

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

**IN THE MATTER OF: ARTHUR S. MILLER,
and ASSET PROTECTION ASSOCIATES, and
its managers, officers, affiliates, subsidiaries, representatives,
successors, and assigns.**

FILE NO. 0700268

AMENDED NOTICE OF HEARING

TO RESPONDENTS:

**Arthur S. Miller
480 Elm Place, Unit 107
Highland Park, Illinois 60035**

**Asset Protection Associates
2612 Oak Street
Highland Park, Illinois 60035**

TO LEGAL COUNSEL:

**Arnstein & Lehr
Mary Cannon Veed
129 South Riverside Plaza, Suite 1200
Chicago, Illinois 60606**

You are hereby notified that pursuant to Section 11.E 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 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 5th day of April, 2011, at the hour of 10:00 a.m., or as soon as possible thereafter, before, Soula J. Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether a permanent order of Prohibition should be entered against Respondents Miller and Asset Protection Associates its managers, officers, affiliates, subsidiaries, representatives, successors, and assigns. Imposition of fines not to exceed \$10,000 against the Respondent for each violation of the Act described below; entry of orders of public censure; and charging costs of the

investigation and all reasonable expenses, including attorney's fees and witness fees, in accordance with Section 11.E(4) of the Act.

NATURE OF THE CASE

Respondent Arthur S. Miller through Asset Protection Associates organized numerous "free dinner" investment seminars that were marketed to senior citizen investors or those near retirement and typically included a complimentary dinner at a nice restaurant to bolster attendance. Although the advertisements touted the seminars as "educational," the ultimate goal was the sale of a complex insurance product, such as an equity index annuity. All of the Illinois Investors identified below attended one of Respondent Miller's "free dinner" seminars and followed up with an individual meeting at his office or their personal residences. At Respondent Miller's request, the Illinois Investors provided Miller with a detailed list of all of their assets and investments, including but not limited to mutual funds and stocks. Respondent Miller specifically advised Illinois Investor A to liquidate all of the mutual funds and stocks that he purported to be at risk except the shares in Walgreens. By advising Investor A to liquidate the securities listed above, Respondent Miller anticipated that he would benefit directly or indirectly from the sale of these securities. Respondent Miller's recommendations usually translated in the offer and sale of a high commission and often unsuitable insurance products and equity indexed annuity products, which are frequently funded with the proceeds from the sale of securities.

Respondent Miller is an annuity and insurance agent who does not present himself to clients and prospective clients as an annuity and insurance agent. Rather, with the assistance of sophisticated marketing tools and advertisements geared toward luring senior citizens to his business, he portrays himself as an investment adviser with an expertise in senior financial and retirement planning. Respondent Miller is not licensed to offer and/or sell securities in the state of Illinois nor is he allowed to give financial advice for a direct or indirect commission. In fact, on September 15, 1995, the Illinois Department of Securities revoked Respondent Arthur S. Miller's registration as a salesperson in the state of Illinois. Arthur S. Miller fraudulently signed several insurance policy forms without the knowledge, authorization, or consent of a customer in violation of Article III, Section 1 of the NASD's Rules of Fair Practice. Respondent Miller never disclosed to any of the Illinois Investors listed above the existence of the regulatory actions taken against Miller by the Illinois Department of Securities, the National Association of Securities Dealers, and the Illinois Department of Insurance. A senior investor's financial interests are threatened or harmed when "free dinner" seminars are presented by individuals using questionable designations and have regulatory violations, and when they are nothing more than sales seminars pushing a complicated and complex product on an unsuspecting investor.

The grounds for such proposed action are as follows:

INTRODUCTION

1. Respondent Arthur S. Miller ("Miller") is a natural person and a registered Insurance Agent in the state of Illinois with a last known address of 480 Elm Place, Unit 107, Highland Park, Illinois 60035.
2. Respondent Miller also does business as Asset Protection Associates, ("Asset Protection") which is an unregistered entity controlled by Miller and maintains a mailing address at 2612 Oak Street, Highland Park, Illinois 60035.

