

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

IN THE MATTER OF: KENN A. HUGOS)
_____)

FILE NO. 1000410

NOTICE OF HEARING

TO THE RESPONDENT:

Kenn A. Hugos
(CRD#: 1003521)
3030 E. Fremont Road
Phoenix, Arizona 85042

Kenn A. Hugos
(CRD#: 1003521)
C/o Stifel, Nicolaus & Company, Inc.
501 North Broadway
St. Louis, Missouri 63102

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 19th day of January, 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 Kenn A. Hugos' (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 September 30, 2010 FINRA accepted a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No 2008016344401, which sanctioned the Respondent as follows:

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- a. twenty business-day suspension from association with any FINRA member in any capacity; and
 - b. \$10,000.00 fine.
3. That the AWC found:

FACTS AND VIOLATIVE CONDUCT

a. Unauthorized Transactions

On or about July 10, 2008, the Respondent executed two transactions in customer KH's account, without her knowledge or consent. The two transactions included:

- i) the sale of 1,210 shares of Capital Source; and,
- ii) the purchase of 1,210 shares of Gramercy Capital.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110.

b. Settling Away

On or about July 25, 2008, customer KH complained to the Respondent regarding the Capital Source and Gramercy Capital transactions. The respondent settled the complaint by personally reimbursing the customer \$353.55 for costs and commissions associated with the transactions. He did not report the complaint to his employer firm or seek the firm's approval to settle the matter.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 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 10th day of December 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Daniel A. Tunick
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

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

IN THE MATTER OF: KEVIN McPHEE)	FILE NO. 1000250
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CONSENT AGREEMENT

TO THE RESPONDENT:

Kevin McPhee
Kevin J. McPhee (CRD#: 2316848)
65 Hidden Ridge Drive
Syosset, New York 11791

Kevin J. McPhee (CRD#: 2316848)
C/o American Capital Partners, LLC
205 Oser Avenue
Hauppauge, New York 11788

Kevin J. McPhee
C/o Michael Uilla
Attorney At Law
26 Court Street Suite 2810
Brooklyn, New York 11242

This Agreement is entered into by and between Kevin McPhee (the “Respondent”) and; the Office of the Secretary of State, Illinois Securities Department (the “Securities Department”).

WHEREAS, the Securities Department on July 27th, 2010, issued a Notice of Hearing to the Respondent wherein it was alleged that certain activities conducted by the Respondent provided sufficient grounds to require a public hearing to determine whether an Order shall be entered against Respondent to Revoke his registration as a Salesperson in the State of Illinois, and/or granting such other relief as may be authorized under Section 11 of the Illinois Securities Law of 1953 [815 ILCS 5/1] *et seq.* (the “Act”).

WHEREAS, the Respondent, while neither admitting nor denying the truth of the allegations contained in the Notice of Hearing, offers this Agreement as consideration and requests that this matter be disposed of by means of the Agreement without further administrative action.

Consent Agreement

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WHEREAS, The Illinois Securities Department, in consideration of the Agreement, determined that this matter against Kevin McPhee may be dismissed.

NOT THEREFORE, IT IS AGREED BY AND BETWEEN THE PARTIES THAT WITH RESPECT TO THE ABOVE REFERENCED MATTER:

1. The Respondent acknowledges his right to be represented and advised by counsel.
2. The Respondent acknowledges the entry of appearance of counsel and service upon him of the Illinois Securities Department's Notice of Hearing dated July 27th, 2010 (the "Notice").
3. The Respondent admits to the jurisdiction of the Secretary of State over him and over the subject matter of this Agreement.
4. The Respondent acknowledges and agrees to waive rights to hearing and post-hearing procedures otherwise available pursuant to the Act.
5. The Respondent acknowledges and agrees to waive any rights that may have pursuant to the provisions of the Ill. Admins. Rev. Law [5 ILCS 100/1-1 *et. Seq.*] to seek judicial review of the resolution of this matter.
6. The Respondent acknowledges and agrees that he understands all terms contained in this Agreement and that any violation thereof may constitute a violation of Section 12.D of the Act.
7. The Respondent agrees and stipulates that in the event that the terms of this Agreement are violated, the Secretary of State may bring an action in any Circuit of the State of Illinois in the name and on the behalf of the State of Illinois against any persons participating in or about to participate in a violation of the Agreement, to enjoin those persons from doing any act in violation of the Agreement.
8. The Respondent agrees and stipulates that this Agreement is entered into freely and that no employees or representative of the Secretary of State has made any promise, representation, or threat to induce its execution, with regard to:
 - a. any civil or criminal liability arising from the facts underlying this matter;
 - b. immunity from any such civil or criminal liability; or

Consent Agreement

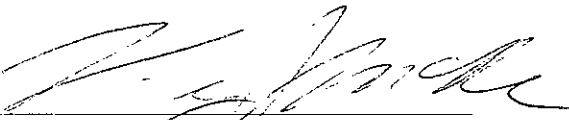
c. immunity from the further action by the Secretary of State, Securities Department with respect to violations not connected with the facts underlying this matter.

9. The Respondent acknowledges and agrees that an application for withdrawal of his registration as a Salesperson in the State of Illinois shall be filed within three (3) days from the entry of this Agreement and will not reapply for registration for a period of two (2) years from the entry of this Agreement.

10. The Respondent acknowledges and agrees that the shall be levied costs incurred during the investigation of this matter in the amount of five hundred dollars (\$500.00), and that he has submitted with this Agreement a certified or cashier's check in the amount of five hundred dollars (\$500.00) made payable to the Office of the Secretary of State, Audit Enforcement Fund.

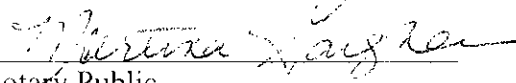
11. Upon fulfillment of the terms of this Agreement, the Securities Department shall dismiss the Notice of Hearing, issued July 27th, 2010 in this matter.

Signed this 23rd day of December, 2010.


Kevin McPhee

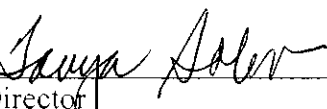
Subscribed and sworn to before me

The 23 day of December


Notary Public

Martina Gaughan
Notary Public - New York
Suffolk County
My Comm. Expires 8/1/2013
#01GA6131241

MY COMMISSION EXPIRES 8/1/2013


Director
Illinois Securities Department
Office of the Secretary of State