STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: JEFFREY A. MULLINS	)	FILE NO. 1200025

AMENDED NOTICE OF HEARING

TO THE RESPONDENT:

Jeffrey A. Mullins
(CRD#: 2726351)
10 Tanglewood Court
Ridgefield, Connecticut 06877

Jeffrey A. Mullins
(CRD#: 2726351)
c/o CRI Capital Group, LLC
262 Harbor Drive
Stamford, Connecticut 06902

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 4th day of April, 2012 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky 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 denying Jeffrey A. Mullins'(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 on January 18, 2012, CRI Capital Group, LLC, a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

2. That on August 17, 2009 FINRA entered a Letter of Acceptance, Waiver and Consent (AWC) submitted by the Respondent regarding File No. 2007010829801 which sanctioned the Respondent as follows: 30 calendar day suspension from association with any FINRA member in any capacity; and $10,000 fine.

3. That the AWC found:

OVERVIEW

In or about July 2006, the Respondent effectively guaranteed an institutional investor against loss in connection with the sale of Collateralized Debt Obligation ("CDO") securities. This conduct violated NASD Conduct Rules 2330(e) and 2110.

FACTS AND VIOLATIVE CONDUCT

During 2006-2007, the Respondent worked for the Firm as a trader on the Asset-Backed Trading Desk. On or about July 20, 2006, the Firm sold all but the equity, or unrated, and BB rated tranches of the Knollwood II CDO to various institutional investors. The Firm continued to hold the equity and BB tranches of the Knollwood II CDO for investment in proprietary accounts managed by the Respondent. Sometime shortly after the initial distribution of the CDO, the Respondent was informed by a Firm accountant that the broker-dealer needed to sell at least 51% of its holdings in Knollwood II equity and BB tranches. To accomplish this, the Respondent contacted DD, an institutional salesperson in the Firm's Asset-Backed Institutional Sales Group. The Respondent was aware that JK, a portfolio manager for several funds in a mutual fund complex, often purchased securities similar to the Knollwood II equity tranche. The Respondent told DD that, if JK agreed to purchase 51% of the equity tranche on behalf of one or more of his funds, then, at JK's option, the Firm would be willing to repurchase those securities approximately six months later and at a price that would not result in any loss to the fund(s). The Respondent therefore effectively guaranteed the fund(s) against losses on the equity tranche securities. DO then communicated that guarantee to JK and, in August 2006, JK's funds purchased 51% of the Knollwood II CDO equity tranche from the Firm for $15.25 million. The Respondent and the Firm did not subsequently repurchase those securities. By guaranteeing that the institutional customer would not lose money on the CDO purchase, the Respondent violated NASD Conduct Rules 2330(e) and 2110.

4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be denied 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 FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

6. That by virtue of the foregoing, the Respondent's registration as a Salesperson in the State of Illinois is subject to denial pursuant to Section 8.E (1)(j) of the Act.

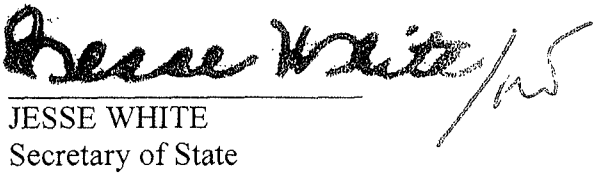
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 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 19th day of MAR CH 2012.



JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:
James L. Kopecky