

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: PETER F. PECK JR.

FILE NO. 0201026

CONSENT ORDER OF REVOCATION

TO THE RESPONDENT:

Peter F. Peck Jr.
(CRD#: 1019018)
RR1 Box 385
Heyworth, Illinois 61745

c/o Ronald L. Hack
Gallop, Johnson & Neuman, L.C.
Attorneys and Counselors at Law
101 South Hanley, Suite 1600
St. Louis, Missouri 63105

WHEREAS, Respondent on the 8th day of January, 2003 executed a certain Stipulation to Enter Consent Order of Revocation (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated December 4, 2002, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Revocation ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act until July 24, 2002.
2. That on August 20, 2002 the National Association of Securities Dealers Regulations, Inc. (NASDR) entered Order Accepting Offer of Settlement (Order)

Consent Order of Revocation

-2-

submitted by the Respondent regarding DISCIPLINARY PROCEEDINGS NO. C04020010 which imposed the following sanctions:

- a. barred from association with any member firm in any capacity; and
 - b. make offer in restitution to customer N.B. to repurchase her Membership Interest in Davidoff partners, LLC in the total amount of \$25,000.
3. That the Order found;
- a. From on or about October 5, 1998 through on or about July 13, 1999, the Respondent engaged in outside business activities by accepting compensation while providing consulting services for That's Me Sports, LLC, and while acting as a registered agent and Managing Member for Davidoff Partners, LLC. In connection therewith, the Respondent failed and neglected to provide prompt written notice to his member firm of his outside business activities.
 - b. From on or about October 5, 1998 through on or about January 22, 1999, the Respondent offered and sold securities, for compensation, in the form of Class A Membership Interests in Davidoff Partners, LLC to at least three investors in the total sum of \$200,000, which represented an equity ownership interest in Davidoff. Davidoff was to be a passive investment vehicle through which Davidoff would acquire an equity interest in That's Me Sports, LLC. In connection therewith, the Respondent failed and neglected to provide prior written notice to an obtain prior written authorization from his member firm, to engage in the private securities transactions.
 - c. From on or about October 13, 1998 through on or about October 18, 1999, the Respondent, by the use of instrumentalities of interstate commerce or the mails, intentionally or recklessly employed devices to defraud customers N.B., R.F.B., J.N.B. and B.G., and engaged in a course of business that operated as a fraud or deceit upon customers N.B., R.F.B., J.N.B. and B.G., the investors, by making untrue statements of material facts and/or omitting to state material facts necessary to make the statements made by the Respondent, in light of the circumstances in which they were made, not misleading, in connection with the purchase of a security (Davidoff), which he sold to customers, specifically as follows: The Respondent represented to the investors that their funds invested in Davidoff would be used to acquire an interest in That's Me Sports, when in fact:
 - (i) The Respondent failed to obtain on behalf of the investors an interest in That's Me Sports, either in the name of Davidoff or in the name of each of the individual investors; and

Consent Order of Revocation

-3-

(ii) The Respondent converted \$68,100 of the investors' funds for his own use and benefit, including paying for his own living expenses.

d. From on or about October 26, 1998 through on or about October 18, 1999, without the knowledge or consent of investors of Davidoff, the Respondent wrote or caused to be issued 37 checks from the Fulton Savings Bank account of Davidoff, which checks amounted to \$68,100 in investors' funds, and deposited said checks into his personal bank account at Central Bank. Subsequently, the Respondent converted these funds for his own use and benefit, in violation of NASD Conduct Rules 2110 and 2330 on the part of the Respondent.

e. In or about November 1997, the Respondent agreed to purchase shares of PCBC on behalf of four public customers, J.S., J.H., K.A. and D.K., who were fellow employees of the Respondent's at Central Bank, and who were not affiliated with the Respondent's member firm.

In or about November 1997, without prior notice to his member firm the Respondent accepted approximately \$14,349 in funds from public customers J.S., J.H., K.A. and D.K., and using such funds, the Respondent purchased shares of PCBC stock for his own personal securities account maintained at his member firm.

Between on or about November 6, 1997 and on or about August 25, 2000, the Respondent converted the PCBC securities for his own use and benefit, by failing to deliver to J.S., J.H., K.A. and D.K. the shares of PCBC that the Respondent purchased on their behalf, thereby depriving them of the use and benefit of their securities, funds or assets.

f. The Respondent failed to completely respond to requests for information and to produce documents pursuant to NASD Procedural Rule 8210, as sought from him during his on-the-record interview taken June 6, 2001, and in written requests dated June 27, 2001, and August 2, 2001.

On June 6, 2001, the staff requested various documents and information from the Respondent during his on-the-record interview, pursuant to and in accordance with the provisions of NASD Procedural Rule 8210.

On June 27, 2001, the staff sent a written request for information to the Respondent requesting the information requested in his June 6, 2001 on-the-record interview, pursuant to and in accordance with NASD Procedural Rule 8210. This request was sent to the Respondent business address as reflected in the NASD's Central Registration Depository (CRD), by certified mail, return receipt requested, and first class mail. The receipt for the certified mailing was returned bearing an illegible

Consent Order of Revocation

-4-

signature. The first class mailing was not returned. The Respondent's response was due by July 18, 2001. A complete and full response was not received.

On August 2, 2001, the staff sent a second written request for information to the Respondent requesting the information requested in his June 6, 2001 on-the-record interview, pursuant to and in accordance with NASD Procedural Rule 8210. This request was sent to the Respondent's business address and last known residential address as reflected in CRD, by certified mail, return receipt requested, and first class mail. The receipt for the certified mailing to the business address was returned bearing an illegible signature. The receipt for the certified mailing to the residential address was returned bearing the signature of "Jill Peck." The first class mailings were not returned. The Respondent's response was due by August 16, 2001. No response was received.

- g. That by virtue of the forgoing, the Respondent violated NASD Conduct Rules 2110, 2120, 2330, 3030, 3040, NASD Procedural Rule 8210, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 adopted thereunder.
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 the NASDR 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, that withdrawal of an application for registration or withdrawal from registration as a dealer, limited Canadian dealer, salesperson, investment adviser, 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, unless any proceeding is pending under Section 11.F of the Act when the application is filed or a proceeding is instituted within 30 days after the application is filed. If a proceeding is pending or instituted, and withdrawal becomes effective at such time and upon such conditions as the Secretary of State by order determines. 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 two years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.

Consent Order of Revocation

-5-

WHEREAS, by means of the Stipulation Respondent as acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

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

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that his registration as a salesperson in the State of Illinois shall be revoked.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Peter F. Peck Jr.'s registration as a salesperson in the State of Illinois shall be revoked.
2. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 10th day of January, 2003.

A handwritten signature in cursive script that reads "Jesse White" followed by a slanted line and the initials "JW".

JESSE WHITE
Secretary of State
State of Illinois