

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

IN THE MATTER OF: DANNY R. TALBOTT

FILE NO. 0400779

AMENDED NOTICE OF HEARING

TO THE RESPONDENT: Danny R. Talbott
 (CRD#: 1336628)
 1636 W. Marlene Street
 Peoria, Illinois 61614

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 28th day of September, 2005 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 Danny R. Talbott's (the "Respondent") registration as a salesperson and as an investment advisor 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 advisor representative in the State of Illinois pursuant to Section 8 of the Act until September 10, 2003.
2. That on September 15, 2004, NASD entered Order accepting Offer of Settlement submitted by the Respondent regarding Disciplinary Proceeding No. C8A040035 which imposed the following sanctions:

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- a. suspension for one year from any member of NASD in any capacity; and
 - b. fined \$5,000.
3. That the Order found at all times mentioned herein, LB, CB, JP and ERP were members of the public who maintained securities accounts which were serviced by the Respondent at the Member (Respondent's employing firm.) On or about December 31, 2002, Respondent purchased or caused the purchase of \$45,000 worth of mutual fund shares in each of the accounts of LB, CB, JP and ERP. Respondent purchased the shares of Federated American leaders Fund in each of the accounts without the knowledge or consent of LB, CB, JP, or ERP and in the absence of written or oral authorization to Respondent to exercise discretion in said accounts.

Based on the foregoing, Respondent violated NASD Conduct Rule 2110 and IM 2310-2.

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 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 registrations as a salesperson and as an investment advisor representative in the State of Illinois are each subject to revocation pursuant to Section 8.E(1)(j) of the Act.

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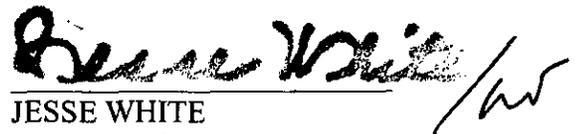
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file and answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed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

Furthermore, you may be requested 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 29th day of July 2005.


JESSE WHITE
Secretary of State
State of Illinois

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