

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

**IN THE MATTER OF:**

**MICHAEL . MACIS  
(CRD #26333223) and  
NY LIFE SECURITIES, LLC.  
(CRD#5167)**

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) **Case No. 1100449**  
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**TEMPORARY ORDER OF PROHIBITION AND SUSPENSION  
AS TO MICHAEL ANTHONY MACIS**

**TO RESPONDENT:           MICHAEL A. MACIS  
                                  11540 JENY GLEN DR  
                                  MOKENA, IL 60448**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Michael Macis was, until July of 2011, an investment advisor representative for NY Life Securities LLC. ("NY Life") Macis is also a resident of Illinois and registered with the Illinois Secretary of State as an Investment Advisor Representative with a last known address of 11540 Jeny Glen Drive in Mokena, Illinois.
2. Macis has since obtained an affiliation with a different investment advisory firm.
3. The "CRD," or Central Registration Depository, is a cooperative venture by the State securities regulators and the industry's self regulatory organization that provides information for every registered broker-dealer, salesperson of securities, investment advisor, and investment advisor representatives.
4. The CRD profiles for each registered entity and individual includes disclosure reports detailing customer complaints, civil and criminal actions, and regulatory actions made against the respective registrant.

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5. The purpose of the disclosures is, in part, to provide the public and the industry, including prospective employers, information about the professional history and conduct of the particular registrant so that a prospective customer may make a fully informed decision on whether to retain the registrant for securities services, or, for broker-dealers and Investment advisors, whether to employ them as a representative.
6. However, months before Macis' relationship with NY Life was terminated, NY Life received a detailed complaint (the "Complaint") against Macis and NY Life from a senior citizen for whom Macis provided investment advice and insurance services as a representative for NY Life. This complaint was filed with NY Life on May 6, 2011.
7. This customer, a resident of Illinois that, at the time of the activities described herein, was 80 years old, legally blind, and sought investment advice and certain insurance recommendations for herself and her business (the "Investor").
8. In the Spring of 2011 Macis recommended that the Investor purchase five fixed annuities and three life insurance policies with principals totaling in excess of \$1,600,000.00.
9. Furthermore, Macis made certain misrepresentations regarding all the policies, in particular the three life insurance policies, related to the principal payments, coverage as well as misstatements related to the liquidity of the fixed annuities.
10. Macis had recommended that the fixed annuities be financed by liquidating or rolling over all securities that Investor held.
11. Macis effectuated these transactions and collected commissions on the sales of the fixed annuities.
12. As to the fixed annuities, Macis named the wrong individual as the annuitant on several of the policies.
13. As to the life insurance policies, Investor was informed that the life insurance policy premiums were much higher than Macis had represented. When Investor spoke with Macis about the premium payments Macis told Investor that he could have the premiums reduced because he "knew people."
14. Unbeknown to Investor Macis had added unnecessary riders to the policies.
15. For instance, two of the life insurance policies were Keyperson insurance policies intended for the benefit of Investor's business.

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16. However, Macis, without Investor's knowledge, added unnecessary spousal riders to the Keyperson policies. Besides these being Keyperson policies, Investor had no spouse at the time of the issuance of the policies.
17. These riders increased the costs of the premium payments on the Keyperson policies.
18. When Investor brought the issue of the expensive premium payments to the attention of Macis, Macis, changed the monthly premium payments on the insurance policies and simultaneously removed the spousal riders on the policies without informing Investor.
19. Investor later received correspondence from NY Life that the policies were underfunded and would lapse unless Investor made supplemental payments above the stated premium payments.
20. Despite the extensive and serious nature of Investor's Complaint made in May of 2011, there was no disclosure of the allegations on Macis' CRD.
21. Despite the serious nature of Investor's Complaint made in May of 2011, Macis did not disclose it to his current Investment Advisory Firm prior to, or after, obtaining his affiliation with it.
22. Macis' recommendation that Investor liquidate her securities to fund the fixed annuities constitutes the activities of an investment advisor as defined under Section 2.11 of the Illinois Securities Law of 1953 (the "Act").
23. Section 12.A of the Act states in pertinent part that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
24. Section 12. F. of the Act states in pertinent part that it is a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
25. Section 12.J of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, when acting as an investment advisor, by any means or instrumentality, directly or indirectly: (1) [t]o employ any device, scheme, or artifice to defraud any client or prospective client; (2) [t]o engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) [t]o engage in any act, practice or course of business which is fraudulent, deceptive, or manipulative.
26. Section 130.853 of the Rules and Regulations Under the Illinois Securities Law of 1953 states in pertinent part that effecting or causing to be effected by or for any

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client's account, any transactions of purchase or sale which are excessive in size or frequency or unsuitable in view of the financial resources and character of the account, shall constitute an act, practice, or course of business that is fraudulent, deceptive or manipulative.

