

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

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IN THE MATTER OF: DONALD W. KILEY )  
\_\_\_\_\_)

FILE NO. 0900075

**NOTICE OF HEARING**

TO THE RESPONDENT: Donald W. Kiley(CRD#: 822)  
Jordan Road  
Depere, Wisconsin 54115

Donald W. Kiley  
(CRD#: 2630201)  
C/o Ausdal Financial Partners, Inc.  
220 North Main Street, Suite # 400  
Davenport, Iowa 52801-1921

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 24<sup>th</sup> day of June, 2009 at the hour of 10:00 a.m. or as soon as possible thereafter, before George Berbas 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 Donald W. Kiley's (the "Respondent") registration 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 entry of the Order.

The grounds for such proposed action are as follows:

1. That 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.
2. That on January 5, 2009 FINRA entered Order of Settlement (Order) regarding Disciplinary Proceeding No. 20050033124 which sanctioned the Respondent as follows:

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- a. three month suspension from associating with any FINRA member in any capacity; and
  - b. \$5,000 fine.
3. That the Order found:
- Between approximately September 2003 and November 2004, the Respondent received approximately \$20,382.07 in compensation for participating in sales of securities, totaling approximately \$160,601.24, in the form of ten life settlements issued through Mutual Benefits Corporation and ABC Viaticals, Inc. to six public customers of the Member.
4. The Respondent failed to give written notice of his intention to participate in the sales of life settlements to, and failed to receive written approval from, the Member prior to engaging in such activities. Moreover, the Member explicitly prohibited the sale of viaticals and life settlements in its Compliance Manual. The manual provided that “a Representative SHALL NOT refer, recommend, or solicit transactions involving Viatical Life or Senior Life Settlements” (original emphasis).
  5. Based on the foregoing, the respondent violated NASD Conduct Rules 2110 and 3040.
  6. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration Of a salesperson may be revoked if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Registered under the Federal 1934 Act or the Federal 1974 Act arising from Any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory Organization.
  5. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
  6. That by virtue of the foregoing, the Respondent's registration as a Salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E (1)(j) 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 an 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.

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Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any 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, can be found at.

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

Dated: This 15<sup>th</sup> day of April 2009.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Daniel A. Tunick  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3384

Hearing Officer:  
George Berbas  
180 N. LaSalle  
Chicago, Illinois 60601