REGULATORY VIOLATIONS

3. On March 8, 1995, the National Association of Securities Dealers, Inc. ("NASD"), District Business Conduct Committee ("DBCC") for District No. 8 accepted Respondent Miller's Letter of Acceptance, Waiver and Consent, dated December 6, 1994, and Decision and Order of Acceptance of Offer of Settlement issued in Complaint No. C8A95002. The NASD ordered Respondent Miller to be censured and barred from association with any member of the NASD in any capacity and fined \$10,000.00, with fine collection effects suspended unless and until the Respondent seeks to again become associated with a member of any capacity. Respondent Miller consented to the finding of the DBCC that Miller fraudulently signed several insurance policy forms without the knowledge, authorization, or consent of a customer in violation of Article III, Section 1 of the NASD's Rules of Fair Practice.
4. On September 19, 1995, the Illinois Department of Securities ("IDS") revoked the registration of Respondent Miller as a salesperson in the state of Illinois, pursuant to the authority provided under Section 8.E(3) of the Act.
5. On March 14, 1996, the Illinois Department of Insurance ("IDI") took a regulatory action against Respondent Miller in connection with the NASD AND IDS. Respondent Miller entered into a Consent Order and was ordered to pay a fine of \$1,000.00.
6. In November of 2009, the IDI took another regulatory action against Respondent Miller for selling an annuity when his insurance license had expired. The Respondent and the IDI agreed to a Stipulation to Consent Order and a fine of \$5,000.00.
7. As a result of the regulatory actions described above, Respondent Miller is not registered to offer or sell securities, or provide investment advisory

services, in the State of Illinois, nor is Asset Protection incorporated in Illinois or registered as a foreign entity doing business in or from Illinois.

SENIOR SEMINARS, ADVERTISING, AND
MARKETING TOOLS

8. Listed below are specific examples of statements and claims contained in Respondent Miller and Respondent Asset Protection's seminar mailings and flyers.
9. Respondent Miller, through Asset Protection, used targeted mailings to invite retirees or those planning to retire soon to attend an exclusive dinner event promising to discuss all of the following topics:
 - a. 2010 Roth Conversion Opportunities – Is it right for You?
 - b. Gaining it Back – Which investments may be the best to offset your losses? Do you need to stay in the market to recover? The answer is no!
 - c. Financial Professionals – Is your financial professional a fiduciary? Why is this important?
 - d. Investment Risk – Where is the smartest place to invest money for growth today?
 - e. Mutual Funds – How can you potentially outperform, what do you do?
 - f. Secure Investments – How can you potentially outperform CDs and Bank accounts without market risk?
 - g. Income Planning – How can you avoid outliving your money?
10. Respondent Miller also uses books written by someone else, to which he appended his name, doing business name, and picture and circulated it to his clients and prospective clients. Respondent Miller provided clients with a copy of his book titled "Take Charge of Your IRA, Avoid Tax Traps and Family Squabbles." It is evident that Respondent Miller has appended his name, Arthur Miller and his doing business name, Asset Protection Associates in an apparent attempt to give the client the impression that he wrote the article and that he has specialized expertise in financial and retirement planning.
11. In addition, Respondent Miller uses the designation of Certified Senior Advisor ("CSA") in his book, seminar mailings, newsletters, website, and other forms of advertisements. The CSA is a for profit organization that purports to teach individuals how to communicate effective with senior

citizens. In reality, the CSA designation is a marketing tool to garner credibility with senior citizens when making financial planning recommendations

