

SEP 04 1996

BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE  
OF THE STATE OF IDAHO

IDAHO DEPARTMENT OF FINANCE,  
Complainant,

vs.

FIRST UNION BROKERAGE  
SERVICES, INC.,  
Respondent.

Docket No. 1996-7-74

AGREEMENT AND ORDER

A. RESPONDENT

First Union Brokerage Services, Inc. (Respondent) has been a registered broker-dealer with the NASD since February 14, 1980. Respondent became registered as a broker-dealer in Idaho on March 26, 1996.

B. FACTS

Respondent submitted an application for registration as a broker-dealer on December 27, 1995. Based upon the Respondent's prior disciplinary history as reported by CRD, Respondent was asked to provide a list of all accounts already established in Idaho and to note any trading activity. Respondent provided a list of five Idaho accounts with varying account activity.

Specifically, Respondent purchased and sold securities in the accounts of five Idaho residents without being licensed as a broker-dealer in Idaho. Respondent purchased and sold securities for the accounts of five Idaho residents through representatives which were not licensed as agents in Idaho.

C. FINDINGS

1. Respondent sold securities in Idaho without being registered as a broker-dealer in Idaho.

2. Respondent sold securities in Idaho through its agents that were not registered in Idaho.

D. VIOLATIONS

The Complainant has alleged violations of the Idaho Securities Act by Respondent, specifically:

1. Idaho Code Section 30-1406--Failure to register as a broker-dealer in Idaho before transacting securities business and failure to register agents in Idaho before transacting business.

E. REMEDY

The parties desire to resolve this matter informally without a public hearing. In resolution of this matter, Respondent agrees as follows:

1. Respondent represents that the information provided to Complainant regarding the alleged violations of the Idaho Securities Act is accurate and complete.

2. Respondent admits violations of the Idaho Securities Act, specifically those "Findings" and "Violations" identified herein.

3. Respondent will make an offer of rescission to the Idaho residents to whom securities were sold.

4. Respondent will pay a fine of five thousand dollars (\$5,000) to the Complainant. Payment will be made within thirty (30) days of the date of this Order.

5. Respondent agrees to comply with the provisions of the Idaho Securities Act in the future.

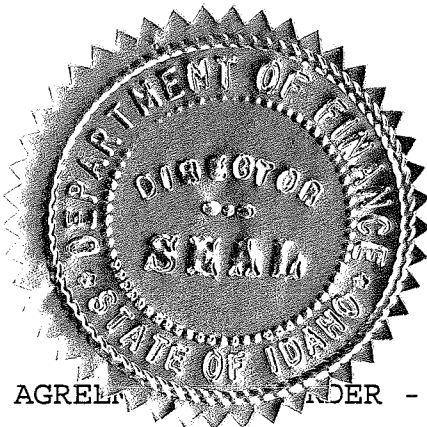
DONE AND DATED at Boise, Idaho this 9 day of September 1996.

FIRST UNION BROKERAGE SERVICES, INC.

BY: Dykc. moody  
NAME: Dwight C. moody  
Title: PRESIDENT

Marilyn T. Scanlan 9-16-96  
MARILYN T. SCANLAN  
Bureau Chief, Securities Bureau  
Department of Finance  
State of Idaho

IT IS SO ORDERED This 17<sup>TH</sup> day of SEPT, 1996



Gavin M. Gee  
GAVIN M. GEE  
Director of Finance