

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: SAMUEL K. KOLTUN )  
\_\_\_\_\_)

FILE NO. 0700489

**NOTICE OF HEARING**

**TO THE RESPONDENT:**

Samuel K. Koltun  
(CRD#:1739664)  
9609 Mockingbird Trail  
Jupiter, Florida 33478

c/o J. B. Hanauer & Co.  
Gatehall Corporate Center  
4 Gatehall Drive  
Parsippany, New Jersey 07054-4599

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 day of February 6, 2008 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula 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 denying Samuel K. Koltun'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 on October 16, 2007, J. B. Hanauer & Co., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

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2. That on June 29, 2004 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. C9B040060 Which sanctioned the Respondent as follows: a. ten (10) business day suspension from association with any NASD member in any *capacity*; and b. fine of \$12,500, which includes disgorgement of \$7,864.14 in commissions.
3. That the AWC found:

At various times during 1999 and 2000, the Respondent recommended numerous Class B mutual fund transactions to three customers, EF, KO and KK, which were unsuitable for those customers. Specifically, these recommendations were unsuitable since Class A shares should have been recommended. Had Class A shares been recommended instead of Class B shares, these customers would have: (i) been eligible to receive breakpoints on Class A share purchases; (ii) paid lower 12b-1 fees; and (iii) avoided being subject to contingent deferred sales charges. As a result of this conduct, the Respondent violated IM-2310-2 and NASD Conduct Rules 2110 and 2310.
4. 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, 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 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.

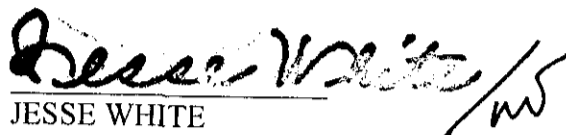
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The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This *4th* day of *December* 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Hearing Officer:  
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