

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

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IN THE MATTER OF: DAWN A. MARTIN )  
\_\_\_\_\_)

FILE NO. 0700397

**NOTICE OF HEARING**

**TO THE RESPONDENT:** Dawn A. Martin (CRD#: 3192507)  
7603 S. Langley Avenue  
Chicago, Illinois 60619

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 31<sup>th</sup> day of October, 2007 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 Dawn A. Martin's (the "Respondent") registration as a salesperson and as an investment adviser representative 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 and as an investment adviser representative in the State of Illinois pursuant to Section 8 of the Act until February 15, 2007.
2. That on May 18, 2007 NASD entered Default Decision (Decision) regarding DISCIPLINARY PROCEEDING NO. 2006004392801 which sanctioned the Respondent as follows:

- a. fined \$5,000; and
  - b. suspended from associating with any NASD member in any capacity for 90 days.
3. That the Decision found:
- On or about October 19, 2005, while registered with Waddell & Reed, Respondent borrowed funds from customer RH by accepting cash in the amount of \$10,000. Waddell & Reed's written supervisory procedures prohibited borrowing money from customers, absent written authorization. Prior to accepting the loan, Respondent did not obtain any written authorization from Waddell & Reed to borrow the funds. Respondent violated Rule 2370, which prohibits registered representatives from borrowing from customers unless the firm's written procedures allow the borrowing and the borrowing meets certain specified conditions. A violation of Rule 2370 is also a violation of Rule 2110.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson or investment adviser representative may be revoked if the Secretary of State finds that such salesperson or investment adviser representative 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 or investment adviser representative, 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 and as an investment adviser representative in the State of Illinois is subject to revocation pursuant to Sections 8.E(1)(j) and 8.E(3) of the Act.

Notice of Hearing

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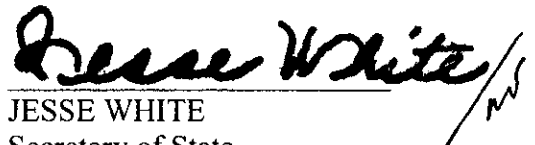
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the

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.

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 13<sup>th</sup> day of September 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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