

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

IN THE MATTER OF: Steven Joseph Hold

FILE NO. 1200343

NOTICE OF HEARING

TO THE RESPONDENT:

Steven Joseph Hold
3 Stonewood Court
Warren, NJ 07059

Hold Brothers On-Line
Investment Securities LLC
1177 Avenue of the Americas Suite 2B
New York, NY 10036

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 24th day of January, 2013 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky, 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 Joseph Hold (the "Respondent") registration as an 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 investment advisor representative in the State of Illinois pursuant to Section 8 of the Act.

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2. That on September 25, 2012 Securities and Exchange Commission ("SEC") Administrative Release 34-67924 entered Decision & Order of Offer of Settlement ("AWC" or "Order") the Respondent as follows.
 - a) *Permanently barred respondent from: Association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor or transfer agent, Permanent, with the right to apply for re-entry after 2 Years*
 - b) Permanently barred respondent from association with any nationally recognized statistical rating organization, with the right to apply for re-entry after 2 Years.
 - c) Permanently barred respondent from participating in any offering of Penny Stock, with the right to apply for re-entry after 2 Years.
 - d) Permanently barred respondent from association in a supervisory capacity with any broker, dealer, investment adviser or municipal Securities Dealer, with the right to apply for re-entry after 3 years.
 - e) Permanently barred respondent from association in a supervisory capacity with any municipal Advisor or transfer agent, with the right to apply for re-entry after 3 years.
 - f) Permanently barred respondent from association in a supervisory capacity with any nationally recognized statistical rating organization, with the right to apply for re-entry after 3 years.
 - g) Civil and Administrative Penalty(ies)/Fines(s) in the amount of \$75,000.00

- 3 SEC Administrative Release 34-67924, investment company act of 1940 release 30213, September 25, 2012: the Securities and Exchange Commission ("Commission") deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted pursuant to Sections 15(b) and 21c of the Securities and Exchange Act of 1934 ("Exchange Act") and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against a broker-dealer, three executives, including Steven Hold ("Hold" or "respondent"), and two companies. The SEC's investigation found that the broker-dealer ignored red flags indicating that overseas traders were accessing the markets through the firm's customer accounts and repeatedly manipulating publicly-traded stocks through an illegal practice known as "layering" or "spoofing." in layering, the trader places orders with no intention of having them executed but rather to trick others into buying or selling a stock at an artificial price driven by the orders that the trader later cancels. Steven Hold, the broker-dealer's president and co-founder, and the two other executives were aware of several e-mails and other indications that manipulative trading was occurring

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through firm accounts, yet they failed to properly investigate the warning signs and recklessly continued to provide overseas traders with buying power and access to the U.S. markets. The SEC also charged two broker-dealer customers whose accounts were used for the manipulative trading. The two foreign companies were created and partially owned by hold, so essentially hold provided the capital for the manipulative trading by the overseas traders. The six individuals and entities charged agreed to pay a total of \$4 million in disgorgement and penalties to settle the charges. The manipulative trading occurred from at least January 2009 to September 2010. The broker-dealers primary business was to provide market access to its customers' traders, a majority of whom were located overseas. The vast majority of these overseas traders traded for the two companies. The layering strategy used by the overseas traders typically followed the same pattern. Traders placed a bona fide order that was intended to be executed on one side of the market (buy or sell). The traders then immediately entered numerous non-bona fide orders on the opposite side of the market for the purpose of attracting interest to the bona fide order and artificially improving or depressing the bid or ask price of the security. The nature of these non-bona fide orders was to induce other traders to execute against the initial, bona fide order. Immediately after the execution against the bona fide order, the overseas traders canceled the open non-bona fide orders, and repeated this strategy on the opposite side of the market to close out the position. The SEC's order found that hold willfully aided and abetted and caused each entity's violations of section 9(a)(2) of the exchange act, and that hold failed reasonably to supervise one of the executives .

In anticipation of the institution of the proceedings, respondent submitted an offer of settlement (the "offer") which the Commission determined to accept. Solely for the purpose of the proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings, except as to the Commission's jurisdiction over him and the subject matter of the proceedings, which are admitted, respondent consented to the entry of the order instituting administrative and cease-and-desist proceedings pursuant to Sections 15(b) and 21c of the Securities Exchange Act of 1934 and Section 9(b) of the Investment Company Act of 1940, making findings, and imposing remedial sanctions and a cease-and-desist order ("order"). The Commission deemed it appropriate to impose the sanctions agreed to in respondent's offer. Accordingly, pursuant to Sections 15(b) and 21c of the Exchange Act and Section 9(b) of the Investment Company Act, it is hereby ordered that Pursuant to Section 21c of the Exchange Act, Hold shall cease and desist from committing or causing any violations and any future violations of Section 9(a)(2) of the Exchange Act. Pursuant to Section 15(b) of the exchange act and Section 9(b) of the Investment Company Act, Hold is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; prohibited from serving or acting as an employee, officer, director, member of an advisory board, Investment Adviser or depositor of, or principal

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underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and barred from participating in any offering of penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock, with the right to apply for reentry after two (2) years to the appropriate self-regulatory organization, or if there is none, to the Commission. Pursuant to section 15(b) of the exchange act, Hold is barred from association in a supervisory capacity with any broker, dealer, Investment Adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following (a) any disgorgement ordered against respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order. Hold shall, within ten (10) days of the entry of the order, pay a civil money penalty in the amount of \$75,000.

- 4 That Section 8.E(1)(k) of the Act provides, inter alia, that the registration of an Investment Adviser may be revoked if the Secretary of State finds that such Investment Adviser has had any order entered against it after notice and opportunity for hearing by the Securities and Exchange Commission ("SEC"), or arising from any fraudulent or deceptive act or a practice in violation of any statute, rule or regulation administered or promulgated by the Commission.
5. The SEC enters orders after Notice and a Hearing as specified in Section 8.E(1)(k) of the Act..
6. That by virtue of the foregoing, the Respondent's registration an Salesperson representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(k) 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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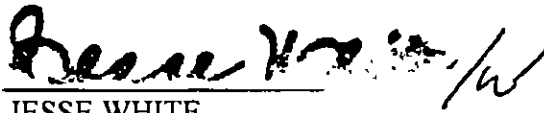
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Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearing held by the Office of the Secretary of State, Securities Department, can be found at www.cyberdriveillinois.com.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 4th day of December 2012.



JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
James Kopecky