

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
20050000292-01

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NATIONAL SECURITIES INC.
MARKET REGULATION

TO: Market Regulation Department
NASD

RE: Richard William Radez
(CRD No. 825664)

Pursuant to Rule 9216 of NASD Code of Procedure, Richard William Radez ("Radez" or "Respondent"), submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described in Part II below. This AWC is submitted on the condition that, if accepted, NASD will not bring any future actions against him alleging violations based on the same factual findings.

Respondent understands that:

1. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by NASD's Department of Market Regulation and National Adjudicatory Council ("NAC") Subcommittee or Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
2. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and
3. If accepted:
 - a. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD or any other regulator against him;
 - b. this AWC will be made available through NASD's public disclosure program in response to public inquiries about Respondent's disciplinary record;
 - c. NASD may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-2; and
 - d. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Nothing in this provision affects Respondent's testimonial obligations or right

to take legal or factual positions in litigation or other legal proceedings in which NASD is not a party.

Respondent also understands that his experience in the securities industry and disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience and history are as follows:

Until he was terminated for violating an unspecified firm policy on April 21, 2006, Radez, age 57, had been registered and employed at member firm David A. Noyes & Company since 1989, except for the first four months of 2005 when he was an independent broker employed by Cullum & Burks Securities, Inc. Radez first became registered in 1973 and was employed by two firms before joining David A. Noyes & Company. He is not currently registered with any member firm.

Respondent has no relevant disciplinary history.

I.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under NASD's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against him;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC,

including its acceptance or rejection.

II.

ACCEPTANCE AND CONSENT

A. Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by NASD:

1. In early 2003, Respondent attended a conference in Vancouver, Canada, sponsored by natural resources mining companies at which he met representatives of Savoy Resources Corp. ("Savoy"), a mining company formed in 1997.
2. From January 28, 2004 through December 2004, Radez employed fraudulent sales practices in the course of recommending and selling the common stock of this unseasoned OTC Bulletin Board security. In that time, approximately 80 of Radez's customers purchased nearly 4.9 million shares of Savoy at a cost of approximately \$3 million.
3. Savoy had never generated revenue, had always operated at a loss, possessed minimal assets and its public filings contained auditors' opinions doubting the company's ability to continue to operate as a going concern.
4. When he recommended purchases of Savoy, Radez made false representations and omissions of material facts as well as baseless and unrealistic price projections. Radez falsely represented that Savoy owned property in China, that Savoy had operated a number of drill rigs in China for seven years and had acquired all of the mineral rights for a Chinese province the size of Spain. Radez did not disclose the risks of investing in Savoy, failed to inform customers that the company's financial condition was weak, that the company had never generated revenue and that the company provided thousands of dollars in compensation to him and to his son. He made price predictions to customers that by the end of 2005 the stock would reach \$3 per share and that the stock would ultimately reach at least \$10 per share.
5. The conduct described in paragraph four violates Section 10(b) of the Securities Exchange Act of 1934, SEC Rule 10b-5 and NASD Conduct Rules 2110 and 2120.
6. Radez made unauthorized purchases of Savoy in at least eleven of his

customers' accounts.

7. The conduct described in paragraph six violates NASD Conduct Rule 2110.
8. Radez recommended Savoy, an OTC security, without reviewing the company's available current publicly filed financial statements and current material business information and without determining if there was a reasonable basis for the recommendation.
9. The conduct described in paragraph eight violates NASD Conduct Rules 2110 and 2315.
10. Without providing written notice to the firm, Radez engaged in business activity outside the scope of his relationship with David A. Noyes & Company. Radez organized a biannual conference he called National Resource Conference from which he derived approximately \$253,000 in revenues in 2004.
11. The conduct described in paragraph ten violates NASD Conduct Rules 2110 and 3030.
12. When requested to produce documents and to testify pursuant to NASD Procedural Rule 8210, Radez failed to produce requested documents and testified falsely.
13. The conduct described in paragraph 12 violates NASD Conduct Rules 2110 and 2315.

B. Respondent also consents to the imposition, at a maximum, of the following sanction:

A permanent bar from associating with any member firm in any capacity.

The sanction imposed herein shall be effective on a date set by NASD staff. Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC.

III.

OTHER MATTERS

- A. Respondent understands that he may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he may not deny the charges

or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by NASD, nor does it reflect the views of NASD or its staff.

- B. Respondent understands that if he is barred or suspended from association with any NASD member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, he may not be associated with any NASD member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. (See NASD Rule 8310 and IM-8310-1)**

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it, and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein, has been made to induce me to submit it.

5/2/06
Date

Richard William Radez
Richard William Radez,
Respondent

Reviewed by:

Ross Pazzol
Ross Pazzol
Counsel for Respondent

Accepted by NASD:

5/18/06
Date

Cameron K. Funkhouser
Cameron K. Funkhouser
Senior Vice President
Market Regulation Department

Signed on behalf of the
Director of ODA, by delegated
authority