

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: KEITH D. MCGREGORY, CRD #2217000

File No. 1600509

CONSENT ORDER

TO THE RESPONDENT:

Keith D. McGregory
Drexel Hamilton, LLC
30 S. Wacker Dr., Ste. 2200
Chicago, IL 60606

cc: Drexel Hamilton, LLC
Attn: Colleen Lindh, CCO
2000 Market St., Ste. 780
Philadelphia, PA 19103

WHEREAS, the Respondent, Keith D. McGregory, on December 6, 2016 executed a certain Stipulation to Entry of Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State, service of the Notice of Hearing in this matter, and consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph VII of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. At all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

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2. Respondent is currently a registered representative of Drexel Hamilton, LLC, a dealer registered in the State of Illinois pursuant to Section 8 of the Act.
3. On or about March 11, 2016, 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 August 4, 2016, the 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 August 9, 2016, the certified letter was delivered to Respondent's office.
6. On August 23, 2016, an email was sent to Drexel Hamilton warning that Respondent had not responded to the Securities Department's certified letter.
7. On or about August 29, 2016, a second certified letter was sent to Drexel Hamilton that indicated no response to the first certified letter or the email had been received by the Securities Department.
8. The second certified letter also identified six judgments, entered between 1996 and 2012, which had not been disclosed on Respondent's application (Form U4).
9. On September 6, 2016, the second certified letter was delivered.
10. On September 12, 2016, Respondent's notarized affidavit was received by the Securities Department.
11. Around or about September 23, 2016, the Department of Revenue confirmed that Respondent had obtained a payment plan for the amounts owed.
12. However, prior to the payment plan being established, the Department of Revenue issued a tax lien for the amounts owed.
13. As of November 1, 2016, Respondent had made the disclosures in his application, which were known at that time to the Department.

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14. On or about November 28, 2016, the Department of Revenue notified the Securities Department that Respondent had defaulted on his payment plan.
15. As of the December 5, 2016, Respondent is not in compliance with the Department of Revenue.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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 than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.

WHEREAS, Respondent has acknowledged that the allegations contained in paragraph VIII of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

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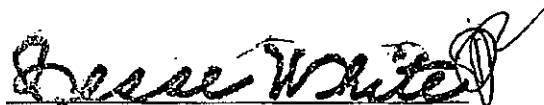
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22. By virtue of the foregoing, Respondent has violated Section 12.D of the Act and is subject to sanctions pursuant to Sections 8.E(1)(g) and (o) of the Act.
23. By virtue of the foregoing, Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

24. Respondent will make a monetary payment, within ten business days from the entry of the Consent Order, in the amount of one thousand five hundred dollars (\$1,500.00) to the Illinois Secretary of State for deposit in the Securities Audit and Enforcement Fund. The payment will be mailed to the Illinois Securities Department, 421 East Capitol Avenue, 2nd Floor, Springfield, Illinois 62701.
25. Respondent is suspended in all capacities from December 6, 2016 to December 28, 2016 or until all amounts owed to the Department of Revenue in December 2016, as part of the previously established payment plan, are paid (and have cleared if the payment is not made via certified check or money order), whichever is later.
26. Respondent is Censured.
27. Respondent will abide by the terms of any payment plan with the Department of Revenue and has a continuing duty to timely file his taxes and make payment arrangements for any amounts owed in the future.
28. Respondent has a continuing duty to timely make any and all required disclosures in his Form U4 filings.
29. The Department will retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.
30. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 6th day of December, 2016.

A handwritten signature in cursive script that reads "Jesse White". The signature is written in black ink and is positioned above a horizontal line.

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