

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

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**IN THE MATTER OF:**

**Arthur Lin (CRD#4437111)**

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) **File Number: 1000096**  
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**TEMPORARY ORDER OF PROHIBITION & SUSPENSION**

**TO RESPONDENT:**

Arthur Lin  
(CRD #4437111)  
900 N. Arlington Heights Road  
Itasca, Illinois 60143

Arthur Lin  
(CRD #4437111)  
4975 Lichfield Drive  
Barrington, Illinois 60010

Arthur Lin  
C/o Stephanie Brown  
LPL Financial Corporation  
(CRD #6413)  
One Beacon Street, 22<sup>nd</sup> Floor  
Boston, Massachusetts 02108-3106

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

**MAKING FALSE STATEMENTS TO THE SECRETARY OF STATE**

1. Respondent **Arthur Lin** ("Respondent Lin") is an individual with last known addresses of 900 N. Arlington Heights Road, Itasca, Illinois 60143 and 4975 Lichfield Drive, Barrington, Illinois 60010.
2. LPL Financial Corporation ("LPL") is a securities broker-dealer and federally covered investment adviser located at One Beacon Street, 22<sup>nd</sup> Floor, Boston, Massachusetts 02108-3106.

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3. Respondent Lin is currently registered with LPL Financial Corporation as an investment adviser representative and securities salesperson and has been registered in this capacity since September of 2006.
4. Malarz Equity Investments, LLC (“MEI”) is an entity with a last known address of 5301 Keystone Court, Rolling Meadows, IL 60008.
5. MEI was a company that purported to purchase apartment buildings and convert the apartment buildings into condominiums.
6. On September 8, 2006, MEI had its Articles of Organization filed with the Office of the Secretary of State of Illinois, Department of Business Services.
7. In the Articles of Organization, Respondent Lin was listed as a manager of MEI and currently remains listed as a manager of MEI.
8. While serving as an investment adviser representative and securities salesperson for LPL and as a manager of MEI, Respondent Lin sold MEI’s promissory notes to several LPL customers.
9. 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.
10. Respondent Lin completed his first U-4 form as an employee of LPL Financial Corporation on September 29, 2006. On this U-4 form he answered the following question:

**“Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.”**

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11. In answering this question, Respondent Lin stated that he was involved in outside business activity, but failed to disclose that he was a manager for MEI or was otherwise involved with MEI.
12. Respondent Lin amended his U-4 seven times between September 29, 2006 and February 22, 2010. In each amendment to his U-4 form, Respondent Lin failed to disclose that he was a manager of MEI or was otherwise involved with MEI.
13. 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.
14. By virtue of the foregoing, Respondent Lin violated Section 12.E of the Act.
15. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that such salesperson or investment adviser representative 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 or investment adviser representative's business repute or qualifications.
16. By virtue of the foregoing, Respondent Lin's registration as a salesperson and investment adviser representative in the State of Illinois is subject to revocation or suspension pursuant to Sections 8.E(1)(h) of the Act.

**PROHIBITION AND SUSPENSION**

17. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, and temporarily suspend the registration of a salesperson or investment adviser representative without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
18. The entry of this **Temporary Order** suspending the registration of **Respondent Arthur Lin** as a salesperson and investment adviser representative in the State of Illinois, and prohibiting **Respondent Arthur Lin** from offering or selling securities in the State of Illinois, is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.
19. The aforementioned findings are based upon credible evidence.

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NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act,

1. **Respondent Arthur Lin** is **TEMPORARILY PROHIBITED** from offering or selling securities in or from the State of Illinois for a maximum period of ninety (90) days; and
2. **Respondent Arthur Lin's** registration as a securities salesperson and investment adviser representative in the State of Illinois is **TEMPORARILY SUSPENDED** for a maximum period of ninety (90) days.

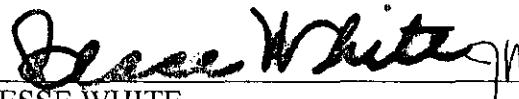
NOTICE is hereby given that Respondent Arthur Lin may request a hearing on this matter by transmitting such request in writing to:

James Gleffe  
Enforcement Attorney  
Illinois Securities Department  
Office of the Secretary of State  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602

Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition & Suspension**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and Suspension.

FAILURE OF ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION FINAL.

Dated this 1st day of April 2010.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James Gleffe  
Enforcement Attorney  
Illinois Securities Department  
Office of the Secretary of State  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602