

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

IN THE MATTER OF: THEODORE S. ALVIA)
_____)

FILE NO. 0300937

NOTICE OF HEARING

TO THE RESPONDENT: Theodore S. Alvia
(CRD #: 3086395)
21 Castlebar Court
South Elgin, Illinois 60177

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5 et. seq.) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 17 North State Street, Suite 1266, Chicago, Illinois 60602, on the 17th day of March 2004, at 10:00 a.m., or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos, Esq., or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Theodore S. Alvia's ("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.F 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 until February 1, 2002.
2. That on September 11, 2003, NASD entered Default Decision (Decision) regarding FILE NO. C8A030028 which barred the Respondent from association in any capacity with any member of the NASD.
3. That the Decision found, among other things, that the Respondent violated NASD Rule 2110 by executing eleven unauthorized transactions in five

customer accounts. Specifically, the Decision found that between November 2001 and January 2002, the Respondent executed eleven unauthorized transactions in five customer accounts, without the knowledge or consent of the customers, and in the absence of written or oral authorization for Respondent to exercise discretion in the accounts as more fully described:

- (a) On November 19, 2001, Respondent purchased \$100,000 in tax-exempt bonds issued by DuPage County, Illinois, for the account of JK, without JK's knowledge or consent;
 - (b) Between December 14, 2001 and February 1, 2002, Respondent (i) purchased 500 shares of Inktomi stock; (ii) purchased 100 shares of Bank of America Corp. stock; (iii) purchased 100 shares of Citigroup, Inc. stock; (iv) purchased 100 shares of JP Morgan Chase & Co. stock; (v) purchased 100 shares of Lehman Brothers Holdings, Inc. stock; (vi) purchased 100 shares of Morgan Stanley Dean Witter & Co. stock; and (vii) sold 100 shares of Bank of America Corp., for the account of customer RJ, without RJ's knowledge or consent;
 - (c) On January 25, 2002, Respondent purchased a \$39,500 variable annuity through Hartford Life Insurance Company ("Hartford") for customer LD, without LD's knowledge or consent;
 - (d) On January 28, 2002, Respondent purchased a \$47,900 variable annuity through Hartford for customer PV, without PV's knowledge or consent; and
 - (e) On January 28, 2002, Respondent purchased a \$31,000 variable annuity through Hartford for customer FS, without FS's knowledge or consent.
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 Section 8.E(3) of the Act provides, inter alia, withdrawal of an application for registration or withdrawal from registration as a salesperson, becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation effective February 1, 2002 pursuant to Sections 8.E(1)(j) and 8.E(3) of the Act.

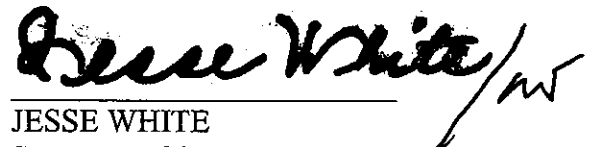
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 include with this Notice.

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

DATED: This 29th day of January 2004.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Hearing Officer:

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