

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

**IN THE MATTER OF: CHRISTOPHER F. VEALE**

**FILE NO. 0500318**

**NOTICE OF HEARING**

**TO THE RESPONDENT:** Christopher F. Veale  
(CRD#: 2536489)  
354 E. 91 Street  
Apartment 2005  
New York, New York 10128

C/o Derick Johnson  
General Counsel  
Great Eastern Securities, Inc.  
50 Broad Street  
Suite 1401  
New York, New York 10004

You are hereby notified that pursuant to Section 11.E of the Illinois Securities Law of 1953 [815 ILCS 5] 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 30<sup>th</sup> day of November, 2005, 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 Christopher F. Veale'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 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 June 15, 2005, Great Eastern Securities, inc., 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 September 7, 2005, 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 October 11, 2005.
3. That on December 22, 2004 NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. CLI040043 which sanctioned the Respondent as follows:
  - a. suspension from associating with any NASD member firm in any capacity for forty-five (45) calendar day;
  - b. fined the amount of \$10,000;
  - c. Restitution to customer MB in the amount of \$19,052.04; and
  - d. Restitution to customer BH in the amount of \$17,644.44.

4. That the AWC found:

During the period April 2003 through December 2003, the Respondent, while registered with NASD through S.W. Bach, engaged in a pattern of trading activity that was excessive in light of the customers' objectives, financial situations and needs in the accounts of customers MB and RH.

- For customer MB, during the four-month period September 2003 through December 2003, there were eight purchases with a total cost of \$961,307.37. The turnover rate for the four-month period was 37.449 (or 112.348 annualized). The cost-to-equity ratio was 148% (or 445% annualized).
- For customer RH, during the four-month period April 2003 through July 2003, there were 13 purchases with a total cost of \$3,682,268.68. The turnover rate for the four-month period was 124.867 (or 374.602 annualized). The cost-to-equity ratio was 239.33% (or 718% annualized).

By reason of the foregoing, the Respondent violated NASD Conduct Rules 2310 and 2110.

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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.
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.

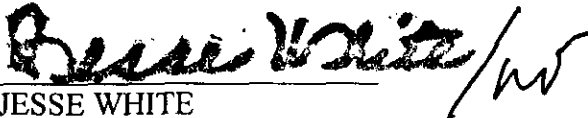
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time 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 14<sup>th</sup> day of October 2005.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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