

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

IN THE MATTER OF: DAVID S. MILLER

FILE NO. 0400743

NOTICE OF HEARING

TO THE RESPONDENT: David S. Miller
(CRD#: 334607)
2124 Oakcrest Drive
Liberty, Missouri 64068

C/o General Securities Corp.
422 E. Armour Road
North Kansas City, Missouri 64116

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 28th day of September, 2005 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, 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 David S. Miller's (the "Respondent") registration as a salesperson 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 in the State of Illinois pursuant to Section 8 of the Act.

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2. That on October 4, 2004, NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C04040047 which sanctioned the Respondent as follows:
 - a. censure;
 - b. jointly and severally fined (with another entity) \$20,000; and
 - c. suspension of ten business days from association with any NASD member firm in any capacity.
3. That the AWC listed the following background information: General Securities Corp. (hereinafter "GSC") has been a member of NASD since June 1984. GSC conducts a general securities business from its main office located in North Kansas City, Missouri. The Respondent entered the securities industry in September 1973 when he associated with a member firm of NASD. From April 11, 1984 through the present, he has been associated with GSC as its President. He is registered with NASD as a compliance options principal, direct participation programs principal, financial and operations principal, general securities principal, municipal securities principal and options principal.
4. That the AWC found:

**Registration as a Limited Representative – Equity Trader
NASD Membership and Registration Rule 1032(f) and NASD
Conduct Rule 2110**

- a. From August 8, 2001 February 14, 2003, GSC, acting through the Respondent, permitted the Respondent to act in a capacity requiring registration as a Limited Representative – Equity Trader (Series 55), although he was not so registered.
- b. Such acts, practices and conduct constitute separate and distinct violations of NASD Membership and Registration Rule 1032(1) and NASD Conduct Rule 2110 by GSC and the Respondent.

**Records to be Made by Certain Exchange Members, Brokers
and Dealers SEC Rule 17a-3(a)(7) and NASD Conduct Rules
3110 and 2110**

- c. Out of 40 transactions executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to prepare an order ticket for one

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transaction, failed to record the time of receipt of the customer's order for 14 transactions, and failed to reflect the time of execution for five transactions.

- d. Such acts, practices and conduct constitute separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rules 3110 and 2110 by GSC, and separate and distinct violations of NASD Conduct Rules 3110 and 2110 by the Respondent.

Confirmation of Transactions

SEC Rule 10b.10 and NASD Conduct Rules 2330 and 2110

- e. Out of 40 transactions executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, disclosed an inaccurate capacity on one customer confirmation and failed to disclose mark-ups or mark-downs on four customer confirmations.
- f. Such acts, and conduct constitute separate and distinct violations of SEC Rule 10b-10 and NASD Conduct Rules 2330 and 2110 by GSC; and separate and distinct violations of NASD Conduct Rules 2330 and 2110 by the Respondent.

Transaction Reporting for Nasdaq SmallCap Market Securities NASD Marketplace Rule 4642 and NASD Conduct Rule 2110

- g. Out of 24 transactions involving Nasdaq SmallCap Market securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report four transactions and failed to report accurate information for 13 transactions.
- h. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 4642 and NASD Conduct Rule 2110 by GSC and the Respondent.

Transaction Reporting for TRACE-Eligible Securities. NASD Marketplace Rule 6230 and NASD Conduct Rule 2110

- i. Out of three transactions involving TRACE-eligible securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report two transactions.

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- j. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6230 and NASD Conduct Rule 2110 by GSC and the Respondent.

Transaction Reporting for Listed Securities
NASD Marketplace Rule 6420 and NASD Conduct Rule 2110

- k. Out of eight transactions involving listed securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report three transactions and failed to report accurate information for five transactions.
- l. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6420 and NASD Conduct Rule 2110 by GSC and the Respondent.

Transaction Reporting for Over-the-Counter Equity Securities
NASD Marketplace Rule 6620 and NASD Conduct Rule 2110

- m. Out of five transactions involving over-the-counter equity securities executed by GSC on a principal basis from November 1, 2002 through December 24, 2002, GSC, acting through the Respondent, failed to report one transaction and failed to report accurate information for four transactions.
 - n. Such acts, practices and conduct constitute separate and distinct violations of NASD Marketplace Rule 6620 and NASD Conduct Rule 2110 by GSC and the Respondent.
- 5. 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.
 - 6. That NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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7. 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.

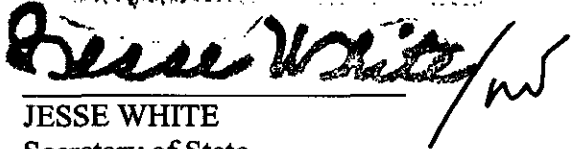
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time 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 8th day of August 2005.



JESSE WHITE
Secretary of State
State of Illinois

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