

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

\_\_\_\_\_) )  
IN THE MATTER OF: MICHAEL A. SILVERMAN ) FILE NO. 0800268  
\_\_\_\_\_) )

**ORDER OF DENIAL**

TO THE RESPONDENT: Michael A. Silverman  
(CRD#: 4351669)  
230 East 30th  
New York, New York 10006

C/o McGinn, Smith & Co., Inc. Capital Center  
99 Pine Street  
Albany, New York 12207-3167

WHEREAS, a Summary Order of Denial was issued by the Secretary of State on June 26, 2008, which denied Michael A. Silverman's (the "Respondent") application for registration as a salesperson in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Summary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Summary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Summary Order within thirty (30) calendar days of the entry of said Summary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Findings of Fact as follows:

1. That on May 5, 2008, McGinn Smith & Co., Inc., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois.

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2. That on July 17, 2007 NASD entered a Letter Of Acceptance, Waiver And Consent (WC) submitted by the Respondent regarding File No. 2006005653501 which sanctioned the Respondent as follows:
  - a. suspension from associating with any member firm in any and all capacities for a period of seventy-five (75) calendar days; and
  - b. fined \$7,500.00.
  
3. That the AWC found:
  - a. In or around May 2006, while the Respondent was registered with NASD through an association with STVI, he forged the signatures of customers SA and MF. Specifically:
    - i. subsequent to the customers' execution of private placement subscription documents the terms of the private placement were changed by the issuer at least twice and as such the customers were required with each change to execute reconfirmation forms
    - ii. following the first change, the customers executed the reconfirmation forms. After the second change, the customers failed to timely submit the executed reconfirmation forms notwithstanding their continued interest in the investment
    - iii. prior to the placement closing deadline, the Respondent, without SA and MF's authorization or knowledge, forged SA's signature on a reconfirmation form and cut and pasted MF's signature onto a separate reconfirmation form
    - iv. subsequently, STVI received the customers' executed reconfirmation forms By reason of the foregoing, the Respondent violated NASD Conduct Rule 2110.
  
4. 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.


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5. That the NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. 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.

NOW IT IS HEREBY ORDERED THAT: Michael A. Silverman's application for registration as a salesperson in the State of Illinois is DENIED.

ENTERED: This 28<sup>th</sup> day of July 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

*NOTICE: This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3 -101 et seq. ] and the Rules and Regulations of the Act( 14 Ill. Admin. Code, Ch. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five days from the date a copy of this Order is served upon the party seeking review.*

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