

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

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IN THE MATTER OF M. RAMSEY KING SECURITIES, INC )  
\_\_\_\_\_ )

FILE NO. C1300126

**NOTICE OF HEARING**

TO THE RESPONDENT:

M. RAMSEY KING SECURITIES, INC.  
(CRD# 29318)  
Attn: Teresa A. King, CCO  
93 Tomlin Circle  
Burr Ridge, Illinois 60527

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 30th day of September 2013 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, 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 suspending or revoking M. Ramsey King Securities, Inc.'s (the "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. M. Ramsey King Securities, Inc ("MRKS") is a broker-dealer that is registered with the State of Illinois Securities Department (the "Department") as an entity engaged in the business of offering, selling or otherwise engaging in the dealing of trading of securities.
2. That at all relevant times, the Respondent MRKS was registered with the Secretary of State as a broker-dealer in the State of Illinois pursuant to Section 8 of the Act.
3. That on January 22, 2013 FINRA entered Acceptance, Waiver & Consent ("AWC" or "Order") submitted by the Respondent MRKS regarding Disciplinary Proceeding No. 2010021009401 which sanctioned the Respondent MRKS as follows:

Notice of Hearing

2

- a) Censure; and
- b) a fine of \$17,500.

4. That the Order found:

- 1) FINRA Rules 3310, 3011, and 2010: From October 16, 2006 to July 18, 2010 (the Relevant Period), Respondent failed to verify the identities of all 75 of its investment adviser customers. The firm did not obtain documents showing the existence of each entity (such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust instrument) nor did it verify the identity of these customers through non-documentary methods. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rules 3011(b) and 2110 and FINRA Rules 3310(b) and 2010.
- 2) Respondent MRKS failed to establish an adequate customer identification program in that its procedures did not address the firm's obligations to verify the identities of its investment adviser customers and how it would perform that verification. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rules 3011(b) and 2110 and FINRA Rules 3310(b) and 2010.
- 3) Respondent failed to identify and conduct due diligence for each of the firm's two correspondent accounts for foreign financial institutions. Specifically, the firm failed to maintain documentation to evidence that:
  - (a) It determined whether each correspondent account was subject to enhanced due diligence based on NASD Rule 3011(b) and FINRA Rule 3310(b);
  - (b) It assessed the money laundering risk presented by each correspondent account, based on a consideration of all relevant factors; and
  - (c) It applied risk-based procedures and controls to each correspondent account reasonably designed to detect and report known or suspected money laundering activity, including a periodic review of the correspondent account activity sufficient to determine consistency with information obtained about the type, purpose, and anticipated activity of the account.

The conduct described in this paragraph constitutes separate and distinct violations of NASD Rules 3011(b) and 2110 and FINRA Rules 3310(b) and 2010

Notice of Hearing

3

- 4) Respondent MRKS failed to ensure adequate testing of its AML compliance program during the calendar years 2007, 2008, and 2009. The firm conducted no testing to ensure that the identities of the firm's adviser customers were verified. Additionally, the firm's independent test summaries for 2007, 2008, and 2009 did not evidence a review to determine whether any firm customers were excluded from the definition of customer contained in 31 CFR§ 103.122.

Through this conduct, Respondent violated NASD Rules 3011(c) and 2110

5. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a Dealer may be revoked if the Secretary of State finds that such Dealer 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 FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act
7. That by virtue of the foregoing, the Respondent's registration as a Dealer 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.

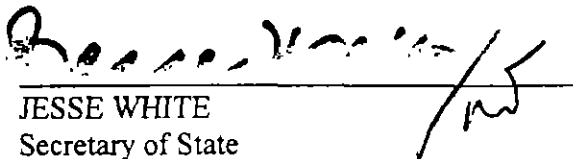
Notice of Hearing

4

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 6<sup>th</sup> day of August 2013.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

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