

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: JEFFRY SCHNEIDER

FILE NO. 0600150

AMENDED NOTICE OF HEARING

**TO THE RESPONDENT:**

Jeffry Schneider  
(CRD #:2089051)  
2614 Ravello Ridge  
Austin, Texas 78735

C/o J.P.R. Capital Corp.  
125 Michael Drive Suite 104  
Syosset, New York 11791

C/o Eric S. Hutner Attorney At Law  
Hutner Klarish LLP.  
1359 Broadway Suite 2001  
New York, New York 10018

You are hereby notified that pursuant to Section 111 of the Illinois Securities Law of 1953 [815 ELCS 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 26<sup>th</sup> day of July, 2006, 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 deny Jeffrey Schneider'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 1 LE 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 March 2, 2006, J.P.R. Capital Corp, a registered dealer filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois.
2. That on April 20, 2006, a Summary Order of Denial (the "Order") was issued by The Secretary of State denying this application. Pursuant to the terms of the Order, the Respondent requested a hearing on May 22, 2006.
3. That on May 21, 2004, NASD entered a Letter Of Acceptance Waiver And Consent (AWC) submitted by the Respondent regarding File No. C 10040059, which sanctioned the Respondent as follows:
  - a. Fine of \$15,000; and
  - b. suspended from associating with any NASD member firm for a period of Ninety (90) calendar days.
4. That the AWC found: In 2000 another individual hereinafter referred to as "Mr. V", and the Respondent were registered with NASD as General Securities Representatives through their association with CIBC. At CIBC, they worked together and had several joint customer accounts.

In or about February 2000, Mr. S and the Respondent permitted some of their joint customer accounts to be temporarily transferred to another CIBC General Securities Representative, RB, so that RB could reach a qualifying level of account assets and thereby obtain a forgivable loan from CIBC.

On or about March 1, 2000, RB received a forgivable loan from CIBC for \$138,974.16. Mr. V and the Respondent then received a portion of RB's forgivable loan proceeds. Specifically, Mr. V received at least \$7,000 and the Respondent received at least \$14,000 from RB. By reason of the foregoing, the Respondent violated NASD Conduct Rule 2110.
5. 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.
6. That the NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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7. 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.

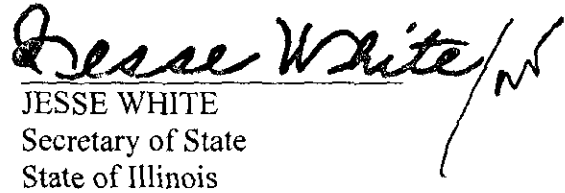
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed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

Dated: This 5th day of June 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  
312-793-3384

Hearing Officer:  
James L. Kopecky  
321 North Clark Street  
Suite 2200  
Chicago, Illinois 60610