

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JAMES M. BEGALE)
_____))
_____)

FILE NO. 0500317

CONSENT ORDER OF WITHDRAWAL

TO RESPONDENT: James M. Begale
(CRD#: 16874)
401 Collen Drive
Lombard, Illinois 60148

C/o Jeffrey M. Gershon
Attorney at Law
Shaheen, Novoselsky, Staat, Filipowski & Eccleston, P.C.
20 North Wacker Drive
Suite 2900
Chicago, Illinois 60606

WHEREAS, Respondent on the 23rd day of January 2006 executed a certain Stipulation to Enter Consent Order of Withdrawal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated October 25, 2005 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

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 March 5, 2004.

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2. That on April 28, 2005, NASD entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. C8A050032 imposed the following sanctions:
 - a. suspension from association with any member of NASD in any capacity for 90 day; and
 - b. fine of \$5,000.
3. That the AWC found: on February 17, 2004, the Respondent altered a New Account Form ("NA Form") which had been signed by RS, who is a member of the public, and affixed RS's initials at two locations on the NA Form without RS's knowledge or consent, and submitted the NA Form to the Member, in violation of NASD Conduct Rule 2110 by the Respondent. The NA Form was altered by adding that RS had a risk tolerance of "Moderate Risk" along with the existing "Low Risk," and by prioritizing her investment objectives beyond the initial desired objective of "Tax Deferral." He engaged in this activity after a person in the Member's New Accounts Department explicitly told him that RS must initial any changes to the NA Form.
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 pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

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.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that the Secretary of State will accept his March 5, 2004 withdrawal of his salesperson's registration in the State of Illinois. He further acknowledged and agreed that he shall not re-apply for registration for a period of two (2) years from the entry of this Consent Order with credit given of nine (9) months, or until April 25, 2007.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of Seven Hundred Fifty dollars (\$750.00). Said amount shall be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Investors Education Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he submitted with the Stipulation a certified or cashier's check in the amount of Seven Hundred Fifty dollars (\$750.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Investors Education Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THERE IT SHALL BE AND IS HEREBY ORDERED THAT:

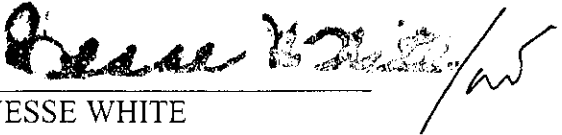
1. The Secretary of State hereby accepts the Respondent's March 5, 2004 withdrawal of his salesperson's registration in the State of Illinois.
2. The Respondent shall not re-apply for registration as a salesperson in the State of Illinois for a period of two (2) years from the entry of this Consent Order with credit given of nine (9) months, or until April 25, 2007.
3. The Respondent is levied costs of investigation in this matter in the amount of Seven Hundred Fifty dollars (\$750.00), payable to the Office of the Secretary of State, Investors Education Fund, and on January 25, 2006 has submitted Seven Hundred Fifty dollars (\$750.00) in payment thereof and represents reimbursement to cover the cost incurred during the investigation of this matter.

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4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

Dated: This 25th day of January, 2006.



JESSE WHITE
Secretary of State
State of Illinois