

NASD
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2005000094002

**TO: Department of Enforcement
NASD**

**RE: John V. Hull, Respondent
CRD No. 252861**

Pursuant to Rule 9216 of NASD Code of Procedure, 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 Respondent 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 Enforcement and National Adjudicatory Council ("NAC") Review 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 it;**
 - 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 that the AWC is**
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without factual basis. Nothing in the 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 any applicable disciplinary history may be factors that will be considered in deciding whether to accept this AWC. That experience is as follows:

John V. Hull ("Hull"), CRD No. 252861, first became registered in the securities industry as a registered representative with Smith Barney, Harris Upham & Co. Inc. in 1973. From 1974 until October 2000, he was also a registered representative with four other brokerage firms: Foster & Marshall, Inc. (1974-1976); Kidder Peabody & Co., Inc. (1976-1980); Piper, Jaffray & Hopwood, Inc. (1980-1988); and Empire Securities Inc. of Washington (1988-2000). In October 2000, Hull began working at Public Securities, Inc. ("Public") as a retail broker and also began training as an equity trader. Since January 1981, Hull has been licensed as a Uniform Securities Agent - State (Series 63). Since November 2000, he has been licensed as a Limited Representative - Equity Trader (Series 55). Hull left the securities industry on April 5, 2006, when he voluntarily retired from Public. NASD retains jurisdiction over Hull pursuant to Article 5, Section 4 of the NASD By-Laws, as the conduct that serves as the basis for this action commenced prior to his retirement from a member firm and this action has been filed within two years after the effective date of his last termination of registration from a member firm.

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 Respondent;
- 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 ("SEC") 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.

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:

Summary

During the period February 2004 through March 2005 (the "review period"), Hull, an equity trader at Public, engaged in a series of pre-arranged and other manipulative trades, including trades with Canadian firms, primarily for the benefit of the Canadian accounts of Mayer and David Amsel. Specifically, Hull made a market in EDLT (formerly, AVIC), a thinly traded pink sheet stock, and moved his quotes and traded over 7.5 million shares of the stock, at the direction of a barred individual, Mayer Amsel. Hull's manipulative trading of EDLT contributed to an increase of over 600 percent in the inside bid price of EDLT. As a result of this trading, during the review period, Hull generated approximately \$18,500 in his wife's IRA account. By engaging in such trading, Hull violated Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and NASD Conduct Rules 2120 and 2110.

Hull's Manipulation of AVIC/EDLT

Between February 2004 and March 2005 (the "review period"), Hull, an equity trader at Public, made a market in a thinly traded security, EDLT.¹ In the fourteen months prior to February 2004, neither Hull nor anyone at his firm traded any EDLT. EDLT's total market volume during those fourteen months was 183,514 shares, an average of 13,108 per month.

¹ EDLT is the symbol for the common stock of East Delta Resources Corp. The company was formed on or about June 30, 2004, after Avic Technologies (AVIC), a public shell company, purchased Omega Resources, Inc. and changed its name to East Delta Resources Corp.

Beginning in February 2004, Hull actively began to trade EDLT. Over the course of the next fourteen months, between February 2004 and March 2005, Hull traded approximately 537,000 shares of EDLT, on average, per month, which constituted approximately 37 percent of the total trading volume of EDLT. Specifically, Hull traded approximately 7,523,600 shares out of a total of approximately 20,403,000 shares of EDLT. During this time period, the inside bid price of EDLT increased from approximately \$0.10 to \$0.72.

The majority of Hull's trading volume in EDLT, 58 percent, was the result of transactions with a Canadian firm, Golden Capital Securities, Ltd. ("Golden Capital"). More specifically, all of Hull's trades in EDLT with Golden Capital were for the Golden Capital accounts of either Mayer Amsel or his brother, David Amsel. Between February 2004 and March 2005, Hull traded EDLT with Golden Capital approximately 174 times – buying approximately 2,121,500 shares and selling approximately 2,214,000 shares with Mayer or David Amsel's accounts at Golden Capital. This accounted for approximately 21 percent of the total volume of the trading in EDLT.

Mayer Amsel previously was barred from the securities industry for fraudulent conduct.² According to EDLT's SEC filings, since August 2004, Mayer Amsel has been listed as a consultant for East Delta Resources Corp. and, at that time, was provided with one million shares of EDLT as compensation for his consulting services. Since at least September 2002, his brother, David Amsel, has been listed in either press releases or on the issuer's website as the investor relations consultant for AVIC/EDLT.

During the review period, Mayer Amsel called Hull throughout the trading day, sometimes as frequently as 10 to 15 times per day. Mayer Amsel told Hull where to move his quotes on EDLT and where to buy and sell shares of EDLT. Hull then acted on these instructions and moved his quotes and traded accordingly.

