

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF RICHARD A. CAVILEER)
_____)

FILE NO 1100064

NOTICE OF HEARING

TO THE RESPONDENT:

Richard A. Cavileer (CRD# 4384490)
81 Tralee Place
Staten Island, New York 10007

Richard A. Cavileer (CRD# 4384490)
C/o Brookstone Securities, Inc.
2920 Drane Field Road
Lakeland, Florida 33813

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 13th day of July, 2011 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 Richard A. Cavileer'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.

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- 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 January 21, 2011 FINRA entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No 20080115744-02 which sanctioned the Respondent as follows
 - a 15-business day suspension from association with any member of FINRA in any and all capacities, and
 - b \$10,000 fine.
3. That the AWC found:

OVERVIEW

Between February 2008 and October 2008, the Respondent charged one customer an excessive commission, effected a transaction on a discretionary basis without written authorization from that same customer, entered three unauthorized transactions in a different customer's account and entered two unauthorized transactions in a third customer's account

FACTS AND VIOLATIVE CONDUCT

- a On February 22, 2008, the Respondent sold 2,400 shares of RIMM (Research In Motion Ltd) from Brecek & Young (Respondent's employing dealer) Customer AN's account. In connection with that transaction, the Respondent charged a commission of \$12,500, which is approximately 4.91% of the \$254,400 principal amount. RIMM is a NASDAQ listed security, of which approximately 21,958,900 shares were traded on February 22, 2008. The \$12,500 commission charged by the Respondent to AN was excessive and unreasonable taking into consideration the factors articulated in IM-2440-1, and constituted a violation of NASD Rules 2110 and 2440. On September 10, 2008, the commission on the trade was reduced to \$2,500.
- b On February 21, 2008, AN authorized the Respondent to sell shares of RIMM from his Brecek & Young customer account at the prevailing market price. The Respondent executed the sale of 2,400 shares of RIMM from the account the following day on February 22, 2008. AN did not provide the Respondent with written discretionary authority. Thus, because the Respondent failed to execute the sale on the same day that he obtained authorization, he engaged in discretionary trading in violation of NASD Rules 2110 and 2510.

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- c. The Respondent effected the following trades in the Brecek & Young customer account of TD with regard to the following transactions (1) the sale of 125 shares of DRYS (Dryships, Inc) on April 22, 2008; (2) the sale of 125 shares of DRYS on April 23, 2008, and (3) the sale of 330 shares of V (Visa, Inc) on April 29, 2008. Because TD did not authorize these transactions, the Respondent engaged in unauthorized trading in violation of NASD Rule 2110.
 - d. On September 2, 2008, the Respondent effected the following trades in the Brecek & Young customer account of PR Co., Inc., with regard to the sale of 15 contracts of HJQUX, which is a put on First Solar Common September 250, and the purchase of 15 contracts of HJQIZ, which is a call on First Solar Common September 270. Because the account holder did not authorize the above-mentioned transactions, the Respondent engaged in unauthorized trading in violation of NASD 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 FINRA 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.

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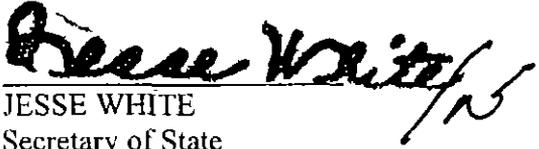
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Furthermore, you may be represented by legal counsel. may present evidence, may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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 5th day of May 2011


JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
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