

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

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IN THE MATTER OF: STEVEN W. NORIN )  
\_\_\_\_\_) )

FILE NO. 0600310

**AMENDED NOTICE OF HEARING**

TO THE RESPONDENT: Steven W. Norin (CRD#: 1235892)  
2150 Morningside Drive  
Upland, California 91784

C/o Citigroup Global Markets Inc.  
Registration Department  
333 West 34<sup>th</sup> Street 7<sup>th</sup> Floor  
New York, New York 10001

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 17<sup>th</sup> day of January, 2007 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, 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 Steven W. Norin'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 April 24, 2006 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 20041000165 which sanctioned the Respondent as follows:

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- a. Suspension from associating in any capacity with any member firm for a period of three months; and
  - b. payment of \$400,000 consisting of a fine of \$101,453 plus disgorgement of \$298,547 in unlawful profits from those incorrectly marked short sales from which he derived profits.
3. That the AWC found:
- a. During the review period, the Respondent was a registered representative at SBSH and in that capacity executed trades in his personal accounts.
  - b. During the review period, the Respondent executed 100 short sale orders and failed to properly mark the order tickets as short for these orders.
  - c. The conduct described in sub-paragraph b constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3110(bX1).
  - d. During the review period, the Respondent executed 100 short sale orders and, for each order, failed to make an affirmative determination that he would receive delivery of the security or that he could borrow the security for delivery by settlement date.
  - e. The conduct described in sub-paragraph d constitutes separate and distinct violations of NASD Conduct Rules 2110 and 3370.
  - f. During the review period, Respondent executed 100 short sale orders in 213 separate transactions and caused SBSH to fail to report each of these transactions to the NASD Market Center with a short sale modifier.
  - g. The conduct described in subparagraph f constitutes separate and distinct violations of NASD Conduct Rules 2110 and Marketplace Rule 6130.
  - h. During the review period, the Respondent effected 100 short sale transactions by intentionally circumventing the locate requirements of his firm's trading systems.
  - i. The conduct described in sub-paragraph h constitutes separate and distinct violations of NASD Conduct Rule 2110.

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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 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 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 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 29<sup>th</sup> day of November 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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James L. Kopecky

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