



## Order of Revocation

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WHEREAS, the Respondent failed to file an Answer to the allegations set forth in the Amended Notice of Hearing, issued on September 18, 2015, as instructed by the Notice and as required by Section 130.1104 of the Code.

WHEREAS, the Respondent presented no evidence, and did not appear in person or by counsel at the hearing.

WHEREAS, the following proposed Findings of Fact are correct and are hereby adopted by the Secretary of State:

1. The Exhibits and testimony have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answer was timely filed, the Respondent is therefore deemed to be in default.
5. 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.
6. Respondent is currently a registered representative at Benjamin & Jerold Brokerage I, LLC, a dealer registered in the State of Illinois pursuant to Section 8 of the Act.
7. From May 28, 2014 through July 10, 2015, Respondent was a registered investment adviser representative at Trac Asset Management LLC, an investment adviser registered in the State of Illinois pursuant to Section 8 of the Act. The Illinois registration was not terminated until July 16, 2015.
8. On or about March 7, 2015, the Illinois Department of Revenue sent a Collection Action Notice of Intent letter to Respondent's home address. The letter advised that, if Respondent did not resolve his debt owed to the Department of Revenue, his salesperson license would be suspended and provided contact information for the Department of Revenue.
9. On or about June 19, 2015, the Office of the Secretary of State, Illinois Securities Department sent a letter to Respondent via certified mail notifying him 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

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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.

10. On June 22, 2015, the certified letter was delivered to Respondent's office.
11. On July 7, 2015, the Securities Department contacted representatives of Benjamin & Jerold Brokerage I, LLC and Trac Asset Management LLC, informing the firms that Respondent had failed to respond to the Securities Department letter within 10 business days of receipt of the letter and warning that enforcement action would be taken if his affidavit was not delivered to the Securities Department by July 9, 2015.
12. Respondent has failed to provide the affidavit.
13. Respondent has failed to pay amounts owed to the Department of Revenue or to get on a payment plan.
14. Respondent has failed to submit certain returns to the Department of Revenue and to pay any amounts owed for those years or to get on a payment plan for those years.
15. From 2001 to the present, several liens have been entered against Respondent. The liens total \$209,779.91 and each lien is currently outstanding, according to Respondent's disclosures. Furthermore, some of the liens were not reported for several years after they were entered against Respondent.
16. A Notice of Hearing was entered on July 13, 2015.
17. Respondent failed to file an answer to the Notice of Hearing, but did appear at the hearing on September 16, 2015.
18. At that hearing, the Securities Department was granted leave to file an Amended Notice of Hearing.
19. 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.
20. Section 12.D of the Act 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.

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21. 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.
22. Section 8.E(1)(g) of the Act provides, *inter alia*, 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.
23. 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 repute or qualifications or has refused to furnish any such information requested by the Secretary of State.
24. Section 8.E(1)(m) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if 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 a salesperson or investment adviser representative.
25. 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.
26. 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.
27. 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.
28. By virtue of the foregoing, Respondent has committed violations of Sections 8.E(1)(g), (h), (m), and (o), 12.D, and 12.E of the Act.

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29. By virtue of the foregoing, 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.
30. The entry of a final written Order of revocation is proper in this Matter, given the conduct of the Respondent as described in Secretary of State Exhibits 1 through 26 and the testimony.

WHEREAS, the Secretary of State makes the following additional Finding of Fact.

31. Section 8.E(3) provides, *inter alia*, that the withdrawal from registration as a salesperson or investment adviser representative becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine, unless any proceeding is pending under Section 11 of the Act when the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the Secretary of State by order determines.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

32. The actions, representations, and/or omissions of Respondent when acting as a registered salesperson, as described in Secretary of State Exhibits 1 through 26 and the testimony, are violations of Sections 8.E, 12.D, and 12.E of the Act.
33. Because of the Findings of Fact of this Order, the documents admitted as Secretary of State Exhibits 1 through 26, and the testimony, Respondent is subject to the entry of a final written order that revokes Respondent's registrations as a salesperson in the State of Illinois pursuant to Sections 8.E(1) and 11.F(1) of the Act and grants such other relief as may be authorized under the Act.

WHEREAS, the Secretary of State makes the following additional Conclusion of Law based on the evidence and testimony presented at the hearing and made part of the record and the Findings of Fact.

34. Because of the Findings of Fact of this Order, the documents admitted as Secretary of State Exhibits 1 through 26, and the testimony, Respondent is subject to the entry of a final written order that revokes Respondent's registrations as an investment adviser representative in the State of Illinois pursuant to Sections 8.E(1) and (3) and 11.F(1) of the Act and grants such other relief as may be authorized under the Act.

WHEREAS, the Hearing Officer therefore recommends that a written Final Order be entered pursuant to Sections 8.E and 11.F of the Act that revokes the Respondent's registration as a salesperson in the State of Illinois.

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WHEREAS, the proposed Recommendation of the Hearing Officer is adopted by the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendation of the Hearing Officer, the Respondent's registration as a salesperson and as an investment adviser representative in the State of Illinois is hereby REVOKED.

ENTERED: This 7<sup>th</sup> day of December, 2015.



JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department  
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DATE OF MAILING: This 7<sup>th</sup> day of December 2015.

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 *et seq.* Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 *et seq.* and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.