

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

**IN THE MATTER OF: JAMES E. EASTON**

**FILE NO. 0400442**

**NOTICE OF HEARING**

**TO THE RESPONDENT:**

James E. Easton  
(CRD #: 1377978)  
2406 Bradley Road  
Rockford, Illinois 61107

c/o Mutual Service Corporation  
250 Australian Avenue South  
West Palm Beach, Florida 33401-6012

You are hereby notified that pursuant to Section 11.F 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 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19<sup>th</sup> day of January, 2005, at the hour of 10:00 a.m., or as soon as possible thereafter, before James G. Athas, Esq. or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered revoking James E. Easton's (the "Respondent") registration as an investment advisor representative and as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the Order.

The grounds for such proposed action are as follows:

1. That the Respondent became registered with the Secretary of State as an investment advisor representative on February 13, 1998 and as salesperson on January 5, 1993 in the State of Illinois pursuant to Section 8 of the Act.

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2. That on October 21, 1989, the Illinois Department of Revenue issued Notice of Tax (LIEN docket number: 1870490) against the Respondent and Easton Aviation Inc. This Tax Lien was in the amount of \$485,081.00 and is still in full force and effect.
3. That Section 8.E(1)(o) of the Act provides, *inter alia*, that the registration of an investment advisor representative or a salesperson may be revoked if the Secretary of State finds that such investment advisor representative or 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 tax Act administered by the Illinois Department of Revenue, until such time as the requirements of that tax Act are satisfied.
4. That by virtue of the foregoing, the Respondent's registration as an investment advisor representative and as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(o) of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file and answer to the allegations outlined above within thirty (30) days of the receipt of this notice. 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.

Furthermore, you may be represented by legal counsel, may present evidence, may cross-examine witness and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the office of the Secretary of State, Securities Department, is included with this Notice.

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Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 2nd day of December 2004.

  
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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Chicago, Illinois 60602  
(312) 793-3384

Hearing Officer:  
James G. Athas  
180 W. Washington  
Suite 710  
Chicago, IL 60602