

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

IN THE MATTER OF: MetLife Securities

)
) **FILE NO. 0500696**
)

NOTICE OF HEARING

**TO RESPONDENTS: MetLife Securities (CRD#: 14251)
 ATTN: Michael Eng
 1095 Avenue of the Americas
 New York, NY 10166**

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 18th day of February, 2009, at the hour of 10:00 a.m., or as soon as possible thereafter, before James Kopecky, Esq. Or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondent from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within 10 (ten) days of the Order.

The grounds for such proposed action are as follows:

COUNT I:

Failure to Reasonably Supervise the Securities Activities of Its Salesperson

1. Fabian Seyller was registered as a salesperson with the Secretary of State, Securities Department ("the Department") from January of 1985 to July 9, 2007.
2. Fabian Seyller, from January 1985 to June 21, 2007 was employed by and registered as a salesperson through MetLife Securities (hereinafter "MetLife").
3. At all relevant times MetLife was responsible for supervising the activities of Fabian Seyller while MetLife employed him.
4. Respondent Seyller's office was located at 4053 N. Perryville Rd. Loves Park, IL.

5. Between the time period of March of 2003 and September of 2005 Respondent Seyller sold to 32 Illinois Investors (hereinafter "Illinois Investors") MetLife variable annuity products.
6. The variable annuity products Seyller sold to the Illinois Investors were all invested within a qualified retirement plan.
7. Seyller and MetLife Securities were aware at the time of each of these sales that the Illinois Investors' variable annuities were going to be invested within a qualified retirement account.
8. Each of the Investors' qualified retirement plans were already tax-advantaged.
9. As a result, the variable annuity products sold by Respondents provided the Illinois Investors with no additional tax savings.
10. MetLife took no steps to meaningfully review the variable annuity sales made by Fabian Seyller to the Illinois Investors.
11. Respondent MetLife detailed reasons for its approval of the sales of the variable annuity products to Illinois Investors in what MetLife purports to be a Principal Review Form.
12. That in determining whether the variable annuity products were beneficial to the Illinois Investors, Respondent MetLife provided mere boilerplate language in its Principal Review Form, rather than any information which was tailored towards the particular investor.
13. Furthermore, the boilerplate language that MetLife used in support of its approval of the variable annuity purchases was often contrary to common sense.
14. Specifically each and every Principal Review form for each variable annuity purchase stated in identical language that:
 - a. "the customer would benefit from certain features of an annuity, such as tax-deferred growth, annuitization, or a death or living benefit..."
15. As previously mentioned, the variable annuities sold to the Illinois Investors were all placed in a qualified retirement plan.
16. The qualified retirement plans that the investors placed their variable annuities in already provided the Illinois Investors with tax deferred growth advantages.
17. As a result, the variable annuity products that were sold to the Illinois Investors provided them with no additional tax deferred growth benefit.
18. Further confirming that there was no meaningful review of these variable annuity sales is the fact that Respondent Metlife's boilerplate language states in each of its Principal

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Review forms that the Illinois Investors could also benefit from the variable annuity's death benefit feature.

19. However, in reality several of the Illinois Investors were under the age of 40 at the time of their purchase and as such were not ideal candidates for the death benefit feature.
20. MetLife purports to have implemented a policy that required certain of its customers to sign an IRA Annuity Disclosure and Acknowledgement Form.
21. This policy was not implemented until September of 2005.
22. This IRA Annuity Disclosure and Acknowledgement Form was to be signed by individuals who had purchased a variable annuity product that was invested within an Investment Retirement Account.
23. The IRA Annuity Disclosure and Acknowledgement Form that MetLife purports to have provided to its clients after September 12, 2005 details the fact that the variable annuity being purchased does not carry any additional tax benefits where it funds an IRA.
24. MetLife has not retroactively required that the IRA Annuity Disclosure and Acknowledgement Form be provided to individuals who had funded their qualified retirement plan with a variable annuity.
25. Section 8.E(1)(e) of the Act provides, *inter alia*, that the registration of a dealer or salesperson may be denied, suspended or revoked if the dealer has failed reasonably to supervise the securities activities of any of its salespersons or other employees and the failure has permitted or facilitated a violation of Section 12 of this Act.
26. Accordingly, MetLife Securities' registration as a securities dealer in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(e)(i) of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an Answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this 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.

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 by you.

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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 8th day of December, 2008.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

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Illinois Securities Department
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