

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: POND SECURITIES CORPORATION)

FILE NO. 0300545

NOTICE OF HEARING

TO THE RESPONDENT:

Pond Securities Corporation
4522 Fort Hamilton Parkway
Brooklyn, New York 11219

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 10th day of September, 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 which would deny Pond Securities Corporation's (the "Respondent"), registration as a dealer 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.F 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 on May 1, 2003 the Respondent filed a Form BD application for registration as a dealer in the State of Illinois.
2. That on July 30, 2003, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying this application. Pursuant to the terms of the Order, the Respondent requested a hearing on August 13, 2003.
3. That the Respondent is a corporation which engages in the business of acting as a dealer in the offer and sale of securities to the general public.
4. That between February 16, 1996 and February 28, 1996 the Respondent effected three (3) purchase transactions in an Illinois customer's account.

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5. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
6. That the activity described in paragraph two (2) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.
7. That during all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
8. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
9. That Section 12.C of the Act provides, *inter alia*, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where registration is required under the provisions of the Act.
10. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
11. That Section 8.E(1)(g) of the Act provides that the registration of a dealer may be denied if it has violated any of the provisions of this Act.
12. That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to denial pursuant to Section 8.E(1)(g) 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 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 notice to the designated representative of any Respondent constitutes service upon such Respondent.

ENTERED: This 20th day of August 2003.

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line. To the right of the line, there is a small, stylized mark that looks like "hw".

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Daniel A. Tunick

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Illinois Securities Department

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