

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ANTHONY G. PETERSON

)
) FILE NO. 0400574
)

NOTICE OF HEARING

TO THE RESPONDENT: Anthony G. Peterson, CRD NO. 1902189
3201 Country Bend Lane
Champaign, Illinois 61822

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 16th day of November, 2005, 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 registration of Anthony G. Peterson (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 imposition of a monetary fine in the maximum amount of \$10,000 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 until December 1, 2004.
2. That on January 6, 2005, NASD entered an Order accepting Offer of Settlement submitted by the Respondent regarding Disciplinary Proceeding No.

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C8A050007 which imposed the following sanction: a permanent bar from association in any capacity, with any member of the NASD.

3. That the Order found that between approximately May 1998 and September 1999, Peterson engaged in outside business activities by receiving at least \$224,096 in compensation for selling viaticals. In connection therewith, Peterson failed and neglected to give prompt written notice of his engagement in such activities to the Member. Based on the foregoing, Respondent violated NASD Conduct Rules 2110 and 3030.
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 barred 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 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.
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois

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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, 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 13th day of September, 2005.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State
David Finnigan
Illinois Securities Department
300 West Jefferson Street, Suite 300A
Springfield, Illinois 62702

Hearing Officer:
Jon K. Ellis
1035 South 2nd Street
Springfield, Illinois 62704