



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

Complaint No. 331297

GARY EDWARD HAYNES
CRD No. 5861291

FINE PAYMENT INSTRUCTIONS

The FINE must be received by the Department on or before **APRIL 10, 2018**. The FINE must be paid by cashier's check or money order, with the Complaint No. clearly indicated on the check or money order, made payable to the State of Michigan, and sent to the address indicated below. Payment cannot be made by credit card.

Once the FINE has been overdue for at least six months, it will be referred to the Michigan Department of Treasury for collection. Questions may be directed to Final Order Monitoring staff at (517) 241-9180.

To ensure the proper posting of the payment to your account, please mail the Fine Payment Processing Stub with your payment to:

Michigan Department of Licensing and Regulatory Affairs
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU
Final Order Monitoring – Securities & Audit Division
P.O. Box 30018 – Lansing, MI 48909

FINE PAYMENT PROCESSING STUB

Please return this with your payment.

Make your check or money order drawn from a U.S. financial institution payable to the STATE OF MICHIGAN.
Do not send cash. Payment cannot be made by credit card.

C3 ACCOUNT Code – 10115

SIGMA ACCOUNTING TEMPLATE – 641R6864001

Complaint No.: 331297

Due: APRIL 10, 2018

Total Amount Due: \$10,000.00



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

In the Matter of:

GARY EDWARD HAYNES
CRD No. 5861291

Docket No. 17-014014

Complaint No. 331297

Respondent.

FINAL ORDER

1. This matter came before the Department of Licensing and Regulatory Affairs under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq.* (the "Act").
2. The Director of the Corporations, Securities & Commercial Licensing Bureau, who is the Administrator of the Act (the "Administrator"), received the Proposal for Decision (the "PFD"), in accordance with MCL 451.2604 and the Administrative Procedures Act, MCL 24.201 *et seq.*
3. The Administrator considered the Findings of Fact and Conclusions of Law in the PFD of David M. Cohen, Administrative Law Judge, dated January 10, 2018.
4. The PFD is incorporated by reference.
5. Respondent was found in violation of the Act, authorizing the Administrator to revoke his Investment Adviser Representative Registration, under MCL 451.2409 and MCL 451.2412(2) & (4)(m).

THEREFORE, IT IS ORDERED, that the following penalties authorized by section 412 of the Act, MCL 451.2412, are imposed:

- A. Respondent must pay a FINE in the amount of Ten Thousand Dollars and 00/100 Cents (\$10,000.00). The fine is payable to the State of Michigan within sixty (60) days from the mailing date of this Final Order. Complaint No. 331297 must be clearly indicated on the cashier's check or money order, and the payment sent to the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Final Order Monitoring – Securities & Audit Division, P.O. Box 30018, Lansing, Michigan 48909.

B. Respondent's Investment Adviser Representative Registration is immediately Revoked, as authorized by MCL 451.2409 and MCL 451.2412(2).

C. Failure to comply with this Order may subject Respondent to additional administrative or criminal sanctions, fines, and penalties. Under MCL 451.2508, a person that willfully violates the Act, or an order issued under the Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation or both. An individual convicted of violating a rule or order under the Act may be fined, but shall not be imprisoned if the individual did not have knowledge of the rule or order.

D. No application for a permit, registration, licensure, relicensure, reinstatement, or renewal submitted by Respondent under the Act will be considered or granted by the Department until all final orders of the Department are fully complied with.

E. If applicable, Respondent must submit in writing to the Department proof of compliance with each and every requirement of this Final Order in a form acceptable to the Department.

F. Failure to pay the civil fine within six months after the fine becomes overdue may result in the referral of the fine to the Michigan Department of Treasury for collection action against Respondent.

This Final Order is effective immediately upon its mailing.

Given under my hand at Okemos, Michigan, this 7th day of February, 2018.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By: 

Julia Dale, Administrator and
Corporations, Securities & Commercial Licensing Bureau Director

Date mailed: February 9, 2018



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

Complaint No. 331297

GARY EDWARD HAYNES
CRD No. 5861291

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C3 ACCOUNT Code – 10115

SIGMA ACCOUNTING TEMPLATE – 641R6864001

Complaint No.: 331297

Due: APRIL 10, 2018

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RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

In the Matter of:

GARY EDWARD HAYNES
CRD No. 5861291

Docket No. 17-014014

Complaint No. 331297

Respondent.

