

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

IN THE MATTER OF: Ryan Seth Shaw

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FILE NO. 1200281

NOTICE OF HEARING

TO THE RESPONDENT:

Ryan S. Shaw
108 NorthGate CIR
Melville, New York 11747

AEGIS Capital Corp.
810 7th Ave
18th Floor
New York, NY United States 10019

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 October, 2012 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky Esq. 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 Ryan S. Shaw (the "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.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 a salesperson in the State of Illinois pursuant to Section 8 of the Act.

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2. That on July 16, 2012 FINRA entered LETTER OF ACCEPTANCE, WAIVER AND CONSENT (“AWC” or “Order”) submitted by the Respondent regarding Disciplinary Proceeding No. 2009018005601 which sanctioned the Respondent as follows:
 - a) suspended from association with any FINRA member in any capacity for ten (10) business days; and
 - b) fined \$2,500.
3. That the Order found: NASD Rule 2110: Shaw made negligent misrepresentations to a customer in connection with a recommendation of an exchange traded note (ETN). Upon selling the ETN, the customer had a realized loss of \$71,431.66. Subsequently, Shaw’s member firm reimbursed the customer for the entire loss and Shaw contributed to the entire amount of the loss. In recommending that the customer purchase the ETN, Shaw advised the customer that it was safe, but failed to describe the risks involved, or how the Securities operated. Shaw failed to explain the fundamental terms and risks associated with the security, including the index to which the ETN’s performance was tied to and did not explain the term “reset” as it applies to the ETN, which he recommended to the customer.
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 FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registration as a Salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) 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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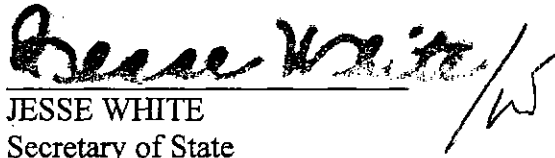
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Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 22nd day of August 2012.


JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
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