

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

IN THE MATTER OF: SCOTT H. GITOMER)
_____)

FILE NO. 0500689

NOTICE OF HEARING

TO THE RESPONDENT: Scott H. Gitomer (CRD#: 3101148)
6446 Bella Circle Unit 1102
Boynton Beach, Florida 33437

C/o Hunter Scott Financial LLC.
110 East Atlantic Avenue Suite 250
Adelray Beach, Florida 33444

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 4th day of October, 2006 at the hour of 10:00 a.m. or as soon as possible thereafter, *before George Berbas, 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 Scott H. Gitomer'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 October 21, 2005 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. E072004029001 which sanctioned the Respondent as follows:
 - a. fined \$5,000;

- b. suspended from association with any member of NASD for a period of 60 days; and
 - c. pay restitution in the amount of \$15,000 plus interest to certain of his customers.
3. That the AWC found: This matter involves unauthorized and excessive trading in two customer accounts by the Respondent during the period January 2003 through June 2003 ("the relevant period"). During the relevant period, the Respondent effected, or caused to be effected, at least 140 securities transactions in the accounts of two customers, without prior authorization from the customers. Further, during the relevant period, the Respondent effected excessive securities transactions in the same two customer accounts, which had turnover rates of 30 and 124 and cost/equity ratios of 80% and 103%, respectively. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 2110 and 2310 by the Respondent.
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.
5. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That Section 8.C(8) of the Act provides, *inter alia*, Any change which renders no longer accurate any information contained in any application for registration or re-registration as a salesperson shall be reported to the Secretary of State within 10 business days after the occurrence of such change.
7. That the Respondent did not amend his U-4 Form to reflect the entry of the October 21, 2005 NASD AWC until March 14, 2006.
8. That the October 21, 2005 NASD AWC constitutes A change which renders no longer accurate any information contained in any application for registration or re-registration as a salesperson on the part of the Respondent.
9. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the

Notice of Hearing

3

provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

10. That by virtue of the foregoing, the Respondent has committed a violation of Section 12.D of the Act.
11. That Section 8.E(1)(g) of the Act provides that the registration of a salesperson may be revoked if he has violated any of the provisions of this Act.
12. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Sections 8.E(1)(j) and 8.E(1) (g) 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.

Notice of Hearing

4

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

Dated: This 9th day of August 2006.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Daniel A. Tunick
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
George Berbas
180 N. LaSalle Street
Chicago, Illinois 60601