

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: Howard J. Allen III

)
) File No. 1400145
)

NOTICE OF HEARING

TO THE RESPONDENT: Howard J. Allen III (CRD# 2033586)
Portfolio Advisors Alliance, Inc.
330 Madison Ave., 6th Fl.
New York, NY 10017

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 W. Jefferson Avenue, Suite 300A, Springfield, Illinois, 62702, on the 16th day of July, 2014 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.

Said hearing will be held to determine whether an Order should be entered revoking the registration of Howard J. Allen III (the "Respondent") as a salesperson in the State of Illinois and/or whether to grant 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.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. At all times relevant hereto, Respondent was registered as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. The Financial Industry Regulatory Authority (FINRA) is a private, non-governmental organization that is registered with the United States Securities and Exchange Commission as a self-regulatory organization pursuant to the Securities Exchange Act of 1934.
3. At all times relevant hereto, Respondent was FINRA-registered and an employee of J. P. Turner & Co., LLC (July 19, 2002 – June 18, 2008) and Portfolio Advisors Alliance, Inc. (January 14, 2009 – present), FINRA-registered firms.
4. On November 16, 2013, FINRA entered an Order Accepting Offer of Settlement regarding File No. 2010022586201, which sanctioned Respondent as follows:

Notice of Hearing

-2-

- a. fined \$10,000; and
 - b. suspended from association with any FINRA member in any capacity for 8 months.
5. The FINRA suspension is effective from January 6, 2014 through September 5, 2014.
6. By submitting the Offer of Settlement, Respondent accepted FINRA's findings of fact.
- a. In addition to working at J. P. Turner and Portfolio Advisors, Respondent co-owned and controlled two companies, Allen Partners Capital, LLC (APC) and Allen Partners, LLC (AP).
 - b. While Respondent was associated with J. P. Turner and Portfolio Advisors, he raised money for both APC and AP to expand his existing branch office operations and to purchase his own broker-dealer.
 - c. Respondent, acting outside the course and scope of his employment with his employing member firm, J. P. Turner, participated in ten private securities transactions with NV, DH, RIG, NH, RS, ST, and RAG from which he received selling compensation, without providing prior written or oral notice to J. P. Turner of his proposed roles in, or the selling compensation that he may receive from, the transactions.
 - d. Respondent, acting outside the course and scope of his employment with his employing member firm Portfolio Advisors, participated in two private securities transactions with TW and MP/JP from which he received selling compensation, without providing prior written notice to Portfolio Advisors of his proposed roles in, or the selling compensation that he may receive from, the transactions.
7. Respondent also acknowledged the violation of NASD Rule 3040 (requiring associated persons to provide written notice to the member with which he is associated, describing in detail the proposed transaction and the person's proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction) and FINRA Rule 2010 (requiring associated persons, in the conduct of their business, to observe high standards of commercial honor and just and equitable principles of trade).
8. The State of Indiana suspended (effective March 13, 2014) and the State of Maryland revoked (April 24, 2014) Respondent's registrations there based upon the FINRA suspension.

Notice of Hearing

-3-

9. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has had membership in or association with any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act suspended, revoked, refused, expelled, cancelled, barred, limited in any capacity, or otherwise adversely affected in a similar manner 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.
10. Section 8.E(1)(k) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has had any order entered against it after notice and opportunity for hearing by a securities agency of any state arising from any fraudulent or deceptive act or a practice in violation of any statute, rule, or regulation administered or promulgated by the state.
11. Section 11 of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson after an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.
12. By virtue of the foregoing, Respondent is subject to an order which revokes the Respondent's registration as a salesperson of securities in the State of Illinois pursuant to Sections 8.E(1)(j) and (k) and Section 11 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 130.100 et seq.) (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 (30) days of the receipt of this Notice. A 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.


You may be represented by legal counsel, present evidence, cross-examine witnesses and otherwise participate. However, a failure to appear shall constitute default.

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

Notice of Hearing

-4-

ENTERED: This 16th day of May, 2014.



JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:

Jon K. Ellis