

NASD OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

The Truman Group, Inc.
Broker-Dealer
[CRD No. 10764], and

Kenneth Jason Saluk
Registered Representative
[CRD No. 2470891],

Respondents.

Disciplinary Proceeding
No. EFL2004000401

Hearing Officer AWH

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date: August 10, 2006

INTRODUCTION

Disciplinary Proceeding No. EFL2004000401 was filed on May 19, 2006, by the Department of Enforcement of NASD ("Complainant"). Respondents The Truman Group, Inc. and Kenneth Jason Saluk submitted an Offer of Settlement ("Offer") to Complainant on July 13, 2006. 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, Respondents have 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 Respondents' permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Respondent The Truman Group, Inc. (hereinafter "Respondent Truman" or "the firm") began its operations in July 2004, and was suspended from NASD membership as of November 19, 2004 pursuant to NASD Procedural Rule 9553 for failure to pay its annual assessment fees. The firm was formerly known as First Heritage Global, Ltd., and first became a member of NASD in or about 2000. The firm's name was changed to The Truman Group, Inc. when Respondent Kenneth Jason Saluk purchased the assets of the firm from its prior owner in July 2004. The Form BD was never amended to reflect the change in ownership; however, during the period July 2004 through November 2004, the firm was owned and run solely by Respondent Kenneth Jason Saluk.

Respondent Kenneth Jason Saluk (hereinafter "Respondent Saluk") entered the securities industry in May 1994 as a registered representative of Continental Broker-Dealer Corp., a member firm, where he was employed through November 1994, and then again from January 1996 through February 1998. Thereafter, Respondent Saluk was employed with the following member firms:

H.J. Meyers & Co., Inc.	2/98-9/98
EBI Securities Corporation	10/98-11/98
Interfirst Capital Corporation	11/98-1/01
Bishop Rosen & Co., Inc.	1/01-2/01
Continental Broker-Dealer Corp.	2/01-1/02

Newbridge Securities Corporation	1/02-8/02
Gunnallen Financial	8/02-5/03
Continental Broker-Dealer Corp.	5/03-11/03

During the period from on or about July 21, 2004 through on or about November 22, 2004, Respondent Saluk was the owner and President of Respondent Truman, and during the period from on or about August 31, 2004 through on or about September 17, 2004, was registered with NASD under Article V of the By-Laws as a General Securities Representative. Respondent Truman filed a Form U-5 on behalf of Respondent Saluk on September 17, 2004. Respondent Saluk is not currently associated with any member firm.

FINDINGS AND CONCLUSIONS

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

During the period July 2004 through at least August 2004 ("the relevant period"), Respondent Truman, acting at times through Respondent Saluk and at times through others, offered and sold unregistered securities in the form of common stock issued by El Dorado Exploration ("El Dorado"), Structures USA ("Structures"), and/or Infinity Music ("Infinity"), through fraudulent means.

1. During the relevant period, Respondent Truman, acting through Respondent Saluk and others, offered and sold shares of common stock in El Dorado, Structures, and/or Infinity, while there was no registration statement filed or in effect with the United States Securities and Exchange Commission with respect to any of the securities, as required by Section 5 of the Securities Act of 1933.

Based on the foregoing, Respondents Truman and Saluk violated NASD Conduct Rule 2110.

2. During the relevant period, Respondent Truman, acting through Respondent Saluk and others, made material misrepresentations or omitted material facts to customers in the offer and sale of unregistered securities of El Dorado, Structures, and/or Infinity. Respondent Truman, acting through Saluk and others, told customers, among other things, that: the firm had available limited, "pre-IPO" stock in each of these companies that would "go public within one day" or "the near future" and would open at two to three times the current offering price; and that each of the stocks were "freely tradable on the open market," when in fact there was no market for these shares and neither El Dorado nor Structures had any operating history.

Respondent Truman, acting through Respondent Saluk and others, did not disclose to customers any of the risks associated with investments in El Dorado, Structures, and/or Infinity, and did not provide any prospectuses, offering memoranda, audited financial statements, or other written materials regarding these securities. In fact, no such documentation existed.

Respondent Truman, acting through Respondent Saluk and others, directed customers to send checks or wire funds to pay for their purchases of El Dorado, Structures, or Infinity stock, to the firm or to another non-registered entity named First Equity Capital ("First Equity"), which Respondents led customers to believe was the firm's clearing firm or bank.

Based on the foregoing, Respondents Truman and Saluk violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and NASD Conduct Rules 2120 and 2110.

3. During the relevant period, Respondent Truman, acting through Respondent Saluk and others, directed customers to send checks made payable to the firm or to First Equity or to wire funds directly to First Equity, which the customers intended to be used to make investments on their behalf in El Dorado, Structures, and/or Infinity. With few exceptions, none of the customers who bought stocks from the firm through Respondent Saluk or others received any documentation evidencing such purchases, and their funds were never returned to them by Respondent Truman.

Based on the foregoing, Respondents Truman and Saluk violated NASD Conduct Rules 2330 and 2110.

4. During the relevant period, Respondent Truman failed to register Respondent Saluk and others as General Securities Representatives while they acted as such by soliciting investors to purchase shares of common stock in El Dorado, Structures, and/or Infinity.

Based on the foregoing, Respondents Truman and Saluk violated NASD Membership and Registration Rule 1031 and NASD Conduct Rule 2110.

5. During the relevant period, Respondent Saluk was the sole individual responsible for supervising the operations and activities of the employees at Respondent Truman, made all decisions regarding the firm's operations, and thus acted as the General Securities Principal for the firm, while the firm failed to register him as such.

Based on the foregoing, Respondents Truman and Saluk violated NASD Membership and Registration Rule 1021 and NASD Conduct Rule 2110.

6. On December 3, 2003, NASD staff sent a letter to Respondent Saluk at the address listed in the Central Registration Depository, by first class and certified mail, requesting that he appear and testify pursuant to NASD Procedural Rule 8210 on December 28, 2004 at NASD's Florida District Office. On December 27, 2004, in a letter to staff, counsel for Respondent Saluk stated the he "will not be appearing for the on-the-record interview scheduled for December 28, 2004. Mr. Saluk understands that his failure to appear may result in the NASD taking certain actions against him pursuant to its rules." In addition, counsel advised the staff in a telephone conversation that Respondent Saluk would not cooperate with the staff's investigation.

Based on the foregoing, Respondent Saluk violated NASD Procedural Rule 8210 and 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

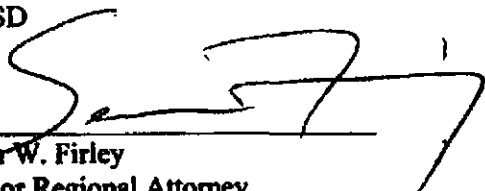
It is ordered that Respondent Truman be expelled from NASD membership.

It is ordered that Respondent Saluk be barred from association in any capacity with any NASD member.

The sanctions imposed herein shall be effective on a date set by NASD staff.

SO ORDERED.

NASD

By: 

Sean W. Firley

Senior Regional Attorney

on behalf of the Director of ODA, pursuant to
delegated authority