/

FINAL ORDER

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B. Respondent's Investment Adviser Representative Registration is immediately Revoked, as authorized by MCL 451.2409 and MCL 451.2412(2).

C. Failure to comply with this Order may subject Respondent to additional administrative or criminal sanctions, fines, and penalties. Under MCL 451.2508, a person that willfully violates the Act, or an order issued under the Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation or both. An individual convicted of violating a rule or order under the Act may be fined, but shall not be imprisoned if the individual did not have knowledge of the rule or order.

D. No application for a permit, registration, licensure, relicensure, reinstatement, or renewal submitted by Respondent under the Act will be considered or granted by the Department until all final orders of the Department are fully complied with.


E. If applicable, Respondent must submit in writing to the Department proof of compliance with each and every requirement of this Final Order in a form acceptable to the Department.

F. Failure to pay the civil fine within six months after the fine becomes overdue may result in the referral of the fine to the Michigan Department of Treasury for collection action against Respondent.

This Final Order is effective immediately upon its mailing.

Given under my hand at Okemos, Michigan, this 7th day of February, 2018.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By:  _____
Julia Dale, Administrator and
Corporations, Securities & Commercial Licensing Bureau Director

Date mailed: February 9, 2018

Proof of Compliance Should be Filed With:

Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring – Securities & Audit Division
P.O. Box 30018
Lansing, Michigan 48909
Telephone: (517) 241-9180
Fax: (517) 373-8488

This is the last and final page of the Final Order in the matter Gary Edward Haynes, Complaint No. 331297.

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM**

IN THE MATTER OF:

Docket No.: 17-014014

**Corporations, Securities & Commercial
Licensing Bureau,
Petitioner**

Case No.: 331297

v

**Agency: Corp. Securities
Commercial
Licensing Bureau**

**Gary Edward Haynes,
Respondent**

Case Type: Sanction

Filing Type: Enforcement

**Issued and entered
this 10th day of January, 2018
by: David M. Cohen
Administrative Law Judge**

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

This matter commenced with the issuing of a Notice of Intent to Revoke Investment Adviser Representative Registration (Notice of Intent) dated May 15, 2017, by the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, (Petitioner or Bureau), against Gary Haynes (Respondent). The Notice of Intent alleged one or more violations of the Michigan Uniform Securities Act (Act), MCL 451.2101, *et seq.*

A hearing was scheduled for August 30, 2017, and the proceeding commenced as scheduled. Administrative Law Judge David M. Cohen presided. Assistant Attorney General Elizabeth Lippitt appeared on behalf of the Petitioner. State of Michigan Investigator Stephen Scott was also present at the proceeding. There was no appearance on behalf of Respondent at the proceeding. The Notice of Hearing was mailed to two addresses used by Respondent, including Respondent's last known address of record.

Noting that the Respondent had received proper legal notice of the proceeding, the hearing proceeded in Respondent's absence pursuant to Michigan's Administrative Hearing Rules and the Administrative Procedures Act. Michigan's Administrative Hearing Rules provide that "if a party fails to attend or participate in a scheduled proceeding after a properly served notice, the administrative law judge may conduct the proceeding without participation of the absent party" (Michigan Administrative Hearing Rule 792.10134 - Rule 134).

Further, the matter also proceeded under Section 72 of the Administrative Procedures Act of 1969 (APA), 1969 PA 306, MCL 24.201 *et seq.* Section 72 of the APA indicates that "if a party fails to appear in a contested case after proper service of notice, the agency, if no adjournment is granted, may proceed with the hearing and make its decision in the absence of the party."

Petitioner admitted the Exhibits referenced below, and a default was entered against Respondent pursuant to Section 78 of the APA.

§ 78(2) of the APA provides, in pertinent part:

Except as otherwise provided by law, disposition may be made of a contested case by stipulation, agreed settlement, consent order, waiver, default or other method agreed upon by the parties.

As a result of the default, the factual allegations contained in Petitioner's Notice of Intent were deemed proven.

ISSUE AND APPLICABLE LAW

The general issue presented is whether or not the revocation of Respondent's investment advisor representative registration should be upheld, with a fine assessed against Respondent under the Michigan Uniform Securities Act MCL 451.2101, *et seq.*

Relevant Sections of the Act provide in pertinent part:

MCL 451.2409

Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative is effective 60 days after an application to withdraw is filed or within a shorter period as provided by rule or order under this act, unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal is effective when and on conditions required by rule or order under this act. The administrator may institute a revocation or suspension proceeding under section 412 within 1 year after the withdrawal became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective if a proceeding is not pending.

