

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

IN THE MATTER OF: JAMES S. HUH

FILE NO. 0400482

NOTICE OF HEARING

TO THE RESPONDENT:

James S. Huh
(CRD #: 2068846)
1940 Rockland Drive
Aurora, Illinois 60504-6226

James S. Huh
(CRD #: 2068846)
2704 Sheridan Court
Naperville, Illinois 60563

James S. Huh
(CRD #: 2068846)
Inmate Registration Number 16652-424
Metropolitan Correction Center
71 West Van Buren Street
Chicago, Illinois 60603

James S. Huh
(CRD #: 2068846)
c/o Re-Direct Securities Corporation
721 East Madison, Suite 101
Villa Park, Illinois 60181-3000

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 January, 2005, at the hour of 10:00 a.m., or as soon as possible

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thereafter, before James G. Athas, 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 James S. Huh'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, until January 2, 2003, 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 May 28, 2004 NASD accepted a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C8A040042 which barred him from association in any capacity with any member of NASD.
3. That the AWC found that the Respondent:
 - a. In and around November 2000 while the Respondent was registered with Re-Direct Securities Corp., he accepted approximately \$26,000 in cash from securities customer, JS for the purchase of a CNA variable annuity, which he failed to invest as JS directed. Instead he used the funds for other purposes and not for the benefit of JS, in violation of NASD Conduct Rules 2110 and 2330(a).
 - b. On at least three occasions the Respondent, provided JS with falsified documents of a fictitious CNA variable annuity with an initial value of \$26,000. The falsified documents that he provided to JS for the investment that was never made included a fake CNA variable annuity certificate bearing a specific certificate number with an issue date of November 17, 2000 and two statements of value for that variable annuity dated January 3, 2001 and July 4, 2001, in violation of NASD Conduct Rule 2110.

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- c. On March 4, 2003, April 16, 2003 and July 31, 2003, NASD requested information from the Respondent pursuant to NASD Rule 8210, regarding the misuse of JS's funds and the falsification of documents which request he initially acknowledged receiving but to which he failed to respond, in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.
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.E(3) provides, inter alia, that if no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
7. 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(3) 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 and 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 witness 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.

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

DATED: This 1st day of December 2004.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Daniel Tunick
Office of the Secretary of State
Illinois Securities Department
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Chicago, Illinois 60602
(312) 793-3384

Hearing Officer:
James G. Athas
180 W. Washington
Suite 710
Chicago, IL 60602