

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

IN THE MATTER OF: Daniel Leland Chiddister)
_____)

FILE NO. 1200332

NOTICE OF HEARING

TO THE RESPONDENT: Daniel Leland Chiddister
4150 Tanglewood Drive
Bloomington, IN 47404

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 10th day of December, 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 Daniel Leland Chiddister's (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.

Notice of Hearing

2

2. That on September 10, 2012 FINRA entered LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC" or "Order") submitted by the Respondent regarding Disciplinary Proceeding No. 2010023426801 which sanctioned the Respondent as follows:
 - a) suspended from association with any FINRA member in any capacity for two (2) months, and
 - b) fined \$10,000.
3. That the Order found: Daniel Chiddister met with prospective customers to discuss transferring funds out of an existing universal life insurance policy to purchase a variable annuity through Chiddister. While discussing the proposed transactions, Chiddister obtained a customer's social security number, date of birth and a recent account statement from the insurance company that held the universal life insurance policy. The customer informed Chiddister that he wanted time to consider the proposed transaction and was leaving town for an eight-week vacation. Shortly after the customers left his office, Chiddister called the insurance company to request forms for the customer to transfer the funds. The company representative took steps to identify the caller as the customer. Chiddister impersonated the customer, without his knowledge or consent, and supplied the representative with the customer's personal information. The representative agreed to mail the transfer form to the customer's home. Approximately 10 minutes later, Chiddister called the company a second time and again impersonated the customer, without his knowledge or consent. Chiddister requested the funds transfer form be faxed, emailed or sent by overnight mail to the customer's home. The representative told him that the form could only be mailed by first class delivery or provided to the customer's secure insurance company website account. When Chiddister was unable to provide the customer's website password, working with his assistant, he caused the insurance company to reset the customer's account password. When the customers became aware that Chiddister had caused the website password to be changed, they contacted the insurance company and complained. By reason of the foregoing Respondent violated FINRA Rule 2010.
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.

Notice of Hearing

3

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.

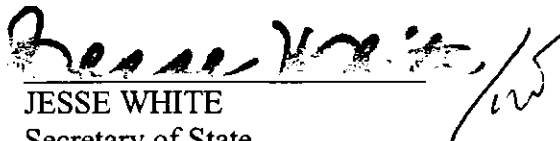
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

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, can be found at <http://www.cyberdriveillinois.com>.

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

Dated: This 11TH day of October 2012.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Cheryl Goss Weiss
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky:
203 N. LaSalle
Chicago, Illinois 60601