

STATE OF ILLINOIS
SECRETARY OF STATE
DEPARTMENT OF SECURITIES

IN THE MATTER OF: GEORGE MICHAEL LOUGHRY)

File No: C0200886

CONSENT ORDER OF WITHDRAWAL

TO THE RESPONDENT:

George Michael Loughry
574 Shuey Avenue
Greensburg, Pennsylvania 15601
CRD#1241921

George Michael Loughry
First Montauk Securities Corp.
7780 Route 30
North Huntington, Pennsylvania 15642

c/o Mr. Paul Lieberman, Esq.
Parkway 109 Office Center
Red Bank, New Jersey 07701

WHEREAS, Respondent on the 19th day of March 2003 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated February 19, 2003 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, Respondent has acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. At all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on May 13, 2002 NASD Regulation, Inc (NASDR) entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding FILE NO. C9B020055 which sanctioned the Respondent as follows:

- a. Ten business day suspension from association with any NASD member firm in any capacity;
 - b. \$2,500 fine; and
 - c. Disgorgement of commissions of \$4,250.
3. The AWC found that from February 2000 through April 2000 the Respondent made unsuitable mutual fund recommendations to several of his customers. Respondent's recommendations were unsuitable because there were funds within the family of funds that were sold with investment objectives and holdings comparable to the funds that were purchased. Respondent's customers could have taken advantage of "free exchanges" within their existing funds at no additional costs. Instead, Respondent's customers followed his recommendations and incurred higher fees and sales charges, while Respondent earned a full commission on each transaction. As a result of his unsuitable recommendations, Respondent earned approximately \$8,500 in commissions. Respondent's conduct was a violation of NASD Conduct Rule 2110 and 2310.
 4. That Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
 5. That NASDR is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
 6. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that:

1. He shall cause to have his application for registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this

Consent Order of Withdrawal

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Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order;

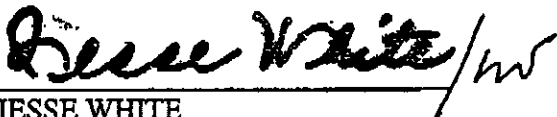
2. Respondent shall pay the sum of Five hundred dollars (\$500.00) to the Secretary of State, Investors Education Fund, as reimbursement to cover the costs of investigation of this matter. Said sum shall be payable by means of a certified or cashier's check and made to the order of the Secretary of State, Investors Education Fund, and shall be due within thirty (30) days from the entry of the Consent Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. George Michael Loughry shall cause to have his application for registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order;
2. Respondent shall pay the sum of Five hundred dollars (\$500.00) to the Secretary of State, Investors Education Fund, as reimbursement to cover the costs of investigation of this matter. Said sum shall be payable by means of a certified or cashier's check and made to the order of the Secretary of State, Investors Education Fund, and shall be due within thirty (30) days from the entry of the Consent Order.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

Entered this 1st day of April, 2003.



JESSE WHITE
Secretary of State
State of Illinois