

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JT FINANCIAL ADVISERS, LLC,)
ITS OFFICERS, DIRECTORS,) File No. 0800435
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS,)
AND THOMAS GEORGE TESAR)

NOTICE OF HEARING

TO THE RESPONDENTS: JT Financial Advisers, LLC (CRD #124019)
Thomas George Tesar (CRD #4604321)
133 N. Parkway Drive
Pekin, Illinois 61554

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1], et seq. (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 W. Jefferson Street, Suite 300A, Springfield, Illinois 62702 on the 15th day of April, 2009, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered which revokes the Investment Adviser and Investment Adviser Representative registrations of JT Financial Advisers, LLC and Thomas George Tesar (the "Respondents") in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount of \$10,000 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 the Respondent JT Financial Advisers, LLC (hereinafter, "JT Financial") is a registered investment adviser with a last known address of 133 N. Parkway Drive, Pekin, Illinois 61554;
2. That, at all times relevant the Respondent Thomas George Tesar was an investment adviser representative and managing member of JT Financial;

Notice of Hearing

-2-

3. That on or about April 25, 2005, an audit of Respondents was performed by Herb Clausen ("Clausen") and Jim Schneider ("Schneider"), both employees of the Illinois Secretary of State, Securities Department ("Department");
4. That as a result of the aforementioned audit, the following deficiencies were found:
 - a.) Multiple client files had incomplete or no suitability information, annual income information, net worth information, or investment objectives as well as missing account statements;
 - b.) Multiple client files had no signed and dated investment advisory contracts as required pursuant to Section 130.845 of the Securities Department's Rules and Regulations ("Rules");
 - c.) Respondents failed to provide clients with written disclosure statement as required pursuant to Section 130.856 of the Rules;
 - d.) Respondents failed to provide clients with current and timely billing statements for services rendered;
5. That on or about May 13, 2005, the Department sent Respondents a deficiency letter outlining the above referenced deficiencies;
6. That on or about July 14, 2005, Respondents sent a letter to the Department advising that Respondents had received and reviewed the aforesaid deficiency letter and are in the process of implementing the changes needed to bring Respondents in full compliance with the Act;
7. That on or about June 25-26, 2008, an audit of Respondents was performed by Ray Dewitt ("Dewitt") and Susan LaRussa ("LaRussa"), both employees of the Illinois Secretary of State, Securities Department ("Department");
8. During this June 25-26, 2008, audit, it was determined that multiple deficiencies found during the April 25, 2005, audit and cited in the May 13, 2005, deficiency letter still existed and were not remedied or cured by the Respondents as follows:

Notice of Hearing

-3-

- a.) Multiple client files previously examined during the 2005 audit still had incomplete or no suitability information, annual income information, net worth information, or investment objectives;
 - b.) Multiple client files still had no signed and dated investment advisory contracts;
 - c.) The aforementioned disclosure documents were still not being provided to clients;
 - d.) Billing statements were still incomplete and did not include itemized time and billing amounts; furthermore, multiple clients were being billed 3-5 years after services were rendered;
9. That Section 8.E.1(q) of the Act states, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of an investment adviser and/or investment adviser representative may be suspended or revoked if the Secretary of State finds that the investment adviser and/or investment adviser representative has failed to maintain the books and records required under this Act or rules or regulations promulgated under this Act within a reasonable time after receiving notice of any deficiency;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
11. That by virtue of the foregoing, the Respondents are subject to the entry of an Order which revokes their investment adviser and investment adviser representative registrations in the State of Illinois pursuant to the authority provided under Section 8.E.(1)(q) of the Act as well as a fine in the amount of \$10,000.00 per violation.

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, special appearance or other responsive pleading to the allegations outlined above within thirty days of the receipt of this notice. A failure to file an answer, special appearance or other responsive pleading

Notice of Hearing

-4-

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 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 10th day of March, 2009.

Jesse White *DFP*
JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State
Johan Schripsema
Illinois Securities Department
350 Seright, Suite C
Harrisburg, Illinois 62946
Telephone: (618) 253 2007

Hearing Officer:
Jon K. Ellis
Attorney at Law
1035 South Second Street
Springfield, Illinois 62704