12. In November 2009, Respondent Miller, an insurance agent who is licensed by the state of Illinois, was the subject of a complaint with the Illinois Department of Insurance and was censured and fined \$5,000.00. Respondent Miller failed to disclose this regulatory action and fine even though it fell within the 12 month period for CSA's yearly membership renewal. Furthermore, Respondent Miller affirmed these misrepresentations by affixing his signature and dating the renewal form.
13. The CSA requires members to fill out a disclosure form every year in order to renew membership within the organization. The disclosures cover the twelve month period prior to the yearly membership renewals. On June 1, 2010, Respondent Miller misrepresented on the CSA renewal form that he had not been the subject of an investigation or complaint by any governmental, regulatory or administrative body. In addition, Respondent Miller misrepresented that he had not been censured, fined, reprimanded or otherwise disciplined by any professional credentialing organization to which you did or do belong, or has such organization named you as a subject of an investigation or complaint.
14. Respondent Miller, with the assistance of all the sophisticated marketing tools listed above, continues to engage in a course of conduct where he gains the trust of senior citizens and then advises them to invest their retirement savings in often unsuitable insurance products, such as complex equity index annuities.

FRAUD

INVESTOR A

FAILURE TO DISCLOSE REGULATORY ACTIONS

& ACTING AS UNREGISTERED INVESTMENT ADVISOR

15. In May of 2010, Investor A received one of Respondent Miller's mailings to attend a dinner seminar at the designated location.
16. Investor A is a resident of Illinois, who, at the time of the seminar was age 57.
17. At the seminar, Investor A filled out a consultation request card so that she could meet with the Respondent to discuss in detail retirement planning goals.

18. Respondent Miller drafted and sent a letter to Investor A requesting that she bring personal financial data to the scheduled consultation. Specifically, Miller requested 2009 tax returns and the most current statements for Investor A's bank accounts, IRA's, 401K's, stocks, mutual funds, annuities, insurance policies, trust, will, and power of attorney documents.
19. Investor A disclosed that she had 1,000 shares of Walgreen stock from past employment. In addition, she informed Miller that she had the following mutual funds: Vanguard S & P 500 Index Fund at \$460,000.00, I-Shares Emerging Markets EFT at \$80,000.00, MSCI ACWI ex. US Index Fund at \$100,000.00, and I-Shares Barclays Aggregate Bond Fund at \$230,000.00. At the conclusion of this consultation, Miller stated that Investor A needed to preserve at least 58-60% of assets from risk.
20. At the second meeting, Respondent Miller prepared a Scheduled Income Portfolio ("Portfolio") for Investor A which outlined the following items:
 - a. The Portfolio indicated that 83.6% of Investor A's assets were at risk and 16.4% were safe.
 - b. Respondent Miller advised Investor A that she needed to preserve at least 58-60% of her assets from risk;
 - c. Miller stated that all of the mutual funds listed above and the stocks in Walgreens were part of the 83.6% at risk; and
 - d. Respondent Miller advised Investor A to liquidate all of the mutual funds and stocks that he purported to be at risk except the shares in Walgreens.
21. Respondent Miller advised Investor A to liquidate a majority of the securities listed above without further inquiry into the cost basis which is used to determine tax implications.
22. At all relevant times, Respondent Miller never disclosed to Investor A the existence of the following regulatory actions:
 - a. On March 18, 1995, NASD Order that censured and barred Miller from association with any member of the NASD in any capacity and fined \$10,000.00.
 - b. On September 15, 1995, IDS's revoked Miller's registration as a salesperson in the state of Illinois.
 - c. On March 14, 1996, IDI's Stipulation to Consent Order which included a \$1,000.00 fine.

- d. On November 2, 2009, IDI's Stipulation to Consent Order which included a \$5,000.00 fine.
23. As a result, the above-mentioned omissions of fact address the honesty, integrity, and competency of the Respondent Miller who is only an insurance licensed agent acting as an unregistered investment adviser.
 24. Respondent Miller engaged in providing investment advice by recommending the sale of specific securities in order to purchase what was purported to be a safe product.
 25. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
 26. By virtue of the foregoing, Respondent Miller violated Section 12.F of the Act.
 27. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
 28. By virtue of the foregoing, Respondent Miller violated Section 12.G of the Act.
 29. Section 12.J(1) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to employ any device, scheme or artifice to defraud any client.
 30. Section 12.J(2) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any transaction which operates as a fraud upon any client.
 31. Section 12.J(3) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any course of business which is fraudulent, deceptive or manipulative.
 32. By virtue of the foregoing, Respondent Miller violated Section 12.J of the Act.

