

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: MARK MCEWEN

)
) No. 0900362
)

ORDER OF REVOCATION AND PROHIBITION

TO THE RESPONDENT: Mark McEwen (CRD# 4613500)
2403 Charann
Saint Peters, Missouri 63301

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings and exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law;
2. The Hearing Officer has ruled on all motions and objections timely made and submitted;
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter;
4. At all times relevant, the Respondent was registered as an Illinois registered salesperson through World Group Securities, Inc. (hereinafter "World Group") pursuant to Section 8 of the Illinois Securities Law [815 ILCS 5/1 et seq.] (the "Act") and that the Respondent's salesperson registration was terminated in Illinois on September 15, 2008;

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5. On March 23, 2010, the Missouri Secretary of State issued a Final Order to Cease and Desist and an Order Imposing Civil Penalties and Awarding Costs against the Respondent, ordering that a Cease and Desist Order issued on July 9, 2009 (hereinafter "Order") become final. Said Order prohibited the Respondent from violating or materially aiding in any violation of Section 409.5-501 of the Revised Statutes of Missouri (Cumulative Supplement 2008) in connection with the offer or sale of securities, or making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading
6. Said Order stated the following in its Findings of Facts and Conclusions of Law:
 - a. That from on or about November, 2007, through June, 2008, the Respondent solicited and obtained a loan or loans from an Illinois resident, age 83, for a total amount of \$130,000.00 with a promise to pay 4% interest;
 - b. That World Group's policies and procedures state that a field representative is prohibited from borrowing or lending money unless certain conditions were met;
 - c. That the Respondent did not make anyone at World Group aware of the Illinois resident's loan to the Respondent;
 - d. That on September 15, 2008, World Group filed a Uniform Termination Notice for Securities Industry Registration ("Form U5") with the CRD System terminating the Respondent's agent registration in Missouri, and that on the Respondent's Form U5, World Group stated that the reason for this termination was that the representative improperly obtained funds from a customer;
 - e. That the respondent failed to disclose to the Illinois resident that both accepting gifts from a customer in excess of \$100.00 and accepting loans from a customer were violations of World Group's Policies and Procedures Manual;

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- f. That the Respondent failed to disclose to the Illinois resident that accepting loans from a customer was a dishonest or unethical practice under the Missouri Code of State Regulations; and
 - g. That the Respondent failed to disclose that the borrowing of funds from the Illinois resident with a promise to pay the Illinois resident 4% interest was an offer and sale of a security, and that effecting securities transactions not recorded on the books and records of the broker-dealer the agent represents was a dishonest or unethical practice under the Missouri Code of State Regulations.
7. NASD Rule 2370 provides, inter alia, that no person associated with a member in any registered capacity may borrow money from or lend money to any customer of such person unless the member has written procedures allowing the borrowing and lending of money between such registered persons and customers of the member and the lending or borrowing arrangements fall within certain conditions so stated within the aforesaid Rule;
 8. The aforesaid loan arrangement between the Respondent and the aforesaid Illinois resident did not fall within the conditions outlined in NASD Rule 2370;
 9. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any securities except in accordance with the provisions of the Act;
 10. 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;
 11. Section 8.E.1(b) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson may be suspended or revoked if the Secretary of State finds that the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice;

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12. Section 8.E.1(k) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson may be suspended or revoked if the Secretary of State finds that a salesperson has had any order entered against him or her after notice of hearing by a securities agency of any state arising from a practice in violation of any statute, rule or regulation administered or promulgated by the agency;
13. Section 8.E.(3) of the Act provides, inter alia, that if no proceeding is pending or instituted and withdrawal becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within two years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective;
14. At all times relevant hereto, the Respondent engaged in an unethical practice in the offer or sale of securities in that the Respondent solicited and obtained loans from customers while a registered securities salesperson despite the fact that such loans were prohibited by the rules of NASD and the policies and procedures of World Group;
15. At all times relevant hereto, the Respondent obtained money or property through the offer or sale of securities by means of any untrue statement of a material fact or any omission to state a material fact in that the Respondent failed to disclose to the Illinois resident that soliciting and accepting loans from customers was a violation of World Group policy and procedures and NASD rules;
16. By virtue of the foregoing, the Respondent has violated Section 12.A and 12.G of the Act;
17. Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or proposed offer or sale or method of offer or sale of any securities by any person, whether exempt or not, is being offered or sold in violation of Section 12, the Secretary of State may by written order prohibit the offer or sale of securities by that person;

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18. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition;
19. Section 11.E(4) of the Act provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, the Secretary of State may, after finding that any provision of the Act has been violated, impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses, and may issue an order of public censure against the violator;
20. By virtue of the foregoing, the Respondent is subject to the entry of an Order which revokes his salesperson registration in the State of Illinois pursuant to the authority provided under Sections 8.E.1(b) and (k) of the Act, imposes a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, and an order of censure, and permanently prohibits the Respondent from offering or selling securities in the State of Illinois pursuant to the authority provided under Sections 11.E(1), (2) and (4) of the Act;
21. The entry of a Final Order of Revocation and permanent Prohibition and a fine is proper in this matter, given the conduct of the Respondent as described in Secretary of State Exhibits No. 1-4, as well as the fact that said Respondent failed to appear at the hearing and properly answer the Notice of Hearing.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Department may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill.Dec. 873, 66 Ill.App.3d 127, 383 N.E.2d 681; Koenig v. Nardullo, 1968,

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99 Ill.App.2d 480, 241 N.E.2d 567; In Re the Marriage of Garde, 1983, 73 Ill.Dec.816, 118 Ill.App.3d 303, 454 N.E.2d 1065). Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent that fails to appear or answer the charges.

2. The actions, representations, and/or omissions of the Respondent made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondent which were untrue or misleading of material facts and were made to obtain money from an Illinois customer are violations of Sections 12.G of the Act.
3. By virtue of the foregoing, the Respondent is subject to an Order which revokes his salesperson registration, imposes a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses and an order of censure, permanently prohibits the Respondent from offering or selling securities in the State of Illinois, and/or grants such other relief as may be authorized under the Act.
4. Because of the Findings of this Order, the pleadings, and Exhibits admitted as Secretary of State Exhibits Nos. 1-4, as well as the fact the Respondent failed to answer the Notice of Hearing or appear at the hearing, the entry of a written Order which revokes the Respondent's salesperson registration in the State of Illinois pursuant to the authority provided under Sections 8.E.1(b) and (k) of the Act, permanently prohibits the Respondent from offering or selling securities in the State of Illinois pursuant to the authority provided under sections 11.E(1) and (2) of the Act, imposes and levies on the Respondent a fine of \$20,000.00 pursuant to Section 11.E(4) of the Act based upon at least two separate violations of the Act by the Respondent, and grants such other relief as may be authorized under the Act, is proper in this matter.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

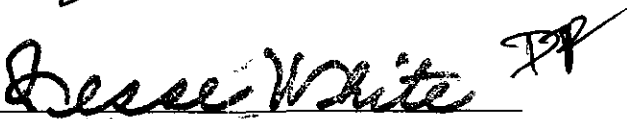
1. The Respondent, Mark McEwen, shall be permanently prohibited from offering and selling securities in the State of Illinois;

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2. The Respondent, Mark McEwen, shall pay a fine of \$20,000.00;
3. The registration of Respondent Mark McEwen as a salesperson of securities in the State of Illinois shall be Revoked.

ENTERED: This 28th day of May, 2010



Jesse White
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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