

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

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**IN THE MATTER OF: TIMOTHY J. DUMA**

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**FILE NO. 0500427**

**CONSENT ORDER OF REVOCATION**

**TO THE RESPONDENT:** Timothy James Duma  
Morgan Peabody, Inc.  
6300 Hobson Rd.  
Downers Grove, Illinois 60516

WHEREAS, Respondent on the 14th day of August, 2006 executed a certain Stipulation to Enter Consent Order of Revocation (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated April 17, 2006 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Revocation ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

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, until August 8, 2005.
2. That on September 28, 2004, NASD entered a decision regarding Disciplinary Proceeding No. C8A030099, which barred Respondent from association with any member of NASD, in any capacity.
3. That NASD found that the Respondent 1) failed to notify his employer in writing that he had opened a securities account at another firm, and failing to notify the firm at which he opened the new account that he was associated with an NASD member firm, in violation of NASD Conduct Rules 3050(c) and 2110; 2) misrepresented his employment status on a

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new account application, in violation of NASD Conduct Rule 2110; and 3) testified untruthfully about his use of the new account during an on-the-record interview, in violation of NASD Conduct Rule 2110 and NASD Procedural Rule 8210.

4. That on October 27, 2005 pursuant to NASD Procedural Rule 9311(a), Respondent appealed the September 28, 2004, Hearing Panel decision barring him from associating with any member firm in any capacity for various violations of NASD rules.
5. That the National Adjudicatory Council affirmed the Hearing Panel's findings that Respondent violated NASD Conduct Rules 2210, 3030, 3050(c) and 2110 and NASD Procedural Rule 8210. They reversed the Hearing Panel's finding that Duma violated NASD Rule 2210 because of the failure to file an advertisement and sales literature with NASD's Advertising Regulation Department. Accordingly, they affirmed the Hearing Panel's Order that Respondent be barred from associating with any member firm in any capacity.
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 a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act. 6.
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, 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 a 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 registration was effective.
8. 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.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

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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.


WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that his registration as a salesperson in the State of Illinois shall be revoked.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Timothy James Duma's registration as a salesperson in the State of Illinois shall be, and is, revoked.
2. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 28<sup>th</sup> day of August, 2006

  
JESSE WHITE  
Secretary of State  
State of Illinois