

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

IN THE MATTER OF: DAVID G. RINCON	)
	)
	)

FILE NO. 0700431

**CONSENT ORDER OF WITHDRAWAL**

**TO THE RESPONDENT:** David G. Rincon  
(CRD#: 4598476)  
35-1910 Hudson Street  
Jersey City, NJ 07302

David G. Rincon  
c/o National Securities Corporation  
30 Wall Street 10<sup>th</sup> Floor  
New York, New York 10005

National Securities Corporation  
1001 Fourth Avenue  
Suite 2200  
Seattle, Washington 98154-1100

National Securities Corporation  
1400 Old Country Road, Suite 302A  
Westbury, New York 11590

WHEREAS, Respondent on the 23<sup>rd</sup> day of April, 2008 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated March 19, 2008 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

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WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That on August 16, 2007, National Securities Corporation, a registered dealer, filed a Form U 4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on September 21, 2006 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 20050010905-01 which sanctioned the Respondent as follows:
  - a. Suspension in all capacities with any member firm in any capacity for sixty (60) calendar days; and
  - b. A fine of \$7,500.
3. That the AWC found:
  - a. Rincon provided JC, a prospective customer of GunnAllen, with a document that contained misleading statements pursuant to NASD Conduct Rule 2210. The document suggested that GunnAllen was a part of, or affiliated with Wachovia Bank ("Wachovia"). In fact, Wachovia's subsidiary, First Clearing, LLC, was GunnAllen's clearing firm. The document, a letter, contained the following inaccurate statements: 1) that having an account at GunnAllen means that JC would be working with the "Third Largest brokerage resource in the country"; 2) that GunnAllen has an "in house research department"; and 3) GunnAllen employs "nationally recognized Chief Investment Strategist Rod Smyth." Rincon also furnished JC with a Wachovia Economic Outlook 2004 brochure and a Wachovia Nortel Research Report. By reason of the foregoing Rincon violated NASD Conduct Rules 2210(d)(1)(B) and 2210.
  - b. Rincon failed to enter stop loss orders for two positions in the account of customer JC despite JC's request that he do so. By reason of the foregoing Rincon violated NASD Conduct Rules 2210.
4. That Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be denied 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 suspended, revoked, refused expelled, cancelled, barred, limited in and capacity, or otherwise adversely affected in a similar manner arising from any

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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 the Respondent's registrations as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

The Respondent's registrations as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of twenty-four (24) months from the entry of this Consent Order.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand Five Hundred Dollars (\$1,500.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand Five Hundred Dollars (\$1,500.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:


1. The Respondent shall cause to have his registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of twenty-four (24) months from the entry of this Consent Order.

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2. The Respondent is levied costs of investigation in this matter in the amount of One Thousand Five Hundred Dollars (\$1,500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on May 1, 2008 has submitted One Thousand Five Hundred Dollars (\$1,500.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 1<sup>st</sup> day of May, 2008

  
JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 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.

Attorney for the Secretary of State:  
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