

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DOUGLAS MCCONNELL, CRD #2048553

)
) File No. 1600252
)

NOTICE OF HEARING

TO THE RESPONDENT:

Douglas McConnell
Metropolitan Capital Investment Banc, Inc.
9 E. Ontario St.
Chicago, IL 60611

CC: Metropolitan Capital Investment Banc, Inc.
Attn: Frank Novel, CCO
9 E. Ontario St.
Chicago, IL 60611

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 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 9th day of December, 2016 at the hour of 10:00 a.m. or as soon thereafter as counsel may be heard, before Abby Sgro 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 denying the registration of Douglas McConnell 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 March 8, 2016, Respondent, Douglas McConnell, submitted an application for registration (a Form U4) as a salesperson, pursuant to Section 8 of the Act.

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2. The Department's review of the application indicated that Respondent had failed to file certain income tax returns in the State of Illinois, failed to pay certain taxes owed to the State of Illinois, failed to disclose in his application certain Illinois Department of Revenue and IRS tax liens, and failed to disclose in his application a customer complaint that resulted in a \$331,500 settlement.
3. In a letter dated July 8, 2016, the Respondent's employer was notified of the failures.
4. On the same day, Respondent's application was withdrawn.
5. On September 29, 2016, Respondent reapplied for registration as a salesperson.
6. As of October 28, 2016, Respondent has made the required disclosures in his application.
7. Respondent also paid the amounts owed to the Department of Revenue and filed the required tax returns.
8. 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.
9. 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.
10. 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.
11. 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.
12. Section 11.F(1) of the Act provides, *inter alia*, that the Secretary of State may deny, 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

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than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.

13. 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) and (o) of the Act.


14. 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 denies 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 *29th* day of *November*, 2016.



Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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

Hearing Officer:

Abby Sgro