

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

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IN THE MATTER OF: STEPHEN G. CONDOS) FILE NO. 1000086
_____))

CONSENT ORDER OF DISMISSAL

TO THE RESPONDENT: Stephen G. Condos
 C/o Christine A. Bruenn
 Attorney At Law Bingham McCutchen LLP
 Suite 300
 85 Exchange Street
 Portland, Maine 04101-5045

WHEREAS, Respondent on the 27th day of July executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is in corporate 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 April 22, 2010, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal "Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or 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. That 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 February 4, 2010 FINRA entered a Letter of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 20070103988 which sanctioned the Respondent as follows:
 - a. censured;
 - b. three week suspension from association with any FINRA member in any capacity; and
 - c. fined \$15,000.

3. That the AWC found:

OVERVIEW

While employed at the Firm, the Respondent (along with another individual) headed a partnership. (This partnership is referred to herein as the "Group"). In the spring of 2005, a Sales Assistant who worked in the Group (the "Sales Assistant"), either alone or with another subordinate member of the Group, altered customer records by inserting his Firm e-mail address in place of certain customers' e-mail addresses in the customers' online account profiles and in Firm paperwork, thus preventing trade confirmations from being sent to certain of such customers. The Respondent had actual knowledge of this misconduct, which was undertaken in the misguided belief that such actions benefited the customers by, among other things, preventing the occurrence of excessive communications from the Firm. As a result of the aforementioned alteration of documents, the Respondent violated NASD Conduct Rule 2110 by causing a violation of NASD Conduct Rule 3110 and SEC Rule 17a-3.

FACTS AND VIOLATIVE CONDUCT,
Altering Customer E-Mail Addresses

NASD Conduct Rule 3110(a) provides, in pertinent part, that "[each member shall make and preserve books, accounts, records, memoranda, and correspondence in conformity with all applicable laws, rules, regulations, and statements of policy promulgated thereunder and with the Rules of this Association and as prescribed by SEC Rule 17a-3."

SEC Rule 17a-3 requires that registered broker-dealers shall make and keep accurate books and records relating to certain enumerated aspects of their business.

In or about March of 2005, the Group moved to the Firm from another member firm employer. Immediately thereafter, and through approximately July of that year, the Sales Assistant and possibly one or more other subordinate members of the Group, replaced a total of 51 customer email addresses with the Sales Assistant's Firm e-mail address. The period of time that accounts subsequently bore the Sales Assistant's Firm e-mail address ranged from a day or less (at least three customers) to approximately two years (at least two customers). The changes were made in order to facilitate the opening of the online accounts and also to lessen the amount of communications that were received by customers as a result of the move. The Respondent had knowledge of this conduct at the time that it occurred.

As a result of the foregoing conduct, the electronic delivery for approximately three customers of 35 trade confirmations were sent to the Sales Assistant's e-mail account rather than that of the appropriate customers. These customers continued

to receive their monthly account statements, prospectuses and 1099 federal tax forms via U.S. mail.

Based upon the foregoing, the Respondent violated NASD Conduct Rule 2110 by causing a violation by the Firm of NASD Conduct Rule 3110 and SEC Rule 17a-3.

Discipline Imposed and Remedial Steps Taken by the Firm

On July 17, 2007, the Respondent and the aforementioned Sales Assistants were sanctioned by the Firm and issued Letters of Caution as a result of the aforementioned conduct. The Respondent was suspended for 30 days without pay. Additionally, the Respondent was placed on special supervision for a period of 12 months. Further, he was not promoted and was not permitted to move to a new satellite office that the Firm had opened.

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 FINRA is a self-regulatory organization as specified in 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:

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 he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand dollars (\$1,000.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that He has submitted with the Stipulation a certified or cashier's check in the Amount of One Thousand Dollars (\$1,000.00). Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund and represents reimbursement to cover the cost incurred during the investigation of this matter.

Consent Order of Dismissal

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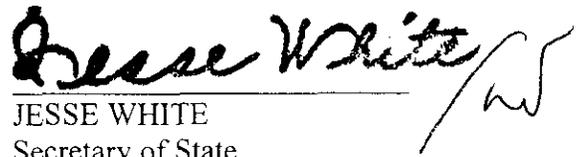
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that his employing firm imposed a plan of special supervision upon him which ran from July 23, 2007 to August 13, 2008.

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. The Respondent is levied costs of investigation in this matter in the amount of One Thousand dollars (\$1,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on August 4, 2010 has submitted One Thousand dollars (\$1,000.00) in payment thereof.
2. The Notice of Hearing dated April 22, 2010 is dismissed.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED- This 4th day of August, 2010.



JESSE WHITE
Secretary of State
State of Illinois

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