

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

IN THE MATTER OF: CARL D. MAXWELL	}	FILE NO. 0600493
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**NOTICE OF HEARING**

TO THE RESPONDENT: Carl D. Maxwell  
(CRD#: 601141)  
321 Island View Lane  
Lake Barrington, Illinois 60010

C/o Morgan Stanley DW Inc.  
34 Exchange Plaza  
2 Harborside Plaza 2nd Floor  
Jersey City, New Jersey 07311

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 day 22<sup>nd</sup> of November, 2006 at the hour of 10:00 a.m. or as soon as possible thereafter, before George Berbas, 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 or suspending Carl D. Maxwell's (the "Respondent") registration as a salesperson and 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 a salesperson and as an investment advisor representative in the State of Illinois pursuant to Section 8 of the Act.

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2. That on August 9, 2006 NASD entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. E8A2004065701 which sanctioned the Respondent as follows: a. ten business-day suspension from association with any member of the NASD in any capacity; and b. \$5,000 fine.
3. That the AWC found:
  - a. During December 2003, public customer J.R. maintained a securities account at the Member (Respondent's employing firm) that was serviced by the Respondent.
  - b. On or about trade date December 19, 2003, the Respondent purchased or caused the purchase of 3,500 shares of Blackrock Div Achvrs TR at a cost of \$52,500 for the securities account of J.R., without the knowledge or consent of the public customer, and in the absence of written or oral authorization to the Respondent to exercise discretion in said account, in violation of NASD Conduct Rule 2110 and IM 2310-2.
  - c. The purchase of the Blackrock Div Achvrs TR shares on December 19, 2003, settled on December 23, 2003.
  - d. On or about December 23, 2003, the Respondent caused redemption in the amount of \$52,500 from a Great Hall Investment Funds money market in J.R.' securities account, without the knowledge or consent of J.R. and in the absence of written or oral authorization to the Respondent to exercise discretion in said account, in violation of NASD Conduct Rule 2110 and IM 2310-2.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson and investment advisor representative may be revoked or suspended if the Secretary of State finds that such salesperson or 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 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 and as an investment advisor representative in the State of Illinois is subject to revocation or suspension pursuant to Section 8.E(1)(j) of the Act.

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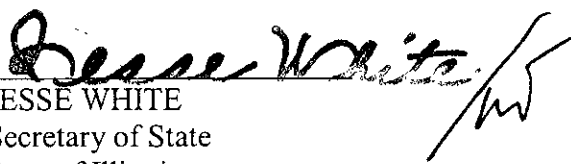
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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.

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

Dated: This 28<sup>th</sup> day of September 2006

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
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Illinois Securities Department  
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Hearing Officer:  
George Berbas  
180 N. LaSalle Street  
Chicago, Illinois 60601