27. Macis' recommendation that Investor liquidate all of Investor's securities to fund five fixed annuities was without a reasonable basis in light of Investor's age and investment objectives, and therefore, constitutes a violation of Sections 12. A. F. and J.
28. Section 8. E. (1)(b) of the Act provides in pertinent part that, subject to the provisions of sub-section F of the Act, the registration of an investment advisor or investment advisor representative may be denied, suspended or revoked if that advisor has engaged in any unethical practice in connection with any security, the offer and sale of securities or in any fraudulent business practice.
29. Macis' recommendation that Investor sell all her securities to purchase the five annuities, as well as his misstatements regarding the life insurance policies constitutes unethical practices in connection with securities as well as fraudulent business practices and therefore, are multiple violations of Section 8.E.(1)(b) of the Act.
30. Section 11.F(1) states that the Secretary of State shall not deny, suspend or revoke the registration of securities, suspend or revoke the registration of a dealer, salesperson, investment adviser, or investment adviser representative, prohibit or suspend the offer or sale of any securities, prohibit or suspend any person from offering or selling any securities in this State, prohibit or suspend a dealer or salesperson from engaging in the business of selling or offering for sale securities, prohibit or suspend a person from acting as an investment adviser or federal covered investment adviser, or investment adviser representative, impose any fine for violation of this Act, issue an order of public censure, or enter into an agreed settlement except after an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned. Such notice shall state the date and time and place of the hearing and shall contain a brief statement of the proposed action of the Secretary of State and the grounds for the proposed action. A failure to appear at the hearing or otherwise respond to the allegations set forth in the notice of hearing shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to enter an order.
31. Section 11.F(2) of the Act provides that, anything herein contained to the contrary notwithstanding, the Secretary of State may temporarily prohibit or suspend, for a maximum period of 90 days, by an order effective immediately, the offer or sale or registration of securities, the registration of a dealer, salesperson, investment adviser, or investment adviser representative, or the offer or sale of securities by any person, or the business of rendering investment advice, without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based

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on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act. Immediately after taking action without such notice and hearing, the Secretary of State shall deliver a copy of the temporary order to the respondent named therein by personal service or registered mail or certified mail, return receipt requested. The temporary order shall set forth the grounds for the action and shall advise that the respondent may request a hearing, that the request for a hearing will not stop the effectiveness of the temporary order and that respondent's failure to request a hearing within 30 days after the date of the entry of the temporary order shall constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the temporary order final. Any provision of this paragraph (2) to the contrary notwithstanding, the Secretary of State may not pursuant to the provisions of this paragraph (2) suspend the registration of a dealer, limited Canadian dealer, salesperson, investment adviser, or investment adviser representative based upon sub-paragraph (n) of paragraph (l) of subsection E of Section 8 of this Act or revoke the registration of securities or revoke the registration of any dealer, salesperson, investment adviser representative, or investment adviser.

32. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violations of the Act, to enter an order pursuant to the authority under Section 11.F of the Act which prohibits Macis from providing investment advisory services and offering and selling securities in the State of Illinois.
33. The entry of this Temporary Order of Suspension and Prohibition prohibiting Macis from offering or selling securities and suspending his registrations as an investment advisor representative and salesperson of securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

**NOW THEREFORE IT IS HEREBY ORDERED THAT:** pursuant to the authority granted by Section 11.F of the Act, and subject to the rights and due process protections provided therein, Respondent **MICHAEL A. MACIS (CRD# 2633223)** is **TEMPORARILY PROHIBITED** from providing investment advisory services and offering or selling securities in or from this State, furthermore **MICHAEL A. MACIS'** registrations to provide investment advice and to do business as a salesperson of securities in and from Illinois are **SUSPENDED** until the further Order of the Secretary of State.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A

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request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 21<sup>st</sup> day of November, 2011.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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