FRAUD**INVESTOR B****FAILURE TO DISCLOSE REGULATORY ACTIONS****& ACTING AS AN UNREGISTERED INVESTMENT ADVISOR**

1. In or around 2004, Investor B received one of Respondent Miller's mailings to attend a dinner seminar at the designated location.
2. Investor B is a resident of Illinois, who, at the time of the seminar was a seventy two year old widow.
3. Subsequent to the seminar, Respondent Miller provided Investor B with a typewritten form that requested various personal and financial information and outlined the contents of a free one on one consultation. The form specifically outlined the following items that would be discussed at the consultation:
 - a. Stop losses in the stock market;
 - b. Eliminate risks and costs of mutual funds;
 - c. Eliminate tax on social security income; and
 - d. Provide a larger estate for my children and grandchildren.
4. In addition, Respondent Miller requested that any prospective customers disclose to him the existence of a 403B, IRA, 401K, and a 457.
5. Investor B, expressed interest in discussing with Respondent Miller retirement planning goals. Respondent Miller met with Investor B, an elderly widowed woman, at her personal residence
6. Per Respondent Miller's request, Investor B disclosed that she had a City of Chicago Deferred Compensation Plan ("Deferred Compensation Plan") which is recognized as a safe and conservative investment that offered a wide range of investment advice. Respondent Miller advised Investor B to rollover 100 percent of the eligible rollover distribution of the Deferred Compensation to a flexible premium deferred annuity ("deferred annuity") at National Western Life Insurance Company ("Western Life"). The initial premium was \$67,587.88 and the annuity date is August 3, 2031.
7. Respondent Miller induced Investor B to sell her holdings in the funds from a security, the Deferred Compensation Plan, in order to purchase an insurance product, a deferred annuity with Western Life, with the purpose or intent of deriving a commission or profit from such a sale. In fact,

Respondent Miller did earn a commission from the purchase of the deferred annuity with Western Life.

8. In or around May of 2006, Respondent Miller advised Investor B to directly transfer all of the accumulated funds in her Lincoln Benefit Life Tactician Plus Annuity account to a Master Dex 5 Annuity with Allianz Life Insurance Company.
9. In or around January 12, 2010, Respondent Miller advised Investor B to directly transfer all of the accumulated funds in her annuity with Allianz to a fixed deferred annuity with Aviva Life and Annuity Company. Specifically, Investor B was contacted by Respondent Miller and informed that he would be stopping by the house to have her sign "some paperwork." At no time did Respondent Miller explain to Investor B that he was exchanging the annuity with Allianz to an annuity with Aviva.
10. Respondent Miller recommended these annuity exchanges without having reasonable grounds for believing that the recommendations were suitable for Investor B based on her financial situations and needs. As a result, Investor B paid substantial penalty charges on these exchanges.
11. At all relevant times, Respondent Miller did not disclose to Investor B that he was an insurance agent who is only licensed to sell insurance products. In fact, Respondent Miller omitted in all of his literature that was sent to Investor B that he was a licensed insurance agent. Investor B was unaware that Respondent Miller had a financial incentive to recommend the sale and purchase of an insurance product, such as an equity index annuity. Furthermore, Investor B referred to Respondent Miller as her investment advisor.
12. In addition, Investor B believed that Respondent Miller was her investment advisor whom she contacted on several occasions to discuss investments. In describing her relationship with Respondent Miller, Investor B made the following statement: "I am an elderly woman who does not know how to manage my finances and investment and I trusted that my investment advisor would act in my best interest."
13. At all relevant times, Respondent Miller never disclosed to Investor A the existence of the following regulatory actions:
 - a. On March 18, 1995, NASD Order that censured and barred Miller from association with any member of the NASD in any capacity and fined \$10,000.00.
 - b. On September 15, 1995, IDS's revoked Miller's registration as a salesperson in the state of Illinois.

