

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:

THOMAS ANTHONY DEMARCO

)
)
)
)

No. 0600188

ORDER OF REVOCATION

TO THE RESPONDENT: Thomas Anthony DeMarco, CRD NO. 4608717
28330 Ticonderoga
Springfield, Illinois 62704

C/O Steven E. Wermcrantz
925 S. Spring St.
Springfield, Illinois 62704

WHEREAS, the record of the above-captioned matter 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 Facts and Conclusions of Law and Recommendation of the Hearing officer, John K. Ellis, in the above-captioned matter have been read and examined; and

WHEREAS, the proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The Pleadings and Exhibits have been offered and received from the Department and Respondent and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice

Order of Revocation

-2-

having been previously given as required by statute in these matters.

4. That from October 18, 2004 to March 23, 2006, the Respondent was an Illinois registered salesperson and from September 12, 2005 through March 23, 2006 an Illinois registered investment adviser representative pursuant to Section 8 of the Illinois Securities Law of 1953, 815 ILCS 5/1 et seq. (the "Act") of Raymond James Financial Services, Inc. ("Raymond James")
5. That Respondent was also an employee of Bank of Springfield, with the title of "Business Development Officer" during the relevant time period.
6. At all time relevant, Raymond James and Bank of Springfield had a Non-Deposit Investment Product and Brokerage Services Marketing Agreement ("Marketing Agreement") in which Raymond James would provide brokerage account services on Bank of Springfield premises.
7. At all times relevant, JS was an Illinois resident and a customer/client of Raymond James. Respondent was also the registered representative for her account with Raymond James.
8. Additionally, JS was a customer of the Bank of Springfield and held a savings account at Bank of Springfield.
9. On or about the end of January 2006 Respondent spoke to JS and recommended to her that she invest another \$5,000 into her brokerage account in order to place her total portfolio of assets at or above \$100,000 that, according to the Respondent, would qualify her for a waiver of the account maintenance fee for her account. Respondent advised her that he would purchase additional shares in mutual funds already owned by JS and held in her Raymond James Account.
10. JS agreed to this recommendation. JS testified at the hearing that she told the Respondent she could make the additional investment and told the Respondent to give her whatever she needed to sign but that the Respondent never provided any documents to her to effect this transaction.
11. Tammy Clinton testified that on or about February 3, 2006, she was employed as a Bank of Springfield Teller who worked in the same building as the Respondent. Tammy Clinton

Order of Revocation

-3-

further testified that the Respondent provided to her a slip of paper with an account number on it and stated that he had spoken to the account holder JS and that she wanted to withdraw \$5,000 so that he could purchase a Certificate of Deposit from another bank for JS. Tammy Clinton further testified that the Respondent told her that he was purchasing the CD for JS at another bank because it was offering a higher interest rate.

12. Tammy Clinton testified that on or about February 3, 2006, the Respondent received \$5,000 in cash withdrawn from the account of JS. The Respondent testified that he never received the \$5,000 withdrawn in cash. The Respondent further testified that on March 18, 2006 during a search of his office he found in a bottom left hand drawer the order to buy the mutual funds and a bank envelope with five straps of hundreds totaling \$5,000. the \$5,000 withdrawn in cash was not used by the Respondent to purchase a Certificate of Deposit for JS, nor to purchase mutual funds for JS, nor was it deposited into the Brokerage Account of JS.
13. Section 8.E.1(b) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson or an investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
14. Section 8.E.1(c) of the Act provides, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of a salesperson or an investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has failed to account for any money or property or has failed to deliver any security, to any person entitled thereto when due or within a reasonable time thereafter.
15. Section 8.E.1(g) of the Act provides, inter alia, that subject to the provisions of subsection F of the Section 11 of the Act, the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment

Order of Revocation

-4-

adviser representative has violated any provisions of the Act.

16. 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.
17. Section 12.J of the Act, provides, inter alia, that it shall be violation of the Act for any person when acting as an investment adviser representative by any means or instrumentality, directly or indirectly: (1) To employ any device, scheme or artifice to defraud any client or prospective client; (2) To engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or (3) To engage in any act, practice, or course of business is fraudulent, deceptive or manipulative.
18. Section 8.E(3) of the Act provides, inter alia, that if not proceeding is pending or instituted and withdrawal [of registration] automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last day on which registration was effective.
19. Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections F or J of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State.
20. Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act.
21. By virtue of the foregoing, the Respondent has violated Sections 8.E(1)(c) and 8.E(1)(g) of the Act.
22. The Respondent is subject to the entry of an Order which revokes or suspends his salesperson and investment adviser representative registrations in the State of Illinois

Order of Revocation

-5-

pursuant to the authority provided under Sections 8.E(1)(c) and 8.E(1)(g) of the Act, and the Respondent is subject to the entry of an Order which imposes a fine of up to \$10,000 per violation pursuant to the authority provided under Section 11.E(4) of the Act.

23. The entry of a Final Order of Revocation is proper in this Matter, given the conduct of the Respondent as described in Secretary of States Exhibits No. 1-17 and the oral testimony presented at the hearing of this Matter.

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

1. The actions, representation, and/or omissions of the Respondent made in connection with the sale or purchase of securities which resulted in the a failure to account for any money or property, or which resulted in a failure to deliver any security, to any person entitled thereto when due or within a reasonable time thereafter, are violations of Sections 8.E(1)(c) and 8.E(1)(g) of the Act.
2. That by virtue of the foregoing, the Respondent is subject to an Order of Revocation, and or granting such other relief as may be authorized under the Act.
3. Because of the Findings of Fact and Conclusions of Law, Secretary of States Exhibits Nos. 1-17, and the oral testimony, the entry of a written Order of Revocation pursuant to Section 8.E(1) of the Act which revokes the registrations of the Respondent, Thomas Anthony DeMarco, as a salesperson and investment adviser representative of securities in the State of Illinois is proper in this matter.

WHEREAS, the proposed Recommendation of the Hearing Officer is adopted by the Secretary of State;

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendation of the Hearing Officer: The Salesperson and Investment Adviser Representative registrations of Thomas Anthony DeMarco are hereby REVOKED.

Order of Revocation

-6-

ENTERED: This 24th day of May, 2007.



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 Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who 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. Admin. Code, Ch. I, 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:
David Finnigan
Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone: (217) 785-4947