

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: LUIS J. DELCASTILLO II

FILE NO. 0200573

NOTICE OF HEARING

TO THE RESPONDENT:

Luis J. Delcastillo II  
(CRD#: 2379491)  
7417 Wescott Terrace  
Lake Worth, Florida 33432

c/o Sterling Financial Investment  
225 NE Mizner Boulevard  
Suite 400  
Boca Raton, Florida 33432

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 2nd day of April 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 Luis J. Delcastillo II'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 May 13, 2002 NASD Regulation, Inc. (NASDR) entered a Letter of Acceptance Waiver And Consent (AWC) submitted by the Respondent regarding FILE NO. C07020037 which sanctioned the Respondent as follows:

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- a. 10 business day suspension from association with any NASD member firm in any capacity; and
  - b. \$5,000 fine.
3. That the AWC found that during the period from February 23, 2000 through March 6, 2000, the Respondent knowingly made to customers baseless predictions of substantial price increases and material omissions of fact, in connection with his solicitation of orders to purchase low-priced speculative and other securities, in violation of 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 NASDR 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.

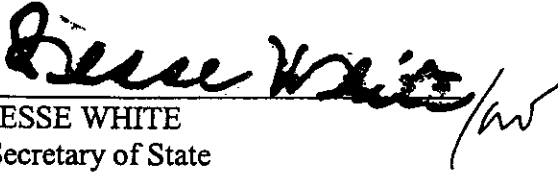
A copy of the Rules, promulgated under the Act and pertaining to Hearing held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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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 18<sup>th</sup> day of February, 2003.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

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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Hearing Officer:  
Soula J. Spyropoulos  
6348 N. Cicero Ave  
Chicago, Illinois 60646  
Telephone: (773) 282-3400