

NASD OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

**CHRISTIAN PETER KURETSKI
(CRD NO. 2487902); and**

**RAY ANTHONY ALLEN,
(CRD NO. 2925054)**

Respondents.

**Disciplinary Proceeding
No. C9B040108**

Hearing Officer - AWH

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: June 30, 2005

INTRODUCTION

Disciplinary Proceeding No. C9B040108 was filed on December 27, 2004, by the Department of Enforcement of NASD ("Complainant"). Respondent Ray Anthony Allen submitted an Offer of Settlement ("Offer") to Complainant on June 30, 2005. Pursuant to Code of Procedure Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Allen first became registered with NASD as a General Securities Representative on August 27, 1997 through former NASD member firm VTR Capital, Inc. (BD No. 21404). From April 26, 2001 through December 18, 2001, Allen was registered with former member firm Grady and Hatch & Company, Inc. (BD No. 14262) ("G&H") as a General Securities Representative and General Securities Principal. At all times relevant to the First Cause of Complaint in this matter, Allen served as G&H's Compliance Officer.

Most recently, Allen was registered with member firm Brookstreet Securities Corporation ("Brookstreet") as a General Securities Representative and General Securities Principal from September 4, 2003 through December 31, 2003. On January 2, 2004, Brookstreet filed a Form U5 on Allen's behalf disclosing a voluntary termination date of December 31, 2003. Allen is not presently registered with any member firm and does not have any formal disciplinary history. Accordingly, pursuant to Article V, Section 4 of NASD's By-Laws, NASD has jurisdiction over Allen until at least December 30, 2005.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:¹

¹ The findings herein are pursuant to Respondent Allen's Offer of Settlement and are not binding on any other person or entity named as a respondent in this or any other proceeding.

1. In or about March 2001, Allen and others formed a New York Corporation called "Allen, Turner, Fardella, Kuretsky, Inc." ("ATFK"). The purpose of ATFK was to act as a holding company for funds that would be used to purchase, operate, and contribute capital to G&H, which was an active member firm at that time. Allen was the President of ATFK.
2. On or about March 15, 2001, a bank account was opened in ATFK's name, care of Allen.
3. Allen had control over the ATFK bank account, including authority to write checks on that account.
4. At various times during 2001, ATFK issued promissory notes ("ATFK notes") to the investing public. The notes stated that ATFK was a newly formed corporation, created for the purpose of purchasing and operating G&H and that ATFK was in the process of raising \$500,000 "for business operations."
5. The investors who purchased the notes were told that the monies would be used for business matters consistent with the representations set forth in the ATFK notes.
6. At various times during 2001, ATFK received funds from investors in connection with the sales of the ATFK notes. Those funds were deposited in the ATFK bank account.
7. However, despite the representations set forth above, the funds, once placed in the ATFK bank account, were not used in accordance with the terms of the ATFK notes. Instead, during the time period from in or about March 2001 through in or about August 2001, Allen issued "loan" checks to himself and others with the proceeds of the ATFK notes. These loans were made without interest or any specific terms of repayment. Furthermore, these loans were used for personal living expenses such as food, rent, and transportation.

8. Allen loaned himself at least \$8,100 of the ATFK note proceeds and was the co-signatory on "loan" checks to others totaling at least \$30,300.

Based on the foregoing, Respondent violated NASD Conduct Rule 2110.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

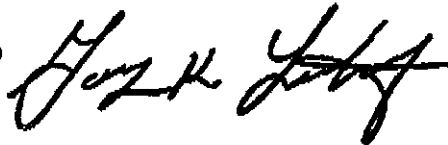
It is ordered that Respondent be:

- Barred from association with any member of NASD in any capacity.

The sanctions imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD



By: _____
Gary K. Liebowitz,
Senior Vice President and
District Director
Signed on behalf of the Director of
ODA, by delegated authority