

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: SCOTT C. WINTERS

FILE NO. 0300688

NOTICE OF HEARING

TO THE RESPONDENT: Scott C. Winters
(CRD #: 2598188)
8163 Sunset Road
Willowbrook, Illinois 60527

C/o Nexus Advisors Inc.
One tower Lane, Suite 1700
Oakbrook Terrace, Illinois 60181

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5 et. seq.) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of November 2003, at 10:00 a.m., or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos, Esq., or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking Scott C. Winters' ("Respondent") registration as a dealer 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 on April 24, 2003 the Respondent filed a Form U-4 application become registered with the Secretary of State as an investment adviser representative in the State of Illinois pursuant to Section 8 of the Act. Subsequently, the Respondent became registered in this capacity on May 13, 2003.

Notice of Hearing

- 2 -

2. That on March 27, 2003 the State of California Department of Corporations, entered a Desist and Refrain Order ("Order") against the Respondent which found, among other things, that the Respondent violated Section 25401 of the Corporation Code. Specifically, the Order found:
 - a. At all, relevant times, the Respondent was President of Titan Securities, LLC ("Titan Securities"). Titan Securities is or was a Delaware limited liability company, formed in February 2000. The Respondent is or was the sole principal shareholder, office and director of Titan Securities.
 - b. Beginning in or about March 1, 2000, the Respondent and Titan Securities offered or sold securities in the form of limited partnership interests of Titan Fund 1, L.P. ("Titan Fund"), a Delaware Limited Partnership. Titan Fund was organized in February 2000 and Titan Securities served as the general partner and investment manager of the Partnership.
 - c. The Respondent through Titan Securities offered and sold over \$800,000 worth of limited partnership interests in Titan Fund to approximately 5 of his clients from about March 2000 through October 2000.
 - d. The purported purpose of Titan Fund was to seek substantial capital appreciation by investing in, and trading equities, options and other securities.
 - e. In connection with these offers and sales, the Respondent through Titan Securities represented to investors that:
 - i. The fund had millions of dollars, including \$2,000,000 of the Respondent's own money; in fact the fund only had around \$800,000, none of which belonged to him;
 - ii. The fund had over 25 investors; in fact the fund only had about 5 investors;
 - iii. The fund would invest in conservative investments and be diversified to limit risk; in fact the fund consisted of risky investments and was not diversified; and.

Notice of Hearing

- 3 -

- iv. That the Respondent was an agent with a licensed broker-dealer; in fact he ceased being an agent of First Union Securities, Inc. in or around April 2000 and solicited clients to invest in Titan Fund while unlicensed.
 - f. The California Corporations Commissioner is of the opinion that the securities of Titan Fund were offered or sold in this state by means or written or oral communications which included an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light, of the circumstances under which they were made, not misleading, in violation of section 25401 of the CSL. Pursuant to Section 25532 of the CSL, the Respondent and Titan Securities are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, including but not limited to limited partnership interests, by means, of any written or oral communication which includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
3. That the Order was not and is not reflected in the Central Registration Depository.
4. That the aforementioned Order was mailed to the Respondent by means of certified mail return receipt requested on March 28, 2003. The Respondent received this Order on or about April 30, 2003.
5. The Respondent has failed to amend his Form U-4 to reflect the existence of the aforementioned Order.
6. That Rule 839.d of the Rules and Regulations promulgated under the Act, (Procedures for Registration as an Investment Adviser Representative Under Section 8.D/5 of the Act) provides, *inter alia*. The application on file with the Securities Department shall be amended whenever a change occurs that renders inaccurate shall be filed with the NASD, utilizing the IARD, within ten business days after the occurrence of the change.
7. That Section 12.D provides, inter alia, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

Notice of Hearing

- 4 -

8. That Section 8.E(1)(g) of the Act provides that the registration of an investment adviser representative may be revoked if he has violated any of the provisions of the Act.
9. That by the virtue of the foregoing, the Respondent's registration as an investment adviser representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(g) of the Act.

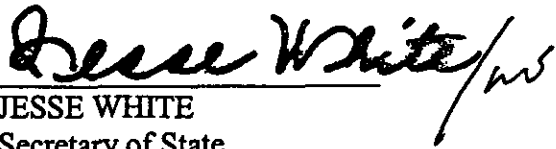
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed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

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 3rd day of October 2003.



JESSE WHITE
Secretary of State
State of Illinois

Notice of Hearing

- 5 -

Attorney for the Secretary of State:

Daniel Tunick

Office of the Secretary of State

Illinois Securities Department

69 West Washington, Suite 1220

Chicago, Illinois 60602

(312) 793-3384

Hearing Officer:

Soula J. Spyropoulos, Esq.

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Chicago, Illinois 60646

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