

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: SHAWN ELLIOT RUSSELL,

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)  
) File No. 0300710  
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NOTICE OF HEARING

TO THE RESPONDENT:           Shawn Elliot Russell (CRD # 4081056)  
                                  9792 Grande Verde Way  
                                  Apt. 502  
                                  Boca Raton, Florida 33428

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 520 South Second Street, Suite 200, Springfield, Illinois 62701, on the 19th day of May, 2004, 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 of Prohibition should be entered against Shawn Elliot Russell (the "Respondent") in the State of Illinois and 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 pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Respondent, Shawn Elliot Russell, is an individual with a last known address of 9792 Grande Verde Way, Apt. 502, Boca Raton, Florida 33428
2. That on or about May 11, 2001, and May 25, 2001, Robert Their, an Illinois resident, purchased a total of 400 shares of Advanced Micro Devices for a total investment of \$13,393;
3. That on or about July 8, 2001, Respondent Shawn Elliot Russell, without authorization of Robert Their, sold the aforementioned 400 shares of Advanced Micro Devices; furthermore, on or about July 11, 2001, Respondent, without authorization of Robert Their, used the proceeds of the aforementioned sale of Advanced Micro Devices to purchase 5,000 shares of Trident Systems;

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4. That subsequent to the aforesaid purchase of Trident Systems described in Paragraph 3 of this Notice, the value of Trident Systems fell to a point of being virtually worthless.
5. That each of the above-referenced shares of stock is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
6. That 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;
7. That at all times relevant hereto, Respondent Shawn Elliot Russell engaged in a transaction, practice or course of business in connection with the sale or purchase of securities which tended to work a fraud or deceit on the purchaser, in that the Respondent sold shares of Advanced Micro Devices that were owned by Robert Their without Robert Their's authorization, and subsequently used the proceeds of said sale to purchase shares of Trident Systems, also without the authorization of Robert Their; furthermore, subsequent to the aforesaid transactions, the shares of Trident Systems fell to the point of being virtually worthless;
8. That by virtue of the foregoing, Shawn Elliot Russell has violated Section 12.F of the Act;
9. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer or sale or method of offer or sale of any securities by any person, whether exempt or not, in this State, is fraudulent, or would work or tend to work a fraud or deceit, the Secretary of State may by written order prohibit the offer or sale of securities by that person in this State;
10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection F of Section 12 of the Act, the

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Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

11. That 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, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent, Shawn Elliot Russell, is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.



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 or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a 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.

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 Respondents.

Dated this 15<sup>th</sup> day of March, 2004.

   
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Jesse White  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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Hearing Officer:

Jon K. Ellis  
1035 South 2<sup>nd</sup> Street  
Springfield, Illinois 62704  
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