

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

IN THE MATTER OF: William R. Paton

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FILE NO. 2000167

NOTICE OF HEARING

TO THE RESPONDENT: William R. Paton CRD# 4973311
205 Lela Lane
Schaumburg IL 60143

TO THE FIRM: LPL Financial
900 N. Arlington Heights Road, Suite 380
Itasca, IL 60143

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 20th day of November 2020, at the hour of 10:00 a.m., or as soon as possible thereafter, before, George Berbas, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine if the registration of Respondent William R. Paton as a register representative and investment adviser representative will be subject to a suspension or revocation in accordance with 8.E(1)(o) of the Illinois Securities Law, as amended ("Act"). Imposition of fines not to exceed \$10,000 against the Respondent for each violation of the Act described below; entry of orders of public censure; and charging costs of the investigation and all reasonable expenses, including attorney's fees and witness fees, in accordance with Section 11.E(4) of the Act.

The grounds for such proposed action are as follows:

1. Respondent William R. Paton ("Respondent") is a natural person with a last known address of 205 Lela Lane, Schaumburg, IL 60143.
2. Respondent is licensed by the Illinois Department of Securities, Secretary of State ("IDS") as a registered representative since September 2005.
3. Respondent is licensed by the Illinois Department of Securities, Secretary of State ("IDS") as an investment adviser representative since February 2007.

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4. Respondent is employed with LPL Financial as a registered representative and investment adviser representative since January 2011.

COUNT I

FAILURE TO PAY ANY TAX, PENALTY, OR INTEREST ADMINISTERED BY THE ILLINOIS DEPARTMENT OF REVENUE

1. On or about February 10, 2020, the IDS sent a letter to the Respondent's last known address via certified mail notifying the Respondent that he had an outstanding tax assessment with the Illinois Department of Revenue ("IDR"). Respondent was notified that his license as a salesperson was at risk for revocation if the IDS did not receive a RELEASE from the IDR within 15 business days from February 10, 2020.
2. The IDS did not receive a release from the IDR within 15 business days of the February 10, 2020 letter or any time thereafter.
3. Previously, the IDR sent Respondent a Collection Action and Notice of Intent of Suspension of Your Salesperson License or Investment Adviser License (or Both).
5. To date, Respondent failed to pay the final assessment of a tax administered by the Illinois Department of Revenue.
6. By virtue of the foregoing, the Respondent has committed a violation of Section 12.D of the Act.
7. Section 8.E(l)(g) of the Act provides that the registration of a dealer may be suspended or revoked if it has violated any of the provisions of this Act.
8. Section 8.E(l)(o) provides that the registration of a salesperson may be denied, suspended or revoked if the Secretary of State finds that such salesperson 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.
9. 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
10. Section 11.F(l) of the Act provides, inter alia, that the Secretary of State may suspend or revoke the registration of a salesperson 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.

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11. 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 as a salesperson in the State of Illinois pursuant to Sections 8 and 11 of the Act.

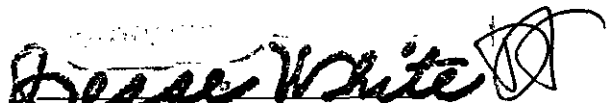
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 111. Adm. Code 130) ("the rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone
Enforcement Attorney
Illinois Department of Securities
69 West Washington, Suite 1220
Chicago, Illinois 60602

A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondent has upon due notice moved for and obtained a continuance.

The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 1st day of October 2020.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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Office of the Secretary of State
Illinois Securities Department
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Hearing Officer: George Berbas - berbas@juno.com