

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

\_\_\_\_\_  
IN THE MATTER OF: MICHAEL D. HANKE )  
\_\_\_\_\_)

FILE NO. 1100002

**NOTICE OF HEARING**

TO THE RESPONDENT: Michael D. Hanke  
(CRD#: 3158013)  
82002 Dunham Station Drive  
Tampa, Florida 33647

Michael D. Hanke  
(CRD#: 3158013)  
C/o Ameriprise Financial Services, Inc.  
5221 Ameriprise Financial Center  
Minneapolis, Minnesota 55474

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 1<sup>st</sup> day of June, 2011 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 Michael D. Hanke'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.
2. That on December 6, 2010 FINRA entered a letter Of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. 20090167397 Which sanctioned the Respondent as follows:
  - a. 10 business day suspension in all capacities; and

- b. fine in the amount of \$2,500.
3. That the AWC found:

OVERVIEW

In October 2008, while employed at the Firm, the Respondent guaranteed a customer against loss in violation of NASD Rules 2330(e) and 2110. The Respondent also violated Rule 2110 in that he sent unapproved electronic correspondence to a customer.

FACTS AND VIOLATIVE CONDUCT BY RESPONDENT

Customers WM and PM, a husband and wife, held six accounts, at the Firm. The portfolio value of the accounts ending September 2008 was \$254,137. When Lehman Brothers, Inc. collapsed in mid-September, together with the significant market downturn, WM and PM worked with the Respondent to rebalance their six accounts shifting into more conservative investments. After the rebalancing, WM and PM expressed dissatisfaction with the losses sustained by their portfolio. On October 20, 2008, the Respondent sent a personal email to PM where he made a guarantee to the customer against any future losses, stating he would restore the accounts' value back to the levels at the end of 2007, which was approximately \$300,000. On October 21, 2008, the Respondent sent another personal email to PM reaffirming the guarantee. On October 28, 2008, the Respondent sent a personal email to PM and withdrew the guarantee. At the end of December 2008, the portfolio value was \$209,876.

NASD Rule 2330(e) provides that no member or person associated with a member shall guarantee a customer against loss in any securities account of such customer or in any securities transaction effected by the member with or for such customer. NASD Conduct Rule 2110 requires that registered representatives "observe high standards of commercial honor and just and equitable principles of trade."

As a result of the foregoing conduct, the Respondent violated NASD Rules 2330(e) and 2110.

- 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.

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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, is included with this Notice.

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

Dated: This 15<sup>th</sup> day of MARCH 2011.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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Illinois Securities Department  
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Hearing Officer:  
James L. Kopecky: