

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

IN THE MATTER OF:	Jay C. Zayer) CRD# 1972600)	FILE # 0500587
-------------------	----------------------------------	----------------

NOTICE OF HEARING

TO RESPONDENT Jay C. Zayer
 CRD# 1972600
 343 Park Avenue 4E
 Highland Park, Illinois 60035

Jay C. Zayer
CRD# 1972600
C/o Kovack Securities, Inc.
6451 N. Federal Hwy.
Suite 1201
Ft. Lauderdale, Florida 33308

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 19th day of December 2007 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 revoke Jay C. Zayer's ("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 the Respondent, Jay C. Zayer is individual whose last known address is 343 Park Avenue 3E, Highland Park, Illinois 60035.
2. That the Respondent was a registered sales person with the State of Illinois through National Securities Corporation from June 28, 2001 until his voluntary termination September 15, 2005. Respondent is currently

Notice of Hearing

2

registered as a sales representative with the State of Illinois through Kovack Securities, Inc. beginning September 21, 2005.

3. That "OS" is the Investor and a customer of Respondent.
4. That "OS" had a brokerage account with National Securities Corporation from November 2001 through May 2005. During all relevant times the Respondent was the Registered Representative for this account.
5. That Respondent transacted numerous unauthorized trades in OS' account.
6. That the Respondent in order to conceal the unauthorized trades in OS' account instructed National Securities Corporation to send all correspondence including account statements to a post office box under the control of the Respondent.
7. That in December of 2004 OS requested the November 2004 monthly statement for his account.
8. That OS following up on his request went to the home of the Respondent to pick up the November 2004 statement.
9. That the Respondent provided OS with a false November 2004 statement, which he had created in order to continue the cover-up.
10. That the November 2004 false statement Respondent created overstated the true balance of the OS' account by approximately \$13,000.
11. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act for any person, to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
12. That by virtue of the foregoing, Respondent violated Section 12.F of the Act.
13. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
14. That by virtue of the foregoing, Respondent violated Section 12.I of the Act.

Notice of Hearing

3

15. Section 8.E(1)(g) of the Act provides, subject to the provisions of subsection F of Section 11 of this Act, the registration of a salesperson may be revoked if the Secretary of State finds the salesperson has violated any of the provisions of this Act.
16. Pursuant to Section 8.E(1)(g) of the Act, Respondent's registration as a salesperson in the State of Illinois is subject to revocation.


You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

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 31st day of October 2007


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Gregory J. Solberg
69 West Washington Suite 1220
Chicago, Illinois 60602
(312) 793-9643

Hearing Officer:
James L. Kopecky
321 North LaSalle St.
Chicago, Illinois 60610
(312) 527-3966