

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: JAY M. POLLACK, CRD # 1082586 ) File No. 1400518  
)

AMENDED NOTICE OF HEARING

TO THE RESPONDENT: Jay M. Pollack  
c/o Richard T. Reibman, Esq.  
Thompson Coburn LLP  
55 E. Monroe St., 37<sup>th</sup> Fl.  
Chicago, IL 60603

c/o Park Ave. Securities LLC  
Attn: Kenneth Goodall  
7 Hanover Square H4C  
New York, NY 10004

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 421 E. Capital Ave, 2<sup>nd</sup> Fl., Springfield, Illinois, 62701, on the 20<sup>th</sup> day of January, 2016 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 suspending or revoking the registration of Jay M. Pollack (the "Respondent") as a salesperson and investment adviser representative in the State of Illinois and whether to grant such other relief as may be authorized under the Act, including, but not limited to, imposition of a monetary fine, 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 relevant times, the Respondent was registered with the Secretary of State as a salesperson and investment adviser representative in the State of Illinois pursuant to Section 8 of the Act.
2. Respondent is currently a registered representative and investment adviser representative of Park Avenue Securities LLC, a dealer and investment adviser registered in the State of Illinois pursuant to Section 8 of the Act.

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3. On or about September 11, 2014, the Illinois Department of Revenue sent a Collection Action Notice of Intent letter to Respondent's home address. The letter advised that, if the Respondent did not resolve the debt owed to the Department of Revenue, his salesperson and/or registered investment adviser license would be suspended. The letter, also, provided contact information for the Department of Revenue.
4. On or about January 8, 2015, the Office of the Secretary of State, Illinois Securities Department sent a letter to the Respondent via certified mail notifying the Respondent that he had failed to effectively respond to the Department of Revenue and warning of the possible negative effect on his registration. Respondent was required to explain the situation, and Respondent's efforts to resolve it, in a notarized affidavit to the Securities Department within 10 business days of the date on which the letter was delivered.
5. On January 21, 2015, the certified letter was delivered to Respondent's office.
6. On February 4, 2015, the Respondent provided the affidavit.
7. Subsequently, the Respondent made payments for the amounts owed for the 2011 and 2012 tax years.
8. For the 2013 tax year, Respondent made a payment, on or about, April 20, 2015, leaving a balance owed for the 2013 tax year.
9. On August 6, 2015, the Department issued a Notice of Hearing regarding this matter.
10. On or about October 14, 2015, paid the 2013 tax year debt.
11. For the 2014 tax year, Respondent did not file his return until, on or about, October 16, 2015. He did not pay the balance owed.
12. As of November 6, 2015, Respondent has not paid the balance owed for the 2014 tax year.
13. Respondent's disciplinary history includes a Notice of Hearing issued in 2011 by the Securities Department due to an unpaid debt owed to the Department of the Revenue at that time. The 2011 Notice of Hearing was dismissed when the Respondent made arrangements for payment of the debt with the Department of Revenue.
14. Further investigation found that, at least as of 2003, various liens and judgments had been entered against the Respondent, including, but not limited to, a federal tax lien filed on or about December 31, 2003 in Lake County, a federal tax lien filed on or about May 6, 2005 in Lake County, a default judgment entered on or about June 27, 2006 in the Circuit Court of Cook County, a federal tax lien filed on or about December 1, 2006 in Lake

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County, a state tax lien filed on or about April 20, 2007 in Cook County, a judgment entered on or about October 23, 2009 in the Northern District of Illinois Court, a judgment entered on or about September 12, 2012 in the Circuit Court of Cook County, a federal tax lien filed on or about February 6, 2014 in Lake County, a judgment entered on or about April 22, 2014 in the Circuit Court of Lake County, a judgment entered on or about August 22, 2014 in the Circuit Court of Lake County, and a federal tax lien filed on or about July 15, 2015 in Lake County.

15. The Park Avenue Securities (or "PAS") written supervisory policy, dated March 2015, includes the following provisions:

a. Each [registered representative or] RR has a responsibility to maintain and keep current at all times their Form U4... PAS requires all RRs, through the Agency Supervisor, to IMMEDIATELY notify the PAS Compliance Department of the following changes to Form U4:

- ...

- Reportable events include, but are not limited to, the following:

- ...

- Tax liens;

- Judgments;

- *Compromises with creditors;*

- Bankruptcy filings;

- ...

- Litigations, arbitrations, and certain other legal proceedings; and

- Regulatory actions (including those by insurance regulators).

(Emphasis not added.)

16. At least as of November 9, 2015, Respondent's U4 application for registration with the Department, which was executed, verified, or authenticated by Respondent, does not disclose all the liens and judgments entered against him or the regulatory actions taken against him by the State of Illinois, due to Respondent's failure to provide adequate information to his firm.

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17. Section 8.C(8) provides, *inter alia*, that any change which renders no longer accurate any information contained in any application for registration or re-registration as a salesperson shall be reported to the Secretary of State within 10 business days after the occurrence of such change.
18. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
19. Section 12.D of the Act, provides, *inter alia*, that it shall be a violation 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.
20. Section 12.E of the Act, provides, *inter alia*, that it shall be a violation of the Act for any person to make, or cause to be made, in any application, report, or document filed under the Act or any rule or regulation made by the Secretary of State pursuant to the Act, any statement which was false or misleading with respect to any material fact.
21. Section 8.E(1)(g) of the Act provides that the registration of a salesperson or investment adviser representative may be suspended or revoked if the salesperson or investment adviser representative has violated any of the provisions of this Act.
22. Section 8.E(1)(h) provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the Secretary of State finds that there has been made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or investment adviser representative's business reputation or qualifications or has refused to furnish any such information requested by the Secretary of State.
23. Section 8.E.1(m) provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of the salesperson or investment adviser representative.
24. Section 8.E(1)(o) provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended or revoked if the Secretary of State finds that such salesperson or investment adviser representative has failed to file a return, or to pay the tax, penalty, or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any Act administered by the Illinois Department of Revenue, until such time as the requirements of that Act are satisfied.

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25. Section 11.E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may issue an order of censure, charge costs of investigation, and impose a fine not to exceed \$10,000 for each violation of the Act.
26. Section 11.F(1) of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson or investment adviser representative and impose a fine for violation of the Act 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.
27. By virtue of the foregoing, the Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends or revokes his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules to file an answer to the allegations outlined above 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.

ENTERED: This 9<sup>th</sup> day of November, 2015.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Shannon Bond  
Illinois Securities Department  
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Springfield, Illinois 62702  
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Hearing Officer:

Jon K. Ellis