

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

**IN THE MATTER OF: RICHARD A. SAITTA**

**FILE NO. 0400673**

**NOTICE OF HEARING**

**TO THE RESPONDENT:**

Richard A. Saitta  
(CRD #: 2592014)  
600 Revere Drive  
Yorktown Heights, New York 10598

c/o Brookstreet Securities Corporation  
2361 Campus Drive #210  
Irvine, California 92612

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 23<sup>rd</sup> day of February, 2005, at the hour of 10:00 a.m., or as soon as possible thereafter, before James G. Athas, Esq. or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be to determine whether an Order shall be entered which would deny Richard A. Saitta'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 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 September 9, 2004, Brookstreet Securities Corporation, a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois. (the "Application").

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2. That on November 30, 2004, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying the Application. Pursuant to the terms of the Order, the Respondent requested a hearing on December 21, 2004.
3. That on May 13, 2002 NASDR, Inc. (NASDR) accepted a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C07020040 which imposed the following sanctions:
  - a. fined \$10,000;
  - b. suspended from association with any NASD member in all capacities for a period of 30 calendar days; and
  - c. suspended from association with any NASD member in a principal capacity for a period of one year.
4. That the AWC as referred to in the preceding paragraph found:
  - a. During the periods from August 23 through September 6 and October 19 through October 26, 2000, the Respondent made certain material misrepresentations of fact in the form of unwanted predications of substantial price increases without a sufficient basis in connection with his solicitation of customers and prospective customers to purchase low-priced speculative and other securities, in violation of NASD Conduct Rule 2110.
  - b. During the period from at least June, 1998 to December, 2001, the Respondent was the branch manager and supervisor of the Emerson Bennett office located in Harrison, New York. The Respondent failed to reasonably supervise the registered representatives in his office in that they made price predications without a reasonable basis and material misrepresentations of fact in connection with the solicitations of customers and prospective customers to purchase equity securities. Such failure to supervise constitutes a separate and distinct violation of Conduct Rules 2110 and 3010.
5. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be denied 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,

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regulation or standard duly promulgated by the self-regulatory organization.

6. That the NASDR is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial 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 10<sup>th</sup> day of January 2005.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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