



3. Transamerica Financial Advisers, Inc. (CRD # 3600) ("TFA") is a corporation with a branch office located at 1623 Washington Avenue, Suite 217, Alton, IL 62002.
4. On April 9, 2003, the Illinois Securities Department (the "Department") conducted a compliance examination (the "Exam") of the books and records of the TFA branch office located at 1623 Washington Avenue, Suite 217, Alton, IL 62002.
5. On, April 16, 2003, the Department issued a Deficiency Letter to TFA resulting from violations of the Act discovered during the Exam.

**Respondent is Falsely Holding Himself Out as a CPA.**

6. At the time of the Exam, the building marquee listed Respondent's place of business as:

Certified Financial Services 217  
TC Sherwood CPA

7. At the time of the Exam, Respondent stated that he was not a CPA (certified public accountant).
8. On information and belief, Respondent is not a CPA.
9. Section 8.E(1)(b) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
10. Section 8.E(1)(g) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has violated any provisions of the Act.

**Respondent Failed to Remove the CPA Designation from the Building's Sign.**

11. In TFA's May 15, 2003, response to the Department's Deficiency Letter, TFA instructed Respondent "to immediately contact the building maintenance department and have this error [the marquee listing Respondent as a CPA] corrected."
12. On or about September 25, 2003, despite being over five months after the Department's Exam of the Respondent's office and over four months after TFA's response to the Department's Deficiency Letter, an Illinois Securities Department employee went to Respondent's place of business at 1623 Washington Avenue in

Alton, Illinois. The building marquee still listed Respondent's place of business as:

Certified Financial Services 217  
TC Sherwood CPA

13. Respondent is falsely telling the public at large that he is a CPA, while truthfully admitting to the Department during an Exam that he is not a CPA.
14. Section 8.E(1)(b) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
15. Section 8.E(1)(e)(iii) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has failed reasonably to supervise the implementation of compliance measure following notice by the Secretary of State of noncompliance with the Act or with regulations promulgated thereunder or both.
16. Section 8.E(1)(g) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has violated any provisions of the Act.
17. Section 8.E(1)(m) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct business.

**Respondent is Falsely Holding Himself Out as an Investment Adviser.**

18. At the time of the Exam, Respondent stated that he charges some of his customers a \$95.00 planning fee.
19. Section 2.11 of the Act provides, inter alia, that an investment adviser means any person who, for compensation, engages in this State in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities.
20. By virtue of the foregoing, Respondent is acting as an investment adviser.
21. Section 8.A of the Act provides, inter alia, that every investment adviser shall be registered as such with the Secretary of State.
22. A thorough review of the records of the Secretary of State indicates that Respondent is not registered as an investment adviser in the State of Illinois.

23. Section 8.E(1)(b) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
24. Section 8.E(1)(g) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has violated any provisions of the Act

**Respondent's Violations of the Illinois Securities Law:**

25. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.
26. Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as an investment adviser, unless registered as such, where such registration is required, under the provisions of the Act.
27. Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
28. Section 12.G of the Act provides, inter alia, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
29. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
30. Section 12.J(1) of the Act provides, inter alia, that it shall be a violation of the Act for any person, when acting as an investment adviser, to employ any device, scheme or artifice to defraud any client or prospective client, by any means or instrumentality, directly or indirectly.
31. Section 12.J(2) of the Act provides, inter alia, that it shall be a violation of the Act for any person, when acting as an investment adviser, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon client or prospective client, by any means or instrumentality, directly or indirectly.
32. Section 12.J(3) of the Act provides, inter alia, that it shall be a violation of the Act for any person, when acting as an investment adviser, to engage in any act,

practice, or course of business which is fraudulent, deceptive or manipulative, by any means or instrumentality, directly or indirectly.

33. By virtue of the foregoing, Respondent violated Section 12.A, 12.C, 12.F, 12.G, 12.I, 12.J(1), 12.J(2), and 12.J(3) of the Act

**Respondent's Registration in the State of Illinois is Subject to Revocation.**

34. Section 8.E(1)(b) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has engaged in any unethical practice in the offer or sale of securities or in any fraudulent business practice.
35. Section 8.E(1)(e)(iii) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has failed reasonably to supervise the implementation of compliance measure following notice by the Secretary of State of noncompliance with the Act or with regulations promulgated thereunder or both.
36. Section 8.E(1)(g) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has violated any provisions of the Act.
37. Section 8.E(1)(m) of the Act provides, inter alia, that the registration of a salesperson may be revoked, if the salesperson has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct business.
38. By virtue of the foregoing, Respondent's registration as a salesperson in the State of Illinois is subject to revocation.

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.

Notice of Hearing

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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 include with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 11<sup>th</sup> day of June 2004.



JESSE WHITE  
Secretary of State  
State of Illinois

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