

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ROBERT C. TOLLEFSON

FILE NO. 0400174

NOTICE OF HEARING

TO THE RESPONDENT: Robert C. Tollefson
(CRD #: 447751)
4116 Jody Court
Rolling Meadows, Illinois 60008

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 17 North State Street, Suite 1266, Chicago, Illinois 60602, on the 26th day of May, 2004 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula J. Spyropoulos 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 Robert C. Tollefson'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 until April 12, 2002.
2. That on January 30, 2004, NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C8A040002 which imposed the following sanctions:
 - a. one year suspension from association with any member of NASD in any capacity; and

- b. fine of \$15,000.
3. That the AWC found that between June 2001 April 2002, the Respondent was a registered principal and a 50% owner of Financial Associates of America, an OSJ of the Member. During that period, he allowed, aided and assisted at least five individuals to assume the duties and perform the functions of a registered representative although the five individuals were not properly registered. The above conduct constitutes separate and distinct violations of NASD Conduct Rules 2110, 3010, and Membership Rule 1031.
4. 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 NASD is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
6. That Section 8.E(3) of the Act provides, inter alia, withdrawal of an application for registration or withdrawal from registration as a salesperson, becomes effective 30 days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
7. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to revocation, effective April 12, 2002, pursuant to Sections 8.E(1)(j) and 8.E(3) 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.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall

Notice of Hearing

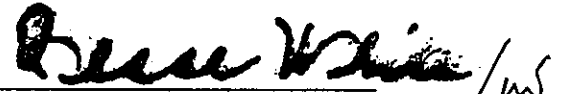
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constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

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.

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

Dated: This 5th day of April 2004.

A handwritten signature in black ink, appearing to read "Jesse White", with a horizontal line underneath and a diagonal slash followed by the initials "JW" to the right.

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
17 North State Street, Suite 1266
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
Soula J. Spyropoulos
6348 N. Cicero Ave
Chicago, Illinois 60646
Telephone: (773) 282-3400