

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

IN THE MATTER OF: Darin Christopher Haines)
_____)

FILE NO. 1300149

ORDER OF DENIAL

TO THE RESPONDENT: Darin Christopher Haines
 9 Darcy Ave
 Manorville, NY 11947

 Cape Securities, Inc
 2500 Pennsylvania Ave
 Mc Donough, GA 30253

WHEREAS, An Amended Notice of Hearing (“Notice of Hearing”) was issued by the Secretary of State on March 20, 2013, and a Hearing was held on August 16, 2013.

FINDINGS OF FACT:

1. On February 5, 2013, Cape Securities, Inc., a registered dealer, filed a Form U-4 application for registration of Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. On February 1, 2013 FINRA entered LETTER OF ACCEPTANCE, WAIVER AND CONSENT (“AWC or “ORDER”) submitted by Respondent regarding Disciplinary Proceeding No. 201002555301 which sanctioned Respondent as follows:
 - (a) suspended from association with any FINRA member in any capacity for Five (5) business days from March 4, 2013 to March 8, 2013, and in any principal capacity for Five (5) business days from March 11, 2013 to March 15, 2013; and
 - (b) fined \$7,500.
3. The Order found: FINRA RULE 2010, NASD RULES 2510(D)(1), 3010: Haines exercised time-and-price discretion in connection with block trades outside the permissible exception of NASD Rule 2510(D)(1). Haines was a manager of two

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member firm branch offices, where some accounts were shared by multiple brokers, including Haines. Haines participated in effecting block trades of Securities involving non-discretionary customers. There was significant overlap among the participants so that the 88 total trades involved only 44 different customers. The customers involved authorized the transitions, but they did so by telephone and for the most part on days prior to execution of the block trades. Haines failed to supervise those block trades to ensure compliance with NASD Rule 2510.

CONCLUSIONS OF LAW:

1. The Department properly served the Notice of Hearing on Respondent.
2. The Notice of Hearing included information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 1104:
 - (a) The allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondent waived his right to a hearing;
 - (c) Respondent is subject to an Order of Default.
5. Because the Respondent failed to appear at the time and place set for hearing, in accordance with Section 1109, he:
 - (d) waived his right to present evidence, argue, object or cross-examine witnesses; or
 - (e) otherwise participate at the hearing.
6. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be denied 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.
7. FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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8. By virtue of the Foregoing Findings of Fact and Conclusions of Law, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation and denial pursuant to Section 8.E(1)(j) of the Act.
9. That Section 8.E(1)(j) of the Act, provides, *inter alia*, that the registration of a salesperson may be denied 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.

By virtue of the foregoing, the Respondent Darin Christopher Haines' registration as a Salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act.

THEREFORE:

1. An Order of Default is entered against Respondent, and the facts alleged in the Notice of Hearing are deemed admitted.
2. An Order is entered denying Respondent's registration as a salesperson in the State of Illinois.

Dated: This 10th day of September, 2014



JESSE WHITE
Secretary of State
State of Illinois