

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: )  
MARK ANTHONY SKERTICH ) FILE NO C0100662

**ORDER OF PROHIBITION**

TO THE RESPONDENT: MARK ANTHONY SKERTICH  
10710 Oregon Street  
Culver City, California 90232

MARK ANTHONY SKERTICH  
107 Merry Hill Drive  
Raleigh, NC 27606

MARK ANTHONY SKERTICH  
4116 Cary Oaks Drive  
Apex, NC 27539

WHEREAS, the above captioned matter came to be heard on March 24, 2004 pursuant to an Amended Notice of Hearing dated May 15, 2003, and a Continuance dated February 26, 2004, and the record of the matter under the Illinois Securities Law of 1953 (815 ILCS 5) ("the Act") 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 Fact and Conclusions of Law and Recommendation of the Hearing Officer, Soula J. Spyropoulos, in the above captioned matter have been read and examined;

WHEREAS, the Findings of Fact of the Hearing Officer are accepted and are hereby adopted as the Findings of Fact of the Secretary of State as follows:

1. The Department gave proper notice of this hearing to Respondent.

2. The Department has personal jurisdiction over Respondent under Section 11.F of the Act, pursuant to its proper service of the Notice of Hearing.
3. Respondent did not appear at the hearing, either personally or through counsel.
4. Respondent is found to be in default.
5. Exhibits have been offered and received from the Department, admitted into evidence, and a proper record of all proceedings has been made and preserved as required.
6. There are no outstanding petitions, motions, or objections in the proceeding.
7. Respondent is an individual whose last known address is 10710 Oregon Street, Culver City, California 90232; and has had other addresses of 107 Merry Hill Drive, Raleigh, NC 27606, and 4116 Cary Oaks Drive, Apex, NC 27539.
8. At all relevant times, Respondent was registered as a salesperson with American Investment Services, Inc.
9. Donna Brenski ("DB") is an individual who resides at 1816 South Oak Park Avenue, Berwyn, Illinois 60402.
10. About January 1997 DB inherited approximately \$100,000.00 worth of telephone stocks (Baby Bells"). DB's friend referred her to Respondent for the purpose of monitoring her portfolio and making investments.
11. Before meeting Respondent, DB has little experience with regard to investments. Her investing experience was limited to her Individual Retirement Account (IRA").
12. About February 1997 DB completed an account application (the "Application") for a cash account. In her application DB indicated that her objective was for "growth", and that her risk tolerance was "average". DB and Respondent's partner, Steve Mlynski, both signed the Application.
13. From February 1997 until December 1998, DB's account was managed by Respondent's partner, Steve Mlynski. From December 1998 until December 1999, DB's account was managed by Respondent.
14. When DB's account was under Respondent's control, Respondent mismanaged DB's account. Respondent engaged in short selling, day trading, and in and out trading. During 1999 Respondent turned DB's account over approximately 25 times.

15. Respondent also made dozens of unauthorized trades on margin from DB's IRA account without DB's knowledge or consent. In fact, Respondent never explained to DB what it meant to trade on margin, nor did he inform her of the risks involved.
16. In December 1999, DB instructed Respondent not to make any additional trades on her behalf and to liquidate her positions immediately. Respondent disregarded DB's instructions and continued to make trades from her account without her knowledge or consent. Each time Respondent made a trade from DB's account he earned a commission.
17. On information and belief, Respondent usurped control over DB's account and engaged in excessive and reckless trading for the sole purpose of increasing his commissions and not to benefit DB's account.
18. Respondent's activities described in paragraphs 12 through 18 hereinabove involve the offer and sale of investment contracts and are therefore securities as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.

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

1. The Department has jurisdiction over the subject matter hereof pursuant to the Act.
2. 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 security except in accordance with the provisions of the Act.

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 connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

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 of a material necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for a person to employ a device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

3. At all relevant times, Respondent has been a registered salesperson of securities in the State of Illinois.
4. First, Respondent earned commissions through the sale of securities by omitting to explain or state to DB material facts necessary to make his action in trading on margin from DB's IRA account (while not informing DB of the risks involved therewith) not misleading. Thus, Respondent violated Section 12.G of the Act.

Second, in turning over DB's cash account 27 times, Respondent engaged in a course of business with the sale and purchase of securities that works or tends to work a fraud or deceit upon DB. Therefore, Respondent also violated Section 12.F of the Act.

Third, considering DB's lack of knowledge and expertise in investing, much less in securities, and considering the costs associated with this excessive trading (the cost/equity ratio being 1.09, per Mr. Diaz's testimony), Respondent's actions worked to scheme or defraud DB in connection with the purchase and sale of securities in her cash account. Thus, Respondent has also violated Section 12.I of the Act.

Fourth, because Respondent offered and sold securities in violation of Sections 12.F, 12.G, and 12.I of the Act, Respondent violated Section 12.A of the Act.

5. Under and by virtue of the foregoing, an Order may be entered wherein Respondent shall be prohibited from selling or offering for sale securities within the State of Illinois, and fined in the maximum amount pursuant to Section 11.E (4) of the Act, payable within ten (10) days of the entry of the order.

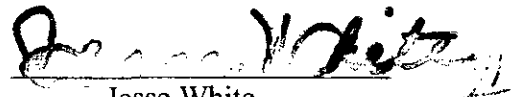
NOW THEREFORE IT IS HEREBY ORDERED that, pursuant to the foregoing Findings of Fact and Conclusions of Law, and the Recommendation of the Hearing WHEREAS, an Order of Prohibition under Section 11 of the Act, and a fine in the maximum amount pursuant to Section 11.E (4) of the Act are in all respects authorized and appropriate in the case; and

WHEREAS, the Secretary of State adopts the Hearing Officer's Recommendation that an order be entered permanently prohibiting the Respondent from offering or selling any securities in the State of Illinois, and that the maximum fine under Section 11.E (4) of the Act be imposed for each violation;

Officer, and pursuant to the authority provided under Section 11.E (2) of the Act:

Respondent MARK ANTHONY SKERTICH is permanently PROHIBITED from offering or selling any securities in the State of Illinois;

Dated: This 5th day of February, 2009.



Jesse White  
Secretary of State  
State of Illinois

Notice: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this 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 Act (14 Ill. Adm. Code, Ch.1, Sec. 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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