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ARKANSAS SECURITIES DEPARTMENT

***** FOR IMMEDIATE RELEASE *****

Date: December 16, 2014

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ARKANSAS SECURITIES COMMISSIONER ENTERS CONSENT ORDER REQUIRING NEW YORK BROKER-DEALER AGENT TO PAY A SETTLEMENT TO TWO ARKANSAS RESIDENTS

On December 16, 2014, Arkansas Securities Commissioner A. Heath Abshure approved a Consent Order between the Staff of the Arkansas Securities Department ("Staff") and Leonid Yurovsky ("Yurovsky"). Under the terms of the Consent Order, Yurovsky agreed to pay \$55,000.00 to two Arkansas residents for various violations of the Arkansas Securities Act ("Act"), including excessive trading and unsuitable securities sales.

The Consent Order found that Yurovsky, a New York broker-dealer agent, opened a joint investment account on behalf of two Arkansas residents on March 4, 2011. Yurovsky engaged in excessive trading and unsuitable securities sales while acting as the agent for the Arkansas residents. Although Yurovsky's clients informed him they were only interested in conservative investments, the account statements reviewed by the Staff reflected that from March 2011 through October 2012 the account lost value while being charged a total of \$106,817.25 in commissions and fees. In settlement of his violations of the Act, Yurovsky agreed to pay his former clients a total of \$55,000.00, with this amount approximating the commissions personally received by Yurovsky on trades transacted in the account.

In addition to the other violations, the Consent Order found that Yurovsky engaged in unsuitable sales when he twice sold non-traditional exchange traded funds (ETFs) to AR1 and AR2 and held them in the account for longer than a day. The ETFs traded by Yurovsky were meant to "reset" daily, meaning they are designed to achieve their desired objective on a daily basis and the effects of compounding present unique risks over longer holding periods. On one occasion, Yurovsky held an ETF purchase in the Arkansas residents' account for nine days before liquidating at a loss. On another occasion, Yurovsky bought and held an ETF in the Arkansas residents' account for nearly a month before liquidating at a loss.

A copy of the order is available on the Arkansas Securities Department's website at www.securities.arkansas.gov, Order No. S-12-0193-13-OR01.