On numerous days during the review period, Hull's trading of EDLT accounted for significant percentages of the total market volume and inside quote movement. For example, on approximately 52 days, Hull's trading of EDLT accounted for 70 percent or more of the total market volume for EDLT. On approximately 18 of those days, Hull's trading of EDLT accounted for 100 percent of the total market volume for EDLT.

Most of the EDLT transactions executed by Hull were large blocks (10,000 shares or more) and several of those large blocks accounted for the largest single trade amounts

² On October 20, 1994, NASD barred Mayer Amsel from associating with any member firm based upon various forms of "deliberate," "premeditated" and "egregious" fraudulent misconduct at a former employer, A.T. Brod & Co. In a settlement order issued by the U.S. Securities and Exchange Commission ("SEC"), Release No. 40100, dated June 19, 1998, Mayer Amsel was similarly barred from associating with any broker, dealer, municipal securities dealer, investment adviser or investment company based upon his use of manipulative and deceptive devices in a scheme to defraud the market for a particular stock. The SEC found Mayer Amsel used his brother, David Amsel, as a nominee to help manipulate the market in the stock and to stabilize the price of the stock.

on numerous days. On approximately 16 occasions, Hull bought and sold those large blocks of EDLT throughout the same day with Golden Capital – i.e., Hull bought EDLT from Golden Capital and sold EDLT back to Golden Capital or vice versa. Approximately 10 of those buys and sells accounted for 70 percent or more of the total market volume for the day. Approximately four of these instances accounted for 100 percent of the total market volume for the day.

As noted above, all of Hull's trades with Golden Capital in EDLT involved Mayer and/or David Amsel's accounts at Golden Capital and many of the trades in EDLT were being crossed between their accounts. Hull moved the inside bid on EDLT up (or upticked) approximately 89 times, including 11 instances where the inside bid was moved to new, all-time highs. Most of Hull's upticks took place within minutes after telephone contact with Mayer Amsel.

Profits Realized From Trading EDLT

During the review period, Hull's manipulative trading and quote movements were a contributing cause to the increase in the bid for EDLT from approximately \$0.10 in February 2004, to \$0.72 by the end of March 2005, a total of approximately 600 percent.

With regard to Hull's personal retail account of EDLT at Public, between June 2004 and March 2005, Hull bought approximately 75,000 shares of EDLT and sold approximately 65,000 shares of EDLT in his wife's IRA account at Public. By the end of March 2005, Hull's wife's account had generated gross proceeds from the sales of EDLT in the amount of approximately \$18,500.³

Violations of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 Thereunder, and NASD Conduct Rules 2120 and 2110

Hull's trading and other conduct, described above, including the pre-arranged trades, created the false appearance of trading volume and market interest in EDLT and artificially affected the market price for the security. By virtue of this conduct, Hull knowingly or recklessly engaged in manipulative or deceptive devices or contrivances in connection with the purchase or sale of securities, and knowingly or recklessly effected transactions in, or induced the purchase or sale of securities by means of manipulative, deceptive or other fraudulent devices or contrivances, thereby violating Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, and NASD Conduct Rule 2120. Also, by virtue of this conduct, Hull did not comply with high standards of commercial honor and just and equitable principles of trade, thereby violating NASD Conduct Rule 2110.

³ At the end of the review period, the account still possessed 10,000 shares of EDLT, worth approximately \$7,200.

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

- a bar from association with any NASD member firm in all capacities.
- an undertaking to cooperate with NASD Department of Enforcement staff or any other regulator in any further investigation and hearing relating to Public Securities, Inc., including, but not limited to, meeting with and being interviewed by the Department of Enforcement, without the need of the staff to resort to Rule 8210, and testifying at any hearing.

Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this AWC by the NAC or ODA.

III.

OTHER MATTERS

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, Respondent may not be associated with any NASD member in any capacity, including, clerical or ministerial functions during the bar or suspension. See NASD Rule 8310 and IM-8310-1.

Respondent certifies that he has read and understands all of the provisions of this AWC and has 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 him to submit it.

7-3-06
Date

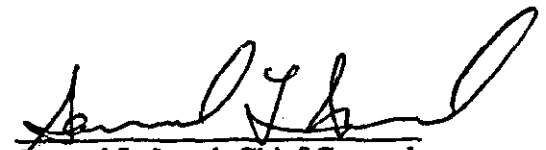
John V. Hull
John V. Hull
Respondent

Reviewed by:

Conrad C. Lysiak, Esq.
Conrad C. Lysiak, Esq.

Accepted by NASD:

Date July 21, 2006



Samuel L. Israel, Chief Counsel
Enforcement
Signed on behalf of the Director
of ODA, by delegated authority