

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF JAMES ALAN ISSEL

FILE NO. 1300153

CORRECTED NOTICE OF HEARING

TO THE RESPONDENT:

James Alan Issel  
32W077 Army Trail Road  
Wayne Illinois, 60184

Cetera Advisor Networks LLC  
200 North Sepulveda Boulevard Suite 1300  
El Segundo, CA 90245

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 24<sup>th</sup> day of April, 2013 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky, or such other duly designated Hearing Office of the Secretary of State.

Said hearing will be held to determine whether an order shall be entered revoking James Alan Issel (the "Respondent") registration as an Investment Advisor Representative 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 an Investment Advisor Representative in the State of Illinois pursuant to Section 8 of the Act
2. That on January 24, 2013 FINRA entered LETTER OF ACCEPTANCE, WAIVER AND CONSENT ("AWC or "ORDER") submitted by the Respondent regarding Disciplinary Proceeding No. 201102555601 which sanctioned the Respondent at follows:

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- a. suspended from association with any FINRA member in any capacity for Ten (10) business days; and
- b. fined \$15,000..

- 3 That the Order found: NASD RULES 2110, 2310(A): ISSEL ENGAGED IN A PATTERN OF UNSUITABLE MUTUAL FUND RECOMMENDATIONS IN THE ACCOUNTS OF SEVERAL CUSTOMERS OF HIS MEMBER FIRM. IN THE BEGINNING, AFTER REVIEWING THE VARIOUS SHARE CLASS OPTIONS OFFERED BY AN ENTITY, ISSEL CONCLUDED THAT THE ENTITY'S CLASS-T SHARES PROVIDED HIS CUSTOMERS THE BEST BALANCE OF UPFRONT SALES CHARGES AND ONGOING ANNUAL FEES. THEREFORE, ISSEL RECOMMENDED THAT EACH OF THE CUSTOMERS SWITCH SHARE CLASSES, FROM CLASS-T SHARES TO CLASS-C SHARES, FOR THEIR EXISTING MUTUAL INVESTMENTS WITHIN THE SAME MUTUAL FUND FAMILY LATER, ISSEL BEGAN RECOMMENDING TO NEW MUTUAL FUND CUSTOMERS THAT THEY INVEST IN ENTITY'S CLASS-C SHARES. THE EXISTING CUSTOMERS TO WHOM ISSEL MADE THESE RECOMMENDATIONS HAD NOT EXPERIENCED ANY CHANGE IN THEIR FINANCIAL SITUATION OR INVESTMENT OBJECTIVES. RATHER, ISSEL MADE THE RECOMMENDATIONS BECAUSE HE WANTED HIS CUSTOMERS INVESTING IN THE ENTITY'S MUTUAL FUND TO BE INVESTED IN THE SAME SHARES CLASS, THE CLASS-C, WHICH HE BELIEVED WOULD RESULT IN EASIER RECORD-KEEPING AND MORE EFFICIENT EXCHANGES WITHIN THE VARIOUS MUTUAL FUNDS. ISSEL'S RATIONALE FOR RECOMMENDING THE CLASS-C SHARES TO HIS NEW CUSTOMERS WAS THAT ELIMINATING THE UPFRONT SALES CHARGE WOULD GENERATE A HIGHER RETURN FOR THE NEW CUSTOMER IN THE SHORT TERM AND, THEREFORE, INCREASE THE LIKELIHOOD OF THE NEW CUSTOMER REMAINING WITH ISSEL FOR THE LONG TERM. IN EACH CASE, THE TRANSACTIONS WHEREBY THESE CUSTOMERS SWITCHED SHARE CLASS GENERATED ADDITIONAL COMPENSATION FOR ISSEL, BUT PROVIDED NO ECONOMIC BENEFIT TO THE CUSTOMERS.
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 an Investment Advisor Representative 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 James Alan Issel's registration as an Investment Advisor Representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(j) of the Act.

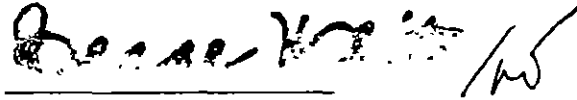
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 hearing held by the Office of the Secretary of State, Securities Department, can be found at [www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)

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

Dated: This 12<sup>th</sup> day of MARCH 2013



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Cheryl Goss Weiss  
Office of the Secretary of State  
Illinois Securities Department  
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Hearing Officer:  
James L. Kopecky  
203 N. LaSalle Street  
Suite 1620  
Chicago, Illinois 60601