

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

IN THE MATTER OF: Shaw, Ryan Seth)
_____))

FILE NO. 1200281

Order of Revocation

TO THE RESPONDENT:

Ryan Seth Shaw
108 NorthGate CIR
Melville, New York 11747

AEGIS Captial Corp.
810 7th Ave
18th Floor
New York, NY United States 10019

WHEREAS, the above-captioned matter came to be heard on January 3, 2013, pursuant to the Notice of Hearing dated August 22, 2012, filed by Petitioner Secretary of State, 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, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer concerning Respondent Ryan Seth Shaw are correct and are hereby adopted as modified as the Findings of Fact of the Secretary of State:

1. The Department served Respondent with the Notice of Hearing on or about August 23, 2012.

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2. The Respondent failed to answer, appear, or submit a responsive pleading.
3. The Respondent did not appear at the Hearing.
4. At all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
5. On July 16, 2012, the Financial Industry Regulatory Authority ("FINRA") accepted an AWC from Respondent in which he agreed to a settlement of alleged violations of NASD Conduct Rule 2110 and pursuant to which he was sanctioned as follows:
 - (a) Suspended from association with any FINRA member in any capacity for 10 business days; and
 - (b) Fined \$2,500.
6. That the Order found that Respondent Shaw made negligent misrepresentations to a customer in connection with a recommendation of an exchange traded note (ETN). Upon selling the ETN, the customer had a realized loss of \$71,431.66. Subsequently, Shaw's member firm reimbursed the customer for the entire loss and Shaw contributed to the entire amount of the loss. In recommending that the customer purchase the ETN, Shaw advised the customer that it was safe, but failed to describe the risks involved, or how the Securities operated. Shaw failed to explain the fundamental terms and risks associated with the security, including the index to which the ETN's performance was tied to and did not explain the term "reset" as it applies to the ETN, which he recommended to the customer.

WHEREAS, the following shall be the Secretary of State's additional Finding of Fact:

7. That Section 8.E(3) of the Act provides, inter alia, withdrawal of an application for registration or withdrawal from registration as a salesperson or investment adviser representative becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registrations was effective.

WHEREAS, the Secretary of State finds the proposed Conclusions of Law of the Hearing Officer are correct and are hereby adopted based on the law and the record in this matter, and adopts them as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondent.

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2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondent waived his right to a hearing;
 - (c) Respondent is subject to an Order of Default
5. Because the Respondent failed to appear at the time and place set for hearing, in accordance with Section 1109, he:
 - (a) waived his right to present evidence, argue, object or cross examine witnesses; or
 - (b) otherwise participate at the hearing.
6. 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 salesperson 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 practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
7. FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act

WHEREAS, by virtue of the forgoing Findings of Fact and Conclusions of Law, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(i)(j) of the Act.

WHEREAS, The Hearing Officer recommends that:

An Order shall be entered revoking Respondent's registration as a Salesperson in the State of Illinois.

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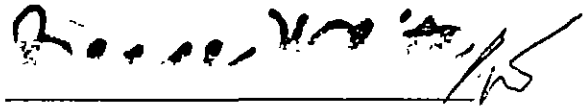
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WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer and has determined based upon the Findings of Fact and Conclusion of Law that an Order shall be entered Revoking the Salesperson registration or Respondent Ryan Seth Shaw in the State of Illinois.

NOW THEREFORE, IS SHALL BE AND IS HERBY ORDERED THAT:

1. An Order is entered Revoking Respondent Ryan Seth Shaw's registration as a Salesperson in the State of Illinois hereby REVOKED.

Dated: This 7TH day of March 2013.



JESSE WHITE
Secretary of State
State of Illinois

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