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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission

DOCKETED

JAN 10 2008

DOCKETED BY

In the matter of:

DONNA MARIE SHUROT, a single individual, CRD #1443423

Respondent.

DOCKET NO: S-20572A-08-0009

NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED ORDER TO CEASE AND DESIST, ORDER FOR ADMINISTRATIVE PENALTIES, ORDER OF REVOCATION AND FOR OTHER AFFIRMATIVE ACTION

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent DONNA MARIE SHUROT ("SHUROT") has engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 et seq. ("Securities Act").

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

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1 in the mistaken transfers. However, Respondent failed to identify or disclose the unauthorized
2 transfers until after they were discovered by BAI. When questioned by FINRA concerning the
3 transactions, Respondent claimed that the customers' funds were deposited to her own accounts in
4 error.

5 11. Respondent was not authorized to transfer the customers' funds to her personal
6 accounts. Such transfers were in violation of Respondent's dealer's and the Commission's rules.

7 **IV.**

8 **VIOLATION OF A.R.S. § 44-1991**

9 **(Fraud in Connection with the Offer or Sale of Securities)**

10 12. In connection with the offer or sale of securities within or from Arizona, Respondent
11 directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue
12 statements of material fact or omitted to state material facts which were necessary in order to make
13 the statements made not misleading in light of the circumstances under which they were made; or
14 (iii) engaged in transactions, practices or courses of business which operated or would operate as a
15 fraud or deceit upon offerees and investors. Respondent's conduct includes, but is not limited to,
16 the following:

17 a) Failing to disclose that customers' funds were to be deposited into an account
18 controlled by Respondent; and/or

19 b) Unauthorized transfers of customer funds to Respondent's personal accounts.

20 13. This conduct violates A.R.S. § 44-1991.

21 **V.**

22 **REMEDIES PURSUANT TO A.R.S. § 44-1962**

23 **(Denial, Revocation, or Suspension of Registration of Salesman; Restitution, Penalties, or**
24 **other Affirmative Action)**

25 14. Respondent's conduct is grounds to revoke Respondent's registration as a securities
26 salesman with the Commission pursuant to A.R.S. § 44-1962. Specifically, Respondent has:

1 a) Violated A.R.S. § 44-1991, within the meaning of A.R.S. § 44-1962(A)(2).

2 b) Committed dishonest and unethical practices in the securities industry as
3 defined in A.R.S. § 44-1962(A)(10), for:

- 4 1. Unreasonable delay in the delivery of securities or funds to the extent that
5 the salesman is in a position to control or direct the delivery of the
6 securities or funds, within the meaning of A.A.C. Rule R14-4-130(A)(1);
7 and/or
- 8 2. Making unauthorized use of securities or funds of customers or converting
9 customer securities or funds for personal benefit, within the meaning of
10 A.A.C. Rule R14-4-130(A)(16).

11 15. Respondent's conduct is grounds to assess restitution, penalties, and/or take
12 appropriate affirmative action pursuant to A.R.S. § 44-1962. Specifically, Respondent has
13 committed dishonest and unethical practices in the securities industry, as defined in A.R.S. § 44-
14 1962(A)(10), for unreasonable delay in the delivery of securities or funds to the extent that the
15 salesman is in a position to control or direct the delivery of the securities or funds, within the
16 meaning of A.A.C. Rule R14-4-130(A)(1); and/or making unauthorized use of securities or funds
17 of customers or converting customer securities or funds for personal benefit, within the meaning
18 of A.A.C. Rule R14-4-130(A)(16).

19 **VI.**

20 **REQUESTED RELIEF**

21 The Division requests that the Commission grant the following relief:

- 22 1. Order Respondent to permanently cease and desist from violating the Securities Act,
23 pursuant to A.R.S. §§ 44-2032 and 44-1962;
- 24 2. Order Respondent to take affirmative action to correct the conditions resulting from
25 her acts, practices or transactions, including a requirement to make restitution pursuant to A.R.S. §
26 44-2032 and 44-1962;

VIII.

ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if Respondent requests a hearing, Respondent must deliver or mail an Answer to this Notice of Opportunity for Hearing to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

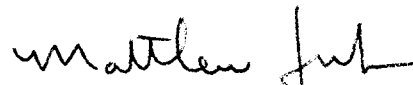
Additionally, the respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to Pam Johnson, the attorney of record.

The Answer shall contain an admission or denial of each allegation in this Notice and the original signature of the answering respondent or respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the respondent intends in good faith to deny only a part or a qualification of an allegation, the respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

Dated this 9 day of January, 2008.



Matthew J. Neuber
Director of Securities