

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

IN THE MATTER OF: RICHARD P. HVEEM

)
)
FILE NO. 0400091

ORDER OF REVOCATION

TO THE RESPONDENT: Richard P. Hveem
 (CRD #: 2622370)
 146 Valley View Drive
 Rockaway, New Jersey 07866

 C/o Hennion & Walsh, Inc.
 2001 Route 46 Waterview Plaza
 Parsippany, New Jersey 07054-1018

WHEREAS, the above-captioned matter came on to be heard on May 12, 2004, pursuant to the Notice of Hearing dated March 26, 2004, FILED BY Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Soula J. Spyropoulos, Esq. in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. Section 130.1102 of Subpart K of the Rules and Regulations of the Illinois Securities Law of 1953 (the "Rules and Regulations") states that each respondent shall be given a Notice of Hearing at least 45 days before the first date set for any hearing under the Act. Proper notice is given by

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depositing a Notice of Hearing with the United States Postal Service (the "U.S.P.S."), either by certified or registered mail, return receipt requested, or by the personal service of the Notice of Hearing to the last known address of the Respondent.

As per Exhibit 1, on March 26, 2004, the Department deposited the Notice of Hearing on the File, the Notice, with the U.S.P.S. by certified mail, return receipt requested, to the address of Respondent's last known place of business. The Notice was, thus, given on March 26, 2004. The Notice marks as the first date set for hearing the date of May 12, 2004, a date occurring over 45 days after Respondent was given the Notice. Therefore, the service of the Notice upon Respondent by the Department was proper.

2. Section 11.F(1) of the Act provides that the Secretary of State shall not undertake any action or impose a fine against a registered salesperson of securities within the State of Illinois for a violation of the Act without first providing the salesperson an opportunity for hearing upon not less than ten (10) days notice given by personal service or registered mail or certified mail, return receipt requested, to the person concerned.

As per Exhibit 1, Respondent was properly notified of his opportunity to be heard on the File via the Department's timely provision thereto of the Notice. As discussed in Paragraph 1 hereinabove, the Department served the Notice upon Respondent on March 26, 2004, a date well over 10 days before the Respondent's scheduled opportunity to be heard on May 12, 2004. Notably, both of the return receipts were personally executed, not returned unclaimed.

Respondent received well over the requisite 10 days notice of the scheduled, May 12th, hearing date. Therefore, because the Department gave proper notice of the hearing to Respondent, the Department has personal jurisdiction over Respondent.

3. Respondent failed to appear, whether personally or through counsel, at the hearing.
4. The Department offered exhibits, identified above, each of which was received and admitted into evidence, a proper record of all proceedings having been made and preserved as required.
5. No outstanding petitions, motions, or objections exist as to this proceeding.

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6. At all material and relevant times Respondent was registered with the Secretary of State as a salesperson pursuant to Section 8 of the Act.

On December 16, 2003, NASD entered the Order for the Complaint, which Order sanctions Respondent as follows:

- a. Suspension from association with any NASD member in any capacity for a period of two (2) months;
- b. The assessment of fine in the amount of \$5,00.00, which includes disgorgement of commissions in the amount of \$1,885.27; and
- c. Payment of restitution to customer CCHS in the amount of \$17,937.12.

The Order found that:

- a. In or about the year 1997, AP, on behalf of customer CCHS, a Catholic High School, opened a securities account (known as number 956-11670-17) at HW (Respondent's employing firm). Respondent served as the financial advisor for the account from its inception.
- b. At or about the time that CCHS's account was opened, AP designated BR, CCHS's treasurer, to serve as the sole contact person on the account.
- c. During the month of July in the year 2000, Respondent executed four (4) transactions in customer CCHS's account without the prior authorization of CCHS, AP, or BR to enter into each of the four (4) trades.
- d. CCHS's account was not a discretionary one; further, Respondent had no written authority to trade on discretion in this account.
- e. Under and by virtue of the foregoing, Respondent committed separate and distinct violations of NASD Conduct Rule 2110 and IM2310-2.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

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1. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
2. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of salespeople registered within the State of Illinois may be revoked if the Secretary of State finds that such have 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.
3. Respondent is a registered salesperson of securities in the State of Illinois who has had entered against him the Order, the AWC, that, because of Respondent's having executed four (4) transactions or trades without any prior authorization from a customer to enter into each of the transactions or trades, suspends him from associating with any NASD member firm in any capacity for a period of two (2) months, fines him in the amount of \$5,000.00 (which includes disgorgement of commissions in the amount of \$1,885.27), and orders him to pay restitution to customer CCHS in the amount of \$17,937.12.

Respondent's actions were, thus, in contravention of NASD Conduct Rule 2110 and IM-2310-2.

Therefore, the suspension of Respondent in the Order clearly arose from fraudulent or deceptive acts or practices in violation or contravention of rules, regulations, and standards duly promulgated by a self-regulatory organization, the NASD, and organization registered under the Federal 1934 Act.

4. Under and by virtue of the foregoing, 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.

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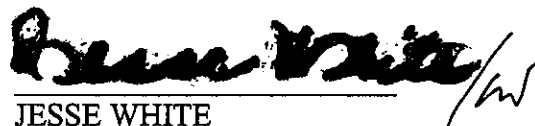
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WHEREAS, the Hearing Officer recommended that the Secretary of State should revoke the Respondent's registration as a salesperson in the State of Illinois, and the Secretary of State adopts in its entirety the Recommendation made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That Richard P. Hveem's registration as a salesperson in the State of Illinois is revoked pursuant to the authority provided under Sections 8.E(1)(j) of the Act.
2. That this matter is concluded without further proceedings.

DATED: This 8th day of July 2004.



JESSE WHITE
Secretary of State
State of Illinois

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.