

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ADAM MOSSLIH

FILE NO. 0300164

NOTICE OF HEARING

TO THE RESPONDENT:

Adam Mosslih
(CRD #2601978)
2 Clearbrook Court
Matawan, New Jersey 07747

c/o Benchmark Securities Group, Inc.
825 Eastgate Boulevard
Suite 100
Garden City, New York 11530

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 27th day of August 2003, 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 Adam Mosslih'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.
2. That on February 24, 2003 NASD entered Order Accepting Offer of Settlement ("Order") submitted by the Respondent regarding Disciplinary Proceedings No. CA020041 which sanctioned the Respondent as follows:

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- a. Fined \$22,512.82, which includes disgorgement of commissions received;
 - b. Pay restitution in the total amount of \$24, 473.04; and
 - c. Suspended from associating with any member in any capacity for thirty (30) days.
3. That the Order found:
- a. (Customer ME) In May 1999, ME had an account at Cambridge. The Respondent was one of the assigned registered representatives for ME's account. On May 21, 1999, the Respondent entered the following unauthorized transaction in ME's account: May 21, 1999 – purchase of 1,000 shares of Log on America, Inc., at \$27,125 a share for a cost of approximately \$27,142.50. This trade generated a net commission of approximately \$1,047.50.
 - b. On May 29, 1999, upon his return home from a vacation in Alaska, ME learned of the unauthorized purchase and complained. Cambridge rejected his complaint and ME eventually accepted the trade.
 - c. On October 13, 1999, the 1,000 shares of Log on America, Inc., were sold out of his account. As a result of the unauthorized purchase in his account, ME suffered a net loss of approximately \$9,473.09.
 - d. (Customers JG and DG) In April 1998, JG and DG, husband and wife, established a joint account at Cambridge. JG also opened an IRA account. In July 1998, the Respondent was assigned to the joint account of JG and DG. From July 18, 1998 through July 25, 1998, JG and DG were on vacation in Canada. While they were on vacation, the Respondent entered the following unauthorized sales in the joint account and the IRA account:
 - July 21, 1998 – sale of 1,900 shares of Globalink Inc. at \$4.9375 a share for proceeds of approximately \$8,672.20. This trade generated a net commission of approximately \$185. (joint account)
 - July 21, 1998 – sale of \$2,700 shares of Globalink, Inc. at \$4.9375 a share for proceeds of approximately \$13,115.80. This trade generated a net commission of approximately \$185. (joint account)
 - e. On July 28, 1998, the Respondent utilized the proceeds generated by the unauthorized sales of Globalink, Inc., to make unauthorized purchases of Eastern Environmental Services, Inc., in the joint and IRA accounts as follows:

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- July 28, 1998 – purchase of 500 shares of Eastern Environmental Services, Inc., at \$33.75 a share for a cost of approximately \$16,990. This trade generated a net commission of approximately \$85. (joint account)
 - July 28, 1998 – purchase of 400 shares of Eastern Environmental Services, Inc., at \$33.75 a share for a cost of approximately \$13,590. This trade generated a net commission of approximately \$60. (IRA account)
 - July 28, 1998 – purchase of 121 shares of Eastern Environmental Services, Inc., at \$33.50 a share for a cost of approximately \$4,143.50. This trade generated a net commission of approximately \$60. (IRA account)
- f. Upon their return from vacation, JG and DG learned of the unauthorized trading in the accounts and complained. On October 30, 1998, JG reduced his complaint to writing.
- g. As a result of the Respondent's unauthorized trading, JG and DG suffered a loss of approximately \$15,000.
- h. (Customers RK and DK) In October 1998, RK and DK, husband and wife, had a joint account at Cambridge. In October 1998, the Respondent was one of the assigned representatives to the account. In late October and early November 1998, Respondent entered the following unauthorized transactions in the joint account:
- October 30, 1998 – purchase of 1,000 shares of Starwood Hotels & Resorts at \$28.25 a share for a cost of approximately \$28,465. This trade generated a net commission of approximately \$85.
 - November 10, 1998 – purchase of 7,500 shares of International Fibercom.Inc., at \$9.25 a share for a cost of approximately \$69,390. This trade generated a net commission of approximately \$805.32.
- i. Upon learning of the unauthorized purchases in the joint account, RK complained and refused to pay for the trades. By the end of November 1998, the 1,000 shares of Starwood Hotels & Resorts and the 7,500 shares of International Fibercom.Inc., were sold out of RK's account.
- j. As a result of the Respondent's unauthorized trading, RK and DK suffered a loss of approximately \$13,988. RK and DK entered into a settlement with Cambridge and the Respondent.

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- k. Based on the foregoing, the Respondent engaged in unauthorized trading in violation of NASD Conduct Rule 2110 and IM-2310-2(b)(4)(a)(iii).
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.


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 Hearing held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

ENTERED: This 9th day of July, 2003.



JESSE WHITE
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

Daniel A. Tunick

Office of the Secretary of State

Illinois Securities Department

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Soula J. Spyropoulos

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