

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: JEFFREY A. COBURN, CRD #6192783

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)  
) File No. 1600428  
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NOTICE OF HEARING

TO THE RESPONDENT:

Jeffrey A. Coburn  
3260 N. Lake Shore Dr. #7A  
Chicago, IL 60657

CC: Arctc Wealth Advisors, LLC and  
Arete Wealth Management, LLC  
Attn: Joshua Rogers, President  
1101 W Lake St., 1<sup>st</sup> Fl.  
Chicago, IL 60607

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., 2<sup>nd</sup> Fl., Springfield, Illinois, 62701, on the 21<sup>st</sup> day of September, 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 Jeffrey A. Coburn 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. On April 27, 2016, Respondent, Jeffrey A. Coburn, submitted an application for registration (a Form U4) as an investment adviser representative and salesperson, pursuant to Section 8 of the Act.
2. Respondent's employers at the time were Arete Wealth Advisors, LLC (CRD #145488) and Arete Wealth Management, LLC (CRD #44856).

Notice of Hearing

-2-

3. On May 25, 2016, the Securities Department informed Respondent's employers that Respondent needed to resolve his outstanding debt with the Illinois Department of Revenue by getting on a payment plan or paying the balance owed (approximately \$103,283.34 for the years 2006-2013).
4. At least as of July 6, 2016, Respondent established a payment plan with the Department of Revenue.
5. On July 6, 2016, Respondent and his employer were notified by the Securities Department that the following liens and judgments had not been disclosed, despite the liens and judgments being filed and/or unresolved during times when Respondent had a duty to disclose them in his Form U4 filings. The Securities Department also urged Respondent and his employers to make sure that there were no other liens or judgments that should have been disclosed.
  - i. A state tax lien in the amount of \$9,333.
  - ii. A federal tax lien in the amount of \$34,304.
  - iii. A federal tax lien in the amount of \$40,377.
  - iv. A federal tax lien in the amount of \$9,044.
  - v. A civil judgment in the amount of \$6,668.
  - vi. A civil judgment in the amount of \$10,344.
  - vii. A civil judgment in the amount of \$1,911.
  - viii. A civil judgment in the amount of \$3,400.
6. Respondent provided the necessary information to his employers and, on July 7, 2016, Respondent's employers filed amendments to Respondent's Form U4, disclosing seven of the eight liens and judgments. Missing was the state tax lien in the amount of \$9,333.
7. Also on July 7, 2016, Respondent's employers filed a Form U5 terminating his employment, after permitting Respondent to resign due to his "failure to fully disclose existence of liens."
8. Section 8.C(8) of the Act 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.

Notice of Hearing

-3-

9. Section D-5 of the Act provides, *inter alia*, that a change which renders no longer accurate any information contained in any application for registration or re-registration as an investment adviser representative must be reported to the Secretary of State within 10 business days after the occurrence of the change.
10. 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.
11. 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.
12. Section 8.E(1)(h) of the Act 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.
13. Section 8.E(1)(o) of the Act 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.
14. 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.
15. 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.
16. By virtue of the foregoing, Respondent has violated Section 12.D of the Act and is subject to sanctions pursuant to Sections 8.E(1)(g), (h), and (o) of the Act.

Notice of Hearing

-4-

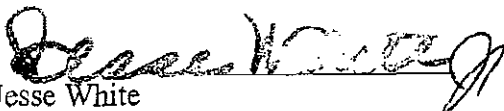
17. By virtue of the foregoing, Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends or revokes his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

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 a Respondent constitutes service upon such Respondent.

ENTERED: This 25<sup>th</sup> day of July, 2016.



Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Shannon Bond  
Illinois Securities Department  
421 E. Capitol Ave., 2<sup>nd</sup> Fl.  
Springfield, IL 62701  
Telephone: (217) 524-0648

Hearing Officer:

Jon K. Ellis