

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CHARLES FOSTER, CRD # 1984870

) File No. 1600067
)

NOTICE OF HEARING

TO THE RESPONDENT: Charles Foster
Northwestern Mutual Investment Services, LLC
377 E. Butterfield Rd., Ste. 400
Lombard, IL 60148

Northwestern Mutual Investment Services, LLC
Attn: Jeffrey Williams, CCO
611 E. Wisconsin Ave.
Milwaukee, WI 53202-4797

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 Subpart K of the Rules and Regulations Under the Illinois Securities Law of 1953 [14 Ill. Adm. Code 130 *et seq.*] (the "Rules") a public hearing will be held at 421 E. Capitol Ave., 2nd Fl., Springfield, Illinois, 62701, on the 18th day of May, 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 Charles Foster (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 entry of the Order.

The grounds for such proposed action are as follows:

1. At all relevant times, 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 at Northwestern Mutual Investment Services, LLC, a dealer registered in the State of Illinois and an investment adviser notice-filed in the State of Illinois pursuant to Section 8 of the Act.

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3. On or about October 8, 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 and investment adviser representative license would be suspended and provided contact information for the Department of Revenue.
4. On or about February 4, 2016, 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 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 February 8, 2016, the certified letter was delivered to Respondent's office.
6. On February 25, 2016, the Securities Department contacted a representative of Northwestern Mutual Investment Services, informing the firm 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 March 1, 2016.
7. At least as of March 2, 2016, Respondent failed to provide the affidavit.
8. At least as of March 2, 2016, Respondent owed the Department of Revenue a balance for his 2011 individual income taxes. Also, Respondent was required by the Department of Revenue to file his individual income tax returns for the years 2013 and 2014. Respondent would be required to pay any amounts owed for those years or to establish a payment plan to pay any amounts owed for those years.
9. Respondent disclosed three tax liens as part of his U-4 application. The liens were filed in 2008 and released in 2009 by the State of Indiana. They were not disclosed until 2015.
10. At least as of March 2, 2016, Respondent failed to disclose other tax liens filed in Lake County by the State of Indiana, including, but not necessarily limited to, # 05861145 filed on March 26, 2007 and released on April 12, 2007, # 059370002 filed on April 5, 2007 and released on April 12, 2007, # 05948809 filed on April 9, 2007 and released on April 12, 2007, # 6505371 filed on October 17, 2007, and # 06962870 filed on July 21, 2008 and released on February 17, 2009.
11. Respondent's U-4 application for registration with the Department, which was executed, verified, or authenticated by Respondent, does not disclose all the liens

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entered against him, due to Respondent's failure to provide adequate information to his firm.

12. 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.
13. 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.
14. 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.
15. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the salesperson or investment adviser representative has violated any of the provisions of this Act.
16. 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.
17. 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.
18. 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.

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19. 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.
20. 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 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 2nd day of March, 2016.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Shannon Bond
Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone: (217) 524-0648

Hearing Officer:

Jon K. Ellis