

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

IN THE MATTER OF:)	
)	
Lawrence Y. Lee (CRD# 2612348).)	File No: 1100484
)	
)	

NOTICE OF HEARING

TO THE RESPONDENT: Lawrence Y. Lee
(CRD# 2612348)
2332 S. Michigan Ave. #407
Chicago, IL 60616

You are hereby notified in accordance with Sections 11.E and F of the Illinois Securities Law of 1953 [815 ILCS 5/11.E and F] (“the Act”) and 14 Ill. Adm. Code 130, subpart K, that a public hearing will be held at the Secretary of State’s office at the office of the Illinois Securities Department, 69 W. Washington Street, Suite 1220, in Chicago, Illinois 60602, on February 1, 2012 at the hour of 10:00 a.m. or as soon thereafter as possible before George Berbas, or such other hearing officer who shall be presiding at that time.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act that would grant the following relief:

1. Revocation of Respondent Lawrence Y. Lee’s registration as a securities salesperson in the State of Illinois;
2. Such other relief as may be authorized under the Act including, but not limited to, the imposition of a monetary fine pursuant to Section 11.E of the Act in the amount of \$10,000 for each of the 25 alleged violations [\$250,000] of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

COUNTS 1-25
CONCEALMENT OF FELONY - AGGRAVATED CRIMINAL SEXUAL ABUSE
False Application to the Secretary of State

1. Respondent Lawrence Y. Lee (“Lee”) is an individual with a last known address of 2332 S. Michigan Ave. #407, Chicago, IL 60616.

Notice of Hearing

-2-

2. On or about August 30, 1987, Lee was arrested by the Rolling Meadows Police Department and charged with one felony count of Aggravated Criminal Sexual Assault [720 ILCS 5/12-14] and two felony counts of Home Invasion [720 ILCS 5/12-11] in violation of the Illinois Criminal Code of 1961 [720 ILCS 5 *et. seq.*].
3. Subsequent to Lee's arrest, the Cook County State's Attorney filed a superseding indictment against Lee. The superseding indictment charged Lee with seven felony counts:

Count 1 – Aggravated Criminal Sexual Assault – Class X Felony

Count 2 – Aggravated Criminal Sexual Assault – Class X Felony

Count 3 – Criminal Sexual Assault – Class 1 Felony

Count 4 – Residential Burglary – Class 1 Felony

Count 5 – Residential Burglary – Class 1 Felony

Count 6 – Criminal Sexual Assault – Class 1 Felony

Count 7 – Aggravated Criminal Sexual Abuse – Class 2 Felony

4. On May 23, 1988, Lee entered a guilty plea to the one count of Aggravated Criminal Sexual Abuse in violation, a Class 2 Felony.
5. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.
6. On January 22, 2007, Lee was registered as a securities salesperson in the State of Illinois. On this date, Lee amended his U-4 Form through his broker-dealer. On the amended U-4 form, Lee answered the following questions:

Have you ever:

(a) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?

(b) been charged with any felony?

7. In answering these questions, Lee answered "No", despite the fact that he had previously been charged with numerous felonies, and despite the fact that he had previously pled guilty to a felony.
8. Subsequent to filing his amended U-4 form on January 22, 2007, Lee had filed new or amended U-4 forms on twenty-four other occasions. The dates of these filings are referenced in the attached Schedule A.

Notice of Hearing

-3-

9. In each of these filings, Lee never amended his U-4 Form to reflect that he had been previously charged with seven felony charges and that he has previously pled guilty to the felony charge of Aggravated Criminal Sexual Abuse.
10. As of the date of the filing of this Notice of Hearing, Lee has never amended his U-4 Form to reflect that he had been previously charged with seven felony charges and that he has previously pled guilty to the felony charge of Aggravated Criminal Sexual Abuse.
11. Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to make or cause to be made in any application, report, or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
12. By virtue of the foregoing, Lee violated Section 12.E of the Act.
13. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's business repute or qualifications.
14. By virtue of the foregoing, Lee's registration as a securities salesperson in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1)(h) of the Act.

COUNTS 26-29

FAILURE TO FILE A TAX RETURN

Respondent Lee Did Not File Tax Returns for Years 2006-2009

15. Paragraphs 1-10 are re-alleged as if fully set forth herein.
16. Section 8.E(1)(o) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended if the Secretary of State finds that such investment advisor representative or salesperson has failed to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of that tax Act are satisfied.
17. According to the records of the Illinois Department of Revenue, Lee failed to file a tax return for the years 2006 through 2009.
18. By virtue of the foregoing, Lee's registration as a securities salesperson in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1)(o) of the Act.

Notice of Hearing

-4-

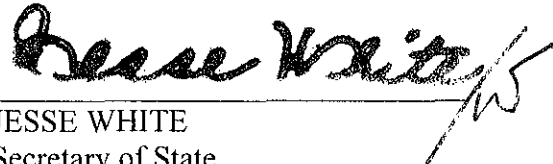
NOTICE: You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website at:
<http://www.cyberdriveillinois.com/departments/securities/lawrules.html>, or on request.

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

Dated: This 9th day of December, 2011.



JESSE WHITE
Secretary of State
State of Illinois

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