

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DAVID G. RINCON

FILE NO. 0700431

NOTICE OF HEARING

TO THE RESPONDENT: David G. Rincon
(CRD#: 4598476)
35-1910 Hudson Street
Jersey City, NJ 07302

David G. Rincon
c/o National Securities Corporation
30 Wall Street 10th Floor
New York, New York 10005

National Securities Corporation
1001 Fourth Avenue
Suite 2200
Seattle, Washington 98154-1100

National Securities Corporation
1400 Old Country Road, Suite 302A
Westbury, New York 11590

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 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 6th day of May, 2008 at the hour of 10:00 a.m. or as soon as possible thereafter, before James 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 denying David G. Rincon's (the "Respondent ") (CRD#: 4598476) 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 8.E(1)(j) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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1. That on August 16, 2007, National Securities Corporation, a registered dealer, filed a Form U 4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on September 21, 2006 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 20050010905-01 which sanctioned the Respondent as follows:
 - a. Suspension in all capacities with any member firm in any capacity for sixty (60) calendar days; and
 - b. A fine of \$7,500.
3. That the AWC found:
 - a. Rincon provided JC, a prospective customer of GunnAllen, with a document that contained misleading statements pursuant to NASD Conduct Rule 2210. The document suggested that GunnAllen was a part of, or affiliated with Wachovia Bank ("Wachovia"). In fact, Wachovia's subsidiary, First Clearing, LLC, was GunnAllen's clearing firm. The document, a letter, contained the following inaccurate statements: 1) that having an account at GunnAllen means that JC would be working with the "Third Largest brokerage resource in the country"; 2) that GunnAllen has an "in house research department"; and 3) GunnAllen employs "nationally recognized Chief Investment Strategist Rod Smyth." Rincon also furnished JC with a Wachovia Economic Outlook 2004 brochure and a Wachovia Nortel Research Report. By reason of the foregoing Rincon violated NASD Conduct Rules 2210(d)(1)(B) and 2210.
 - b. Rincon failed to enter stop loss orders for two positions in the account of customer JC despite JC's request that he do so. By reason of the foregoing Rincon violated NASD Conduct Rules 2210.
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 suspended, revoked, refused expelled, cancelled, barred, limited in and capacity, or otherwise adversely affected in a similar manner 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 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.

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 thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

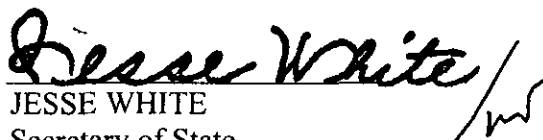
Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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.

<http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

Dated: This 19th day of March 2008.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Mary A. Lopez
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3023

Hearing Officer:
James Kopecky
190 S. LaSalle Street, Suite 850-A
Chicago, Illinois 60603