

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JOSEPH T. PAGANO JR.

FILE NO. 0300556

NOTICE OF HEARING

TO THE RESPONDENT:

Joseph T. Pagano Jr.
(CRD #2594494)
51183 Street
Brooklyn, New York 11209

c/o Great Eastern Securities, Inc.
2 Seaview Boulevard
Suite 103
Port Washington, New York 11050

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 Joseph T. Pagano Jr.'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 March 21, 2003 NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C10030018 which sanctioned the Respondent as follows:

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- a. Fined the amount of \$5,000.00 (which includes disgorgement of commissions in the amount of \$207.70);
 - b. Restitution in the amount of \$750 to be paid to customers RR and BP; and
 - c. Suspension from associating with any NASD member firm in any capacity for thirty (30) calendar days.
3. That the AWC found that on or about December 4, 2000, Respondent, without the prior knowledge, authorization or consent of Mason (Respondent's employing dealer) customers RR and BR, effected or caused to be effected the following transactions in their joint account:
- (i) the sale of 200 shares of Hilton Hotels Corp., and
 - (ii) the purchase of 350 shares of Stratus Service Group, Inc. By reason of the foregoing, Respondent acted in contravention of NASD IM-2310-2 and violated NASD Conduct Rule 2110.
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.

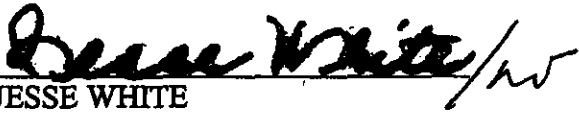
A copy of the Rules, promulgated under the Act and pertaining to Hearing held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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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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