

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: BRIAN F. GIMELSON

FILE NO. 0400287

NOTICE OF HEARING

TO THE RESPONDENT: Brian F. Gimelson
(CRD #: 2262474)
314 Powderhorn Road
Fort Washington, Pennsylvania 19034

c/o Sterling Financial Investment Group, Inc.
225 N.E. Mizner Boulevard
Suite 400
Boca Raton, Florida 33432-3945

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5 et. seq.) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 17 North State Street, Suite 1220, Chicago, Illinois 60602, on the 25th day of August 2004, at 10:00 a.m., or as soon thereafter as counsel may be heard, before James G. Athas, Esq., or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Brian F. Gimelson'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 Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

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2. That on February 20, 2004, NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. C07040018 which sanctioned the Respondent as follows:
 - A. suspension from association with any member of NASD member firm in all capacities for twenty (20) business days; and
 - b. fined \$5,000

3. That the AWC, among other matters, found that between October 18, 2000 and November 13, 2000, on eleven separate days during that period, the Respondent recklessly and/or intentionally effected agency cross transactions in the stock of Greg Manning Auctions, Inc. ("GMAI"), at or near the close of the trading day, at prices higher than the prevailing national best offer price for GMAI. In each such instance, the trades occurred at prices that were \$0.0312 to \$0.2187 higher than the previous national best offer for GMAI, and all but one of the transactions was entered less than two minutes before the close of the trading day. In each such transaction, the buyer was the principal shareholder of GMAI and was aware that it was purchasing GMAI stock at above-market prices.

As a result of his conduct, the Respondent was able to cause market appreciation in the margin accounts of several of his customers at Sterling, and by virtue of the manner in which Sterling's clearing firm calculated margin liabilities, to decrease the amount of margin exposure in those accounts. Such conduct by the Respondent was manipulative, deceptive, and/or fraudulent, in violation of NASD Rules 2110, 2120 and 3310.

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 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.

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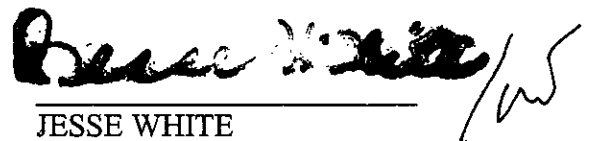
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed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

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

DATED: This 4th day of July 2004.



JESSE WHITE
Secretary of State
State of Illinois

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