

Notice of Hearing

2

5. On November 13, 2003 KG invested \$10,000 with the Respondent.
6. On December 30, 2003 KG invested \$24,000 with the Respondent.
7. On September 4, 2005 KG invested \$5,000 with the Respondent.
8. The Respondent was to invest the funds identified above on behalf of KG in stocks and other securities.
9. The Respondent provided a statement as of June 30, 2005 identifying a balance of \$38,124.50 in KG's account although there is no other evidence that such account existed.
10. KG has not received a statement since June 30, 2005 nor has KG been able to obtain any of her funds from the Respondent.
11. Section 12.C of the Act provides that it shall be a violation of the Act to act as a dealer, salesperson, investment adviser, or an investment adviser representative, unless registered as such, where such registration is required, under the provisions of the Act.
12. Section 12.J(1) of the Act provides that it shall be a violation of the Act for any person when acting as an investment adviser, investment adviser representative, or federal covered investment adviser, by any means or instrumentality, directly or indirectly to employ any device, scheme or artifice to defraud any client or prospective client;
13. Section 12.J(2) of the Act provides that it shall be a violation of the Act for any person when acting as an investment adviser, investment adviser representative, or federal covered investment adviser, by any means or instrumentality, directly or indirectly to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.
14. By virtue of the foregoing, Respondent has violated Sections 12.C, 12.J(1) and 12.J(2) 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

Notice of Hearing

3


constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

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

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

DATED: This 15th day of October 2008.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Gregory J. Solberg
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-9643

Hearing Officer:
James L. Kopecky
190 S. LaSalle Street, Suite 850-A
Chicago, IL 60603