

NASD

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

ANDREW TZANIDES,
Registered Representative
(CRD No. 1444656)

Respondent.

Disciplinary Proceeding
No. E8B2003008008

Hearing Officer - Dana R. Pisanelli

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: August 29, 2005

INTRODUCTION

Disciplinary Proceeding No. C8A050016 was filed on March 10, 2005, by the Department of Enforcement of NASD ("Complainant"). Respondent Andrew Tzanides ("Respondent Tzanides") submitted an Offer of Settlement ("Offer") to Complainant on July 27, 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 Tzanides 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

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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 Tzanides' permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Andrew Tzanides entered the securities industry on January 29, 1986 as an Investment Company and Variable Contracts Products Representative of a member of NASD. On June 23, 1987, Respondent Tzanides also became registered as a General Securities Representative of a member of NASD. Respondent Tzanides continued to be registered in such capacities with member of NASD, and on January 5, 2000, he became registered as a General Securities Representative of Westminster Financial Securities, Inc. ("Member"), a member of NASD. He continued to be registered with the Member in such capacity until December 31, 2003. Respondent Tzanides is not currently registered with any member of NASD, and he has no history of disciplinary action by NASD.

FINDINGS AND CONCLUSIONS

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

1. From on or about October 10, 2000 to on or about April 1, 2002, the Member, acting through Respondent Tzanides, effected a total of 47 transactions in United States Treasury Notes and United States Treasury Strip Bonds on behalf of 13 customers as shown on Schedule A, attached hereto and incorporated by reference. The Member, acting through Respondent Tzanides, charged markups or markdowns of from 1.029% to 2.57% of the total principal.

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amount of each transaction as shown on Schedule A. These markups or markdowns were excessive and unfair, in that the amount charged was greater than the amount warranted by market conditions, the cost of executing the transactions, the value of services rendered to the customers by the Member and Respondent Tzanides and other pertinent factors.

2. On February 11, 2004, NASD staff ("Staff") sent to Respondent Tzanides a request that he contact the Staff by February 20, 2004, to schedule a date for on-the-record testimony during the week of March 1, 2004. The letter stated that his testimony would relate to the transactions conducted in U.S. Treasury securities while he was registered with the Member. The request was made pursuant to NASD Procedural Rule 8210. The request for the on-the-record testimony was sent by first class mail and by certified mail, return receipt requested, to Respondent Tzanides' address of record as contained in the records of the Central Registration Depository ("CRD Addresses"), which was located at [REDACTED]

[REDACTED] The first class mailing was not returned to the Staff. The certified return receipt was returned apparently signed by Respondent Tzanides.

3. After not receiving confirmation of his availability to appear for on-the-record testimony, on February 26, 2004, the Staff sent to Respondent Tzanides a letter marked "Final Request" that he contact the staff by March 5, 2004 to schedule on-the-record testimony during the week of March 15, 2004. The request was made pursuant to NASD Procedural Rule 8210. The request for information was sent by first class mail and by certified mail, return receipt requested, to Respondent Tzanides' CRD Address. The first class mailing was not returned to the Staff. The certified return receipt was returned apparently signed by Respondent Tzanides. A copy of the letter was also sent to an attorney who represented Respondent Tzanides by first class mail, by certified mail, return receipt requested and by facsimile. The first class mailing

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was not returned to the Staff. The certified return receipt was returned apparently signed by an agent of the attorney and the facsimile report page showed that the letter had been successfully transmitted to the attorney's office.

4. On March 5, 2004, the Staff received a facsimile from Respondent Tzanides, which contained documents related to the Staff's previously requested information and stated "please be advised that I am surrendering my Series 7 and Series 63 licenses effective immediately." The communication from Respondent Tzanides did not provide a date that he would agree to appear for an on-the-record testimony.

5. The Staff did not receive any further written or oral responses from Respondent Tzanides related to the requests that he appear for an on-the-record interview described in paragraphs 15 and 16, and the time for Respondent Tzanides to respond has passed.

Based on the foregoing, Respondent Tzanides is found to have violated Section 17(a) of the Securities Act of 1933 and Conduct Rule 2110 and Procedural Rule 8210.

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 Tzanides from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

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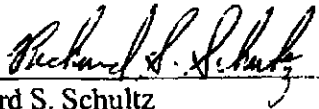
SANCTIONS

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: 
Richard S. Schultz
Regional Counsel
on behalf of the Director of ODA, pursuant to
delegated authority

Markups and Markdowns Charged By the Member For Government Securities Transactions

[illegible]