to requests for documents and information (four causes of action involving multiple requests);
- g. Violations of FINRA Rules 2150 and 2010 for failing to deliver securities to a customer despite repeated requests;
- h. Violations of NASD Rule 2330(b) and FINRA Rule 2010, and willful violations of Section 15 of the Exchange Act and Exchange Act Rule 15c3-3(b), for failing to maintain physical possession or control of customers' fully-paid securities; and
- i. Violations of FINRA Rules 2150 and 2010 for refusing to return a free credit balance to a customer despite repeated requests for the funds.

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

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

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

15. 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...

16. FINRA expelled Westor from membership in the Default Decision. This is cause, pursuant to N.J.S.A. 49:3:58(a)(2)(vi), to revoke Westor's registration.

17. Based upon the foregoing, revocation of Westor's registration and certain exemptions is in the public interest.

**WESTOR 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)

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

19. The foregoing conduct by Westor, 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) to revoke Westor's registration.

20. Based upon the foregoing, it is in the public interest to revoke Westor's registration and certain exemptions.

CONCLUSION

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

- a. The broker-dealer registration of Westor Capital Group, Inc. 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. Westor 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.