- c. On March 14, 1996, IDI's Stipulation to Consent Order which included a \$1,000.00 fine.
 - d. On November 2, 2009, IDI's Stipulation to Consent Order which included a \$5,000.00 fine.
14. Respondent Miller engaged in providing investment advice by recommending the sale of specific securities in order to purchase what was purported to be a safe product.
 15. As a result, the above-mentioned omissions of fact address the honesty, integrity, and competency of the Respondent Miller who is only an insurance licensed agent acting as an unregistered investment adviser.
 16. Respondent Miller engaged in providing investment advice by recommending the sale of specific securities in order to purchase what was purported to be a safe product.
 17. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
 18. By virtue of the foregoing, Respondent Miller violated Section 12.F of the Act.
 19. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
 20. By virtue of the foregoing, Respondent Miller violated Section 12.G of the Act.
 21. Section 12.J(1) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to employ any device, scheme or artifice to defraud any client.
 22. Section 12.J(2) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any transaction which operates as a fraud upon any client.

23. Section 12.J(3) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any course of business which is fraudulent, deceptive or manipulative.
24. By virtue of the foregoing, Respondent Miller violated Section 12.J of the Act.

FRAUD

INVESTOR C

FAILURE TO DISCLOSE REGULATORY ACTIONS,

**& ACCEPTING MONEY TO PURCHASE A SECURITY WHEN IN FACT
PURCHASING A DIFFERENT PRODUCT**

25. In or around November 2006, Investor C, husband and wife, received one of Respondent Miller's mailings to attend a dinner seminar at the designated location.
26. Investor C is a resident of Illinois, who, at the time of the seminar were approximately seventy years old.
27. Investor B attended the seminar and scheduled an appointment to meet with Respondent Miller at his office.
28. At all relevant times, Investor C believed that Respondent Miller was an investment advisor and did not know he was only licensed to sell insurance. Respondent Miller failed to disclose to Investor C that he was only licensed to sell insurance products.
29. Investor C specifically told Respondent Miller that they were interested in purchasing a short term variable annuity tied to the S&P 500. Variable annuities are securities regulated by the United States Securities and Exchange Commission.
30. As noted above, Respondent Miller has not been registered with the IDS since 1995 when his license was revoked for fraudulent activity in relation to a client's account. In fact, Respondent Miller surrendered a client's annuity account without his consent or authorization and transferred the funds to a variable annuity. As a result, Respondent Miller earned high commissions for exchanging the account without the client's approval.
31. Respondent Miller misrepresented to Investor C that he had the proper license and qualifications to act as an agent in purchasing a variable annuity. Respondent Miller disregarded Investor C's request to be put in a

variable annuity and; instead, put Investor C in an equity index annuity with a twenty year term without any consent or authorization.

32. In addition, Investor C disclosed that Respondent Miller recommended that they liquidate an IRA, a security, in order to purchase an insurance product, such as an annuity. At this time, Investor C became suspicious and discovered that Respondent Miller had put them in an equity index annuity not a variable annuity. Investor C contacted the Illinois Department of Insurance to report this misconduct and; fortunately, the annuity company refunded all of the funds invested in the equity index annuity.
33. At all relevant times, Respondent Miller never disclosed to Investor A the existence of the following regulatory actions:
 - a. On March 18, 1995, NASD Order that censured and barred Miller from association with any member of the NASD in any capacity and fined \$10,000.00.
 - b. On September 15, 1995, IDS's revoked Miller's registration as a salesperson in the state of Illinois.
 - c. On March 14, 1996, IDI's Stipulation to Consent Order which included a \$1,000.00 fine.
 - d. On November 2, 2009, IDI's Stipulation to Consent Order which included a \$5,000.00 fine.
33. As a result, the above-mentioned omissions of fact address the honesty, integrity, and competency of the Respondent Miller who is only an insurance licensed agent acting as an unregistered investment adviser.
34. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
35. By virtue of the foregoing, Respondent Miller violated Section 12.F of the Act.
36. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements

