

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: MICHAEL J. HOVANEK)

FILE NO. 0600061

SUMMARY ORDER OF DENIAL

TO RESPONDENTS: Michael J. Hovanec
(CRD#: 1910750)
653 N. Kingsbury
Chicago, Illinois 60610

C/o Waterstone Financial Group, Inc.
500 Park Boulevard
Suite 800
Itasca, Illinois 60143-2645

WHEREAS, on January 30, 2006, Waterstone Financial Group, Inc., a registered dealer, filed a Form U-4 application for registration of Michael J. Hovanec (the "Respondent") as a salesperson in the State of Illinois;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the Respondent's application for registration as a salesperson in the State of Illinois is subject to a Summary Order of Denial;

WHEREAS, the Secretary of State finds that the grounds for such Summary of Denial are as follows:

1. That on January 13, 2004, the Illinois Department of Revenue issued Notice of Tax Lien (LIEN ID NO: 0401311161501) in the amount of \$17,967.45 (Total tax, penalty, and interest) against the Respondent. This Tax Lien was filed in Cook County, Illinois and the statute is "active."
2. That Section 8.E(1)(o) of the Act provides, inter alia, that the registration of a salesperson may be denied 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

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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.

3. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(o) of the Act.

NOW IT IS HEREBY ORDERED THAT:

The Respondent's application for registration as a salesperson in the State of Illinois is DENIED, subject to the further Order of the Secretary of State.

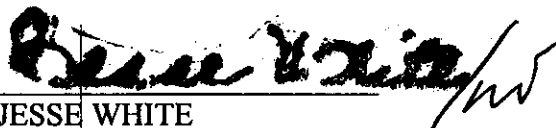
A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 69 west Washington Street, Suite 1220, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 1st day of March 2006.


JESSE WHITE
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

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Illinois Securities Department

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