

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER

DON A. RASCHKE  
DEPUTY SECURITIES COMMISSIONER

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## Texas State Securities Board

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.state.tx.us

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IN THE MATTER OF THE  
DEALER REGISTRATION OF  
C.E. UNTERBERG, TOWBIN, LLC.

§  
§  
§

Order No. IC05-CAF-05

TO: James E. Satloff, President  
C.E. Unterberg, Towbin, LLC. (CRD No. 24790)  
350 Madison Avenue  
New York, NY 10017

### DISCIPLINARY ORDER

Be it remembered that C.E. Unterberg, Towbin, LLC. ("Respondent") by and through Howard Ramsey Sutherland, its Chief Legal Officer, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order") and Undertaking, and the Findings of Fact and the Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2004-2005) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2004-2005) ("Administrative Procedure Act").
2. On or about August 28, 1989, Respondent registered with the Securities Commissioner as a securities dealer, which is currently effective.
3. Pursuant to §115.2(b) of the Rules and Regulations of the Texas State Securities Board ("Board Rules"), a dealer must file a Uniform Application for Securities Industry Registration or Transfer ("Form U-4") to register an officer or partner ("Designated Officer") in connection with the registration of the dealer. The Designated Officer must be a control person of the dealer who has completed the necessary registration and examination requirements. If the Designated Officer resigns or is otherwise removed from his or her position with the dealer, then the dealer must file a Form U-4 with the Securities Commissioner to register another qualified Designated Officer within 30 days.

4. Pursuant to §115.4(a) of the Board Rules, a certificate of registration is issued to each registered securities dealer reflecting the dealer's Designated Officer.
5. Pursuant to §115.4(b)(1) of the Board Rules, any changes in the information reflected on the certificate of registration must be submitted to the Securities Commissioner within thirty (30) days of such change by the registered securities dealer, in order that amendments may be made to the certificate of registration. The fee for such submission to amend the certificate of registration is Twenty-Five Dollars (\$25.00).
6. On or about May 12, 2004, the registration with the Securities Commissioner of Respondent's Designated Officer was terminated.
7. From on or about May 12, 2004 to the present, Respondent has not had a qualified Designated Officer registered with the Securities Commissioner, and has not submitted to the Securities Commissioner the information concerning this change in its Designated Officer as reflected on its certificate of registration, with the fee.
8. On or about September 27, 2004, the staff of the Texas State Securities Board ("Staff") issued a letter by certified mail to Respondent requesting an application to register a qualified replacement Designated Officer, and requesting submission to the Securities Commissioner of information concerning the change in its Designated Officer as reflected on the then current certificate of registration with the fee.

#### UNDERTAKING

1. Respondent undertakes and agrees to obtain registration with the Securities Commissioner of a qualified officer or partner as required by §115.2(b) of the Board Rules, within thirty (30) days of the date of this Order.
2. Respondent further undertakes and agrees to submit in writing to the Securities Commissioner, any change in the information which is currently reflected on its certificate of registration, accompanied by the fee for amendment of its certificate of registration, within thirty (30) days of the date of this Order.

#### CONCLUSIONS OF LAW

1. Respondent's failure to file a Form U-4 application to register a qualified Designated Officer with the Securities Commissioner within thirty (30) days of the date that the previous Designated Officer resigned or was otherwise removed from their position with Respondent, constitutes a violation of §115.2(b) of the Board Rules.
2. Respondent's failure to submit such change in the Designated Officer information reflected on its certificate of registration to the Securities Commissioner within thirty (30) days, with such fee for amending the certificate of registration, constitutes a violation of §115.4(b)(1) of the Board Rules.

3. Pursuant to Section 14.A(6) of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order reprimanding a registered securities dealer.
4. Pursuant to Section 23-1 of the Texas Securities Act, the foregoing violations of the Board Rules constitute bases for the issuance of an order assessing an administrative fine against a securities dealer.

ORDER

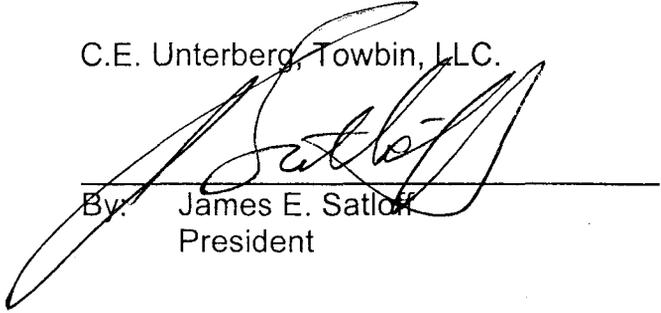
1. It is therefore ORDERED that C.E. Unterberg, Towbin, LLC. is hereby REPRIMANDED.
2. It is further ORDERED that C.E. Unterberg, Towbin, LLC. is hereby ASSESSED AN ADMINISTRATIVE FINE in the amount of One Thousand Five Hundred Dollars (\$1,500.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of One Thousand Five Hundred Dollars (\$1,500.00), payable to the State of Texas, contemporaneously with the delivery of this Order.
3. It is further ORDERED that C.E. Unterberg, Towbin, LLC. COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 28<sup>th</sup> day  
of February, 2005.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

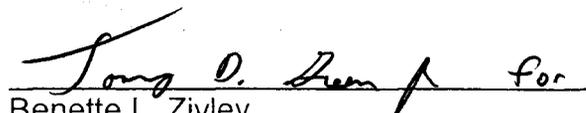
Respondent:

C.E. Unterberg, Towbin, LLC.



By: James E. Satloff  
President

Approved as to Form:



Benette L. Zivley for  
Director  
Inspections and Compliance Division



Howard Ramsey Sutherland  
Howard Ramsey Sutherland  
Chief Legal Officer  
C.E. Unterberg, Towbin, LLC.

ACKNOWLEDGMENT

On the 23<sup>rd</sup> day of February, 2005, C.E. Unterberg, Towbin, LLC. ("Respondent") a securities dealer, by and through James E. Satloff, its President, appeared before me, executed the foregoing Order and Undertaking, and acknowledged that:

1. James E. Satloff is duly authorized to enter into the foregoing Order and Undertaking on behalf of Respondent;
2. James E. Satloff has read the foregoing Order and Undertaking;
3. Respondent has been fully advised of its rights under the Texas Securities Act and the Administrative Procedure Act;
4. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein; and,
5. Respondent, by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived its rights as set forth therein.

*Leigh A. Simons*

Notary Public in and for  
The State of New York

[affix notary seal here]

My commission expires on: May 2006

