

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

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IN THE MATTER OF: MICHAEL A. SILVERMAN )

) FILE NO. 0800268  
)

**SUMMARY ORDER OF DENIAL**

TO THE RESPONDENT: Michael A. Silverman  
(CRD#: 4351669)  
230 East 30th  
New York, New York 10006

C/o McGinn, Smith & Co., Inc.  
Capital Center  
99 Pine Street  
Albany, New York 12207-3167

WHEREAS, on May 5, 2008, McGinn Smith & Co., Inc., a registered dealer, filed a Form U-4 application for registration of Michael A. Silverman (the "Respondent") as a salesperson in the State of Illinois;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the Respondent's application for registration as a salesperson in the State of Illinois is subject to a Summary Order of Denial;

WHEREAS, the Secretary of State finds that the grounds for such Summary Order of Denial are as follows:

1. That on July 17, 2007 NASD entered a Letter Of Acceptance, Waiver And Consent (WC) submitted by the Respondent regarding File No. 2006005653501 which sanctioned the Respondent as follows:
  - a. suspension from associating with any member firm in any and all capacities for a period of seventy-five (75) calendar days; and
  - b. fined \$7,500.00.

2. That the AWC found:
  - a. In or around May 2006, while the Respondent was registered with NASD through an association with STVI, he forged the signatures of customers SA and MF. Specifically:
    - i. subsequent to the customers' execution of private placement subscription documents the terms of the private placement were changed by the issuer at least twice and as such the customers were required with each change to execute reconfirmation forms
    - ii. following the first change, the customers executed the reconfirmation forms. After the second change, the customers failed to timely submit the executed reconfirmation forms notwithstanding their continued interest in the investment
    - iii. prior to the placement closing deadline, the Respondent, without SA and MF's authorization or knowledge, forged SA's signature on a reconfirmation form and cut and pasted MF's signature onto a separate reconfirmation form
    - iv. subsequently, STVI received the customers' executed reconfirmation forms. By reason of the foregoing, the Respondent violated NASD Conduct Rule 2110.
3. 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.
4. That the NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

5. 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.

NOW IT IS HEREBY ORDERED THAT:

The Respondent's application for registration as a salesperson in the State of Illinois is DENIED, subject to the further Order of the Secretary of State.

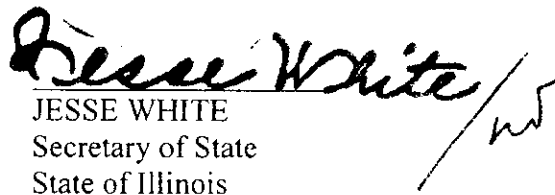
A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 69 west Washington Street, Suite 1220, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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

ENTERED: This 24<sup>th</sup> day of June 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
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