

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF:

THOMAS ANTHONY DEMARCO

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)  
) No. 0600188  
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NOTICE OF HEARING

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

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1], et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702 on the 15th day of November, 2006 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether an Order should be entered which revokes the Salesperson and Investment Adviser Representative registrations of Thomas Anthony DeMarco (the "Respondent") in the State of Illinois and/or granting such other relief as may be authorized under the Act including, but not limited to, an Order of Permanent Prohibition and imposition of a monetary fine in the maximum amount of \$10,000 per violation 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 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

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5/1 et seq. (the "Act") of Raymond James Financial Services, Inc. ("Raymond James")

2. That Respondent was also an employee of Bank of Springfield, with the title of Business Development Officer during the relevant time period.
3. At all time relevant, Raymond James and Bank of Springfield had a NonDeposit Investment Product and Brokerage Services Marketing Agreement ("Marketing Agreement") in which Raymond James would provide brokerage account services on Bank of Springfield premises.
4. 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.
5. Additionally, JS was a customer of the Bank of Springfield and held a savings account at Bank of Springfield.
6. 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
7. JS agreed to this recommendation and advised him to send her the paperwork to affect the transaction. Respondent never sent any paperwork for JS to sign in order to affect this deposit of funds into her brokerage account.
8. On or about February 3, 2006, Respondent communicated with a Bank Of Springfield Teller who worked in the same building as the Respondent. He 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. Respondent told the Bank Teller that he was purchasing the CD for JS at another bank because it was offering a higher interest rate.

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9. Respondent received \$5,000 in cash withdrawn from the account of JS. The funds received by the Respondent were not used by Respondent to purchase a Certificate of Deposit for JS, nor mutual funds, nor was it deposited into the Brokerage account of JS but rather the Respondent converted the cash for his personal use.
10. The Marketing Agreement between Raymond James and Bank of Springfield provides on Page 3, Paragraph 3 that: "Customer funds may only be transferred to or from deposit accounts at Institution [Bank of Springfield] with written authorization from each customer to RJFS for each movement of funds unless made pursuant to ACH authorization."
11. 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.
12. 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.
13. 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 adviser representative has violated any provisions of the Act.
14. 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.

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15. 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.
16. 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.
17. By virtue of the foregoing, the Respondent is subject to the entry of an Order which revokes his salesperson and investment adviser representative registrations in the State of Illinois pursuant to the authority provided under Section 8.E.1(b), (c) or (g) of the Act.
18. By virtue of the foregoing, the Respondent has violated Sections 12.F and J of the Act.
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; and
21. By virtue of the foregoing, Thomas Anthony DeMarco is subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

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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, special appearance or other responsive pleading to the allegations outlined above within thirty days of the receipt of this notice. A failure to file an answer, special appearance or other responsive pleading 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 11<sup>th</sup> day of September, 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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