

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: RICHARD P. HVEEM )  
\_\_\_\_\_)

FILE NO. 0400091

NOTICE OF HEARING

**TO THE RESPONDENT:**

Richard P. Hveem  
(CRD #: 2622370)  
146 Valley View Drive  
Rockaway, New Jersey 07866

c/o Hennion & Walsh, Inc.  
2001 Route 46  
Waterview Plaza  
Parsippany, New Jersey 07054-1018

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 17 North State Street, Suite 1266, Chicago, Illinois 60602, on the 12<sup>th</sup> day of May, 2004 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula J. Spyropoulos 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 Richard P. Hveem'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.

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2. That on December 16, 2003, NASD entered Order Accepting Offer of Settlement submitted by the Respondent (Order) regarding DISCIPLINARY PROCEEDINGS NO. C9B030037 which sanctioned the Respondent as follows:
  - a. suspended for two (2) months from association with any NASD member in any capacity;
  - b. fined \$5,000, which includes disgorgement of commissions in the amount of \$1,885.27; and
  - c. ordered to pay restitution to customer CCHS in the amount of \$17,937.12.
  
3. That the Order found:
  - a. In or about 1997, AP, on behalf of CCHS, a Catholic High School, opened a securities account (#956-11670-17) at HW (Respondent's employing firm). The Respondent served as the financial advisor for the account from its inception.
  - b. At or about the time that CCHS's account was opened, AP designated BR, CCHS's Treasurer, to serve as the sole contact person on the account.
  - c. During July 2000, the Respondent executed for transactions in CCHS's account without CCHS's, AP's or BR's prior authorization to enter each of the four trades.
  - d. CCHS's account was not a discretionary account and the Respondent had no written authority to trade on discretion in this account.
  - e. By reason of the foregoing, the Respondent committed separate and distinct violations of NASD Conduct Rule 2110 and IM-2310-2.
  
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.

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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.

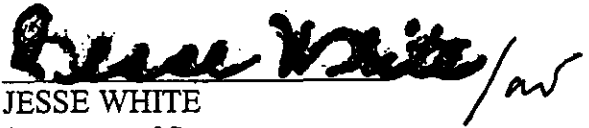
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 26<sup>th</sup> day of March 2004.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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