

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

IN THE MATTER OF: STEVEN A. BENCIVENGA Jr.)

FILE NO. 0600573

NOTICE OF HEARING

TO THE RESPONDENT: Steven A. Bencivenga Jr.
(CRD#: 3000161) 8107 10th Avenue
Brooklyn, New York 11228

C/o Meyers Associates, L.P.
45 Broadway 2nd Floor
New York, New York 10006

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 28th day of February, 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 revoking Steven A. Bencivenga Jr.'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(4) 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 at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on September 20, 2006 NASD entered Order Accepting Offer Of Settlement submitted by the Respondent (Order) regarding File No. E1020031192-01 which sanctioned the Respondent as follows:

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- a. suspended from associating with any NASD member firm in any capacity for a period of five (5) months;
 - b. fined \$15,000; and
 - c. ordered to pay restitution to customers JB and SB (a married couple) in the amount of \$553.00.
3. That the Order found:
- A. On or about July 18, 2002, Respondent effected a transaction in customer JB and SB's joint account at Meyers, specifically, the purchase of 400 shares of Biodelivery Sciences International, Inc. ("Biodelivery Sciences") units ("BDSIU").
 - (i) Respondent acted without the customers' prior knowledge, authorization or consent.
 - (ii) Respondent violated NASD Conduct Rule 2110.
 - (iii) Respondent did not have reasonable grounds for believing that this transaction was suitable for the customers based upon customer JB and SB's financial situation, investment objectives and financial needs. Respondent failed to make reasonable efforts to obtain information from customers JB and SB concerning, inter alia, the customers' financial status, tax status and such other information used or considered to be reasonable in making recommendations to the customers.
 - (iv) Respondent violated NASD Conduct Rules 2310 and 2110.
 - B. From in or about July 2002 through in or about March 2003, Respondent effected the following transactions in the joint account of customers FP and SP at Meyers:
 - a) July 17, 2002, purchase of 1000 shares of BDSIU;
 - b) February 4, 2003, short sale of 500 shares of Expedia Inc. ("EXPE");
 - c) February 24, 2003, short sale of 2000 shares of EXPE;
 - d) February 25, 2003, short sale of 1000 shares of EXPE;
 - e) March 4 cancellation of purchase of 500 shares that had net effect of increasing short position by 500 shares;

- f) March 11, 2003, short sale of 2000 shares of EXPE; and
 - g) March 11, 2003, purchase of 6000 shares of EXPE.
 - (i). In connection with such transactions, Respondent acted without customer FP and SP's prior knowledge, authorization or consent.
 - (ii) By reason of the foregoing, Respondent violated NASD Conduct Rule 2110.
 - (iii) Respondent did not have reasonable grounds for believing that the transactions were suitable for the customers based upon customer FP and SP's financial situation, investment objectives and financial needs. Additionally, Respondent failed to make reasonable efforts to obtain information from customers FP and SP concerning, inter alia, the customers' financial status, tax status and such other information used or considered to be reasonable in making recommendations to the customers.
 - (iv) By reason of the foregoing, Respondent violated NASD Conduct Rules 2310 and 2110.
- C. In or about February and March 2002, in connection with the above unauthorized transactions in shares of EXPE, Respondent caused his firm to make unlawful credit extensions in the account of customers FP and SP. Respondent further engaged in "free-riding" transactions in the customers' account. By reason of the foregoing, Respondent violated Regulation T, Section 7(c) and (d) of the Securities Exchange Act of 1934 (the "Exchange Act") and NASD Conduct Rules 2110 and 2520.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be revoked 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 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 revocation pursuant to Section 8.E(1)(j) of the Act.

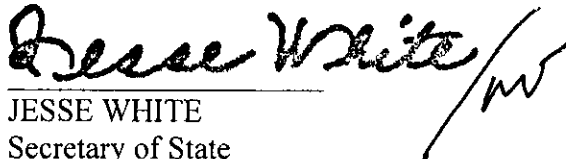
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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.

Dated: This 11th day of January 2007



JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
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