

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

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IN THE MATTER OF: CHARLES L. DORAINE)

FILE NO. 0700258

NOTICE OF HEARING

TO THE RESPONDENT: Charles L. Doraine (CRD#: 1490815)
5310 Greenbriar Drive
Corpus Christi, Texas 78413

C/o Next Financial Group, Inc.
2500 Wilcrest Drive
Suite 620
Houston, Texas 77042

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 5th day of September, 2007 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Charles L. Doraine's (the "Respondent") registration as a salesperson 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 a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on April 27, 2007, NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 2005002388201 which sanctioned the Respondent as follows:

Notice of Hearing

2

- a. suspension from association with any NASD member in any capacity for a period of five business days; and
- b. monetary fine in the amount of \$5,000.

3. That the AWC found:

During the period from approximately August 1, 2004 through November 30, 2004, the Respondent effected approximately 144 trades in a Merrill Lynch (his then employing firm) customer's account pursuant to instructions from a third party who, although verbally authorized to trade the account, was not authorized in writing to execute transactions on the account. Such Acts, practice and conduct constitute violations of NASD Conduct Rules 2110 and 2510(b) by the Respondent.

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 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 a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
5. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registration as a salesperson 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 hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Notice of Hearing

3

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

Dated: This 19th day of July 2007.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Daniel A. Tunick

Office of the Secretary of State

Illinois Securities Department

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Chicago, Illinois 60602

Telephone: (312) 793-3384

Hearing Officer:

James L. Kopecky

321 North Clark

Chicago, Illinois