

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: DANIEL J. RUSSELL

FILE NO. 0200968

ORDER OF DENIAL

TO THE RESPONDENT:

Daniel J. Russell  
(CRD#: 1990504)  
1519 Bates Court  
Schaumburg, Illinois 60193

c/o High Mark Securities, Inc.  
500 South Florida Avenue  
Fourth Floor  
Lakeland, Florida 33801

WHEREAS, a Summary Order was issued by the Secretary of State on August 11, 2003, which denied Daniel J. Russell's (the "Respondent") application for registration as a salesperson in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Summary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Summary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Summary Order within thirty (30) calendar days of the entry of said Summary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Findings of Fact as follows:

1. Pursuant to the authority granted under Section 11.C of the Act, the Secretary of State, Illinois Securities Department (the "Department") sent a letter to the Respondent by means of certified mail, return receipt requested ("11.C letter")

Order of Denial

-2-

requesting answers to certain propounded questions regarding his pending salesperson's registration on February 8, 2003.

2. The Respondent replied to this request by letter dated February 8, 2003 which was received by the Department on February 18, 2003. This response did not conform to the requirements of Section 11.C of the Act. A follow-up 11.C letter was sent in a similar manner to that of the February 6, 2003 11.C letter on February 19, 2003 which was received by the Respondent on February 25, 2003. The Respondent replied to this request by letter dated February 25, 2003, which was received by the Department on March 3, 2003.
3. Question #1 of the February 6, 2003 11.C letter asked [please provide a] statement detailing the function of Millennium Financial Services ("MILLENNIUM").
4. The Respondent replied to this question as follows "The function and operation of Millennium was strictly going to be a business name for offering financial services as an independent representative. But as I stated in my letter dated February 8, 2003, I never adopted or used the name in any matter whatsoever. I could not utilize the name because there was another financial firm in the area who already was operating under that name."
5. The Respondent's reply was false and misleading in that he failed to disclose a certain Check (No. 0978 dated June 14, 1997 drawn on the account of James P. Economos, DDS P.C. at the Harris Bank, Bartlett, Illinois "check"). This check was made payable to "Millennium Financial Services" for \$15,000.00. The reverse side of this check states' pay to the order of "Federated Investors" and bears the signatures of "Daniel J. Russell" and "Millennium Financial."
6. Question No. 5 of the February 6, 2003 11.C letter states "[please provide] Statement detailing whether MILLENNIUM had any clients-customers".
7. The Respondent replied to this question as follows "Millennium never had any clients-customers since it never began or operated under that name. Once again, I never incorporated, advertised or used the name in any manner since I didn't want to get into a conflict with the other firm in the area using that name."
8. The Respondent's reply was false and misleading for the same reasons as specified in paragraph 5 above.
9. Question 10 of the February 6, 2003 11.C letter states "[please state] Did the Millennium Financial Services participate in any transactions with Federated Investors?"
10. Respondent replied to this question as follows "Millennium never participated in any transaction with Federated Investors, or any other outside company."

## Order of Denial

-3-

11. The Respondent's reply was false and misleading for the same reasons as specified in paragraph 5 above.
12. Pursuant to the authority granted under Section 11.C of the Act, the Department sent a letter to the Respondent by means of certified mail, return receipt requested ("11.C letter") requesting answers to certain propounded questions regarding his pending salesperson's registration on March 5, 2003.
13. The Department received the signed "green card" on March 10, 2003 indicating the Respondent's receipt of the 11.C letter.
14. The Respondent replied to this request by letter dated March 10, 2003 which was received by the Department on March 18, 2003.
15. Question No. 6 of the March 5, 2003 11.C letter states "Did you personally cause the name of Millennium Financial Services or Millennium Financial ("MILLENNIUM") to be written, or inscribed, on any document or other written material?"
16. The Respondent replied to this question as follows "That I never used the name on any material or documents. When I realized that I couldn't use the name, every material or document only used my name. There was no business name."
17. The Respondent's reply was false and misleading for the same reasons as specified in paragraph 5 above.
18. Question Number 8 of the March 5, 2003 11.C letter states "Did you personally participate in any transactions with Federated Investors?"
19. The Respondent replied to this question as follows "I never participated in any transaction."
20. The Respondent's reply was false and misleading for the same reasons as specified in paragraph 5 above.
21. Pursuant to the authority granted under Section 11.C of the Act, the Department sent a letter to the Respondent by means of certified mail, return receipt requested ("11.C letter") requesting answers to certain propounded questions regarding his pending salesperson's registration on May 15, 2003. The letter was received by the Respondent on May 19, 2003.
22. The Respondent replied to this request by letter dated May 28, 2003 which was received by the Department on June 2, 2003.

Order of Denial

-4-


23. The May 15, 2003 11.C letter asked the Respondent “[to} submit “A detailed list of names, addresses and phone numbers of those specific individuals, “friends” who were made aware of your starting an independent financial service business.”
24. The Respondent replied to this question by submitting a list of five (5) individuals, including friends and relatives.
25. The Respondent’s reply was false and misleading as it failed to include the name of James P. Economos and for the reasons specified in paragraph 5 above.
26. That accurate and full disclosure of required information relates to an individual’s character and veracity and therefore, is a material fact necessary to carry out the provisions of the Act.
27. That Section 12.E(1) of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to make, or cause to be made, in any application, report or document filed under the Act or any rule or regulation made by the Secretary of State pursuant to the Act, any statement which was false or misleading with respect to any material fact.
28. That by virtue of the foregoing, the Respondent has committed a violation of Section 12.E(1) of the Act.
29. That Section 8.E(1)(g) of the Act provides that the registration of a salesperson may be denied if he has violated any of the provisions of this Act.
30. That Section 8.E(1)(h) of the Act provides, inter alia, that the registration of a salesperson may be denied if the Secretary of State finds that such salesperson made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson’s repute or qualification.
31. That by virtue of the foregoing, the Respondent’s registration as a salesperson in the State of Illinois is subject to denial pursuant to Sections 8.E(1)(g) and (h) of the Act.

Order of Denial

-5-

NOW IT IS HEREBY ORDERED THAT: Daniel J. Russell's application for registration as a salesperson in the State of Illinois is DENIED.

ENTERED: This 22<sup>nd</sup> day of September 2003.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Notice: This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14Ill. Admin, Code, CH. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.