

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

IN THE MATTER OF: STEPHEN AQUILINO)

FILE NO. 1100232

NOTICE OF HEARING

TO THE RESPONDENT:

Stephen Aquilino
(CRD #: 2737809)
2608 Springhaven Drive
Virginia Beach, Virginia 23452

Stephen Aquilino (CRD #: 2737809)
C/o Next Financial Group, Inc.
2500 Wilcrest Drive Suite 620
Houston, Texas 77042

You are hereby notified that pursuant to Section 111 of the Illinois Securities Law of 1953 [815 ELCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 24th day of August, 2011, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered which would deny Steven Aquilino's (the "Respondent"), registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That on April 25, 2011, Next Financial Group, Inc., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois.
2. That on June 6, 2011, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying this application. Pursuant to the terms of the Order, on June 2011 the Respondent requested a hearing

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3. That on August 4, 2010 FINRA entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 2009016272901 which sanctioned the Respondent as follows:
 - a. one month suspension in all capacities; and
 - b. fine in the amount of \$10,000.
4. That the AWC found:

OVERVIEW

Respondent signed a customer's name on a variable annuity application and associated forms.

FACTS AND VIOLATIVE CONDUCT

In July 2005, at the recommendation of Respondent, Customer DL sold an ING Golden Select ESII Variable Annuity and a John Hancock Venture Vantage Variable Annuity to fund the purchase of a Jackson National Life Perspective II Fixed & Variable Annuity for \$156,007 in a Section 1035 Exchange.

In the course of submitting the Jackson National Life annuity application to Jackson National Life for approval, Respondent signed DL's name on the annuity application and on two requests for transfer or exchange of assets forms. Respondent's conduct in signing a customer's signature on an application and other annuity forms violated NASD Conduct Rule 2110.

5. That Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be denied 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.
6. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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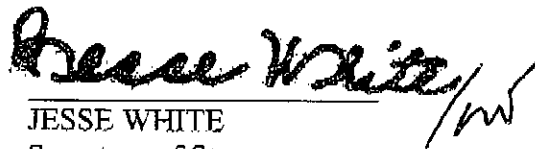
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act. You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 15th day of July 2011.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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