made, in the light of the circumstances under which they were made, not misleading.

37. By virtue of the foregoing, Respondent Miller violated Section 12.G of the Act.
38. Section 12.J(1) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to employ any device, scheme or artifice to defraud any client.
39. Section 12.J(2) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any transaction which operates as a fraud upon any client.
40. Section 12.J(3) of the Act provides, *inter alia*, that it shall be a violation of the Act when acting as an investment adviser to engage in any course of business which is fraudulent, deceptive or manipulative.
41. By virtue of the foregoing, Respondent Miller violated Section 12.J of the Act.

COUNT IV

FAILURE TO REGISTER AS AN INVESTMENT ADVISER REPRESENTATIVE

42. Counts 1-31 are re-alleged and incorporated by reference.
43. The activities of Respondent Miller, described above, constitute the activity of an investment adviser representative.
44. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
45. At all relevant times, Respondent Miller failed to file an application for registration as an investment adviser representative with the Illinois Secretary of State.
46. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
47. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report

or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

48. By virtue of the foregoing, Respondent Miller violated Sections 8, 12.C and 12.D of the Act.
49. Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“the Act”) provides, *inter alia*, that 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 of securities by any person, if the Secretary of State shall in his or her opinion, based 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

COUNT V

FAILURE TO RESPOND TO AN ILLINOIS SECURITIES DEPARTMENT

SUBPOENA DUCES TECUM

50. On July 7, 2010, the Department issued a Subpoena Duces Tecum in the matter of File No. 07-00268 and the Illinois Department of Securities (“Department”) Investigator Frank Perry personally served the Subpoena to Respondents Miller and Asset Protection.
51. Attached to the Subpoena was a “Schedule A” listing the documents or information to be produced.
52. The due date for the Subpoena Duces Tecum was July 20, 2010.
53. As of Tuesday, July 20, 2010, the Department received only a portion of the requested documents and/or information responsive to the Subpoena. Specifically, the Respondent failed to provide a list of all clients/customers of Asset Protection Associates and/or Arthur S. Miller including names, addresses, telephone numbers, date(s) of investment(s), amount(s) invested, and fees and/or commissions earned off of each client/customer.
54. The Subpoenas were issued pursuant to Section 11.D(1) of the Illinois Securities law of 1953 (815 ILCS 5/1 *et. seq.*) (the “Act”).
55. Section 11.D of the Act states, *inter alia*, that the Secretary of State or a person designated by him or her may require by subpoena the production of any books and records, papers, or other documents which the Secretary of State or a person designated by him or her deems relevant or material to the inquiry.

56. The Respondents Miller and Asset Protection failed to produce all of the documents requested by the due date, or any day thereafter, that were subpoenaed by the Department pursuant to the authority granted under Section 11.D(1) of the Act.
57. By virtue of the foregoing, Respondents failure to respond to the Subpoena by the due date impeded designees of the Secretary of State from conducting an investigation under Section 11.D (1) 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 ten (10) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone
Enforcement Attorney
Illinois Department of Securities
69 West Washington, Suite 1220
Chicago, Illinois 60602

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 and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondent has upon due notice moved for and obtained a continuance. The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 16th day of February 2011.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Maria A. Pavone
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Telephone 312-793-3384

Hearing Officer:
Soula Spyropoulos
4125 West Lunt Street
Lincolnwood, Illinois 60712