MCL 451.2412

(2) If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, or director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

(3) If the administrator finds that the order is in the public interest and subsection (4)(a) to (f), (i) to (j), or (l) to (n) authorizes the action, an order under this act may censure, impose a bar, or impose a civil fine in an amount not to exceed a maximum of \$10,000.00 for a single violation or \$500,000.00 for more than 1 violation on a registrant...

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years.

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

(a) Appropriate notice has been given to the applicant or registrant.

(b) Opportunity for hearing has been given to the applicant or registrant.

(c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

PETITIONER EXHIBITS

| <u>Exhibit</u> | <u>Description</u> |
|-----------------------|---|
| 1 | The underlying Notice of Intent to Revoke Investment Advisor Representative Registration and Respondent's Notice of Opportunity to Show Compliance or Request a Formal Hearing, with Proof of Service indicating that documents were sent via First Class Mail and Certified Mail, Return Receipt Requested. |
| 2 | Affidavit of AL1. |
| 3 | A March 3, 2011 correspondence from AVIVA Life and Annuity Company to AL, enclosing a check in the amount of \$107,735.10. |
| 4 | A photocopy of the subject check in the amount of \$107,735.10. |
| 5 | A July 2017 correspondence from Huntington Bank, with enclosed results of a subpoenaed record search. |
| 6 | An August 1, 2017 correspondence from Huntington Bank, with an enclosed signature card, provided pursuant to a subpoenaed record search. |
| 7 | A Fairport Police Department Incident/Investigation Report. |
| 8 | A January 5, 2017 correspondence from the Bureau to Respondent, quoting the CRD database's information regarding Respondent's termination and directing Respondent to "provide our office with information regarding the termination, including a written statement regarding the allegations, and copies of all pertinent documents," with a Certificate of Mailing. |
| 9 | A February 2, 2017 Notice to Respondent. |
| 10 | Documentation that correspondence from the Bureau to Respondent's Spring Lake address was <i>returned to sender</i> . |
| 11 | Photocopies of business cards, including Respondent's business card indicating the Spring Lake address. |
| 12 | Printout of internet materials evidencing Respondent's connection to the domain name of <i>seniorplanningresource.com</i> . |
| 13 | An Investment Adviser Representative Public Disclosure Report regarding Respondent. |

1 Coding follows that utilized in the Notice of Intent.

- 14 Documentation that Respondent's Resident Producer license is in *inactive status* as of March 1, 2017.
- 15 An October 24, 2016 correspondence from First American National Investment Advisors LLC to Respondent, providing Respondent with notice of "immediate termination of your agreement and appointment with First American National Investment Advisors LLC."
- 16 A CRD Current Disclosure Summary regarding Respondent.
- 17 A copy of the underlying Notice of Hearing.
- 18 A People Finder – Historic Tracker Record regarding Respondent.
- 19 A Bureau Complaint Intake Work Order regarding Respondent.
- 20 A January 17, 2017 correspondence from First American National Investment Advisors, LLC to State of Michigan Investigator Steven Scott, with enclosed correspondences².
- 21 A Proof of Service demonstrating that the CSCLB Staff's Motion for Summary Decision to Uphold the May 15, 2017 Notice of Intent to Revoke Investment Adviser Representative Registration Issued Against Respondent was mailed to two addresses of record pertaining to Respondent.
- 22 Certificate of Julia Dale Pursuant to Rule 451.2408, with attachments³.

FINDINGS OF FACT

Based on the record, including the above-referenced exhibits and default, the following findings of fact are established:

1. Gary E. Haynes (Respondent) was registered as an investment adviser representative through First American National Investment Advisors, LLC (CRD#166212), a federal covered investment adviser firm, until on or around October 24, 2016. On or around that date, Respondent was discharged by the firm. The termination comment accompanying the Form U5 terminating Respondent's registration indicated that Respondent had misappropriated funds, engaged in transactions prohibited by the firm, and engaged in outside business activities involving real estate transactions without providing notice to and receiving approval from the firm.

² Contains some material which is duplicative of Exhibit 15.

³ Contains some material which is duplicative of Exhibit 1.

2. The Corporations Securities & Commercial Licensing Bureau (the Bureau) within the Department of Licensing and Regulatory Affairs began an investigation of Respondent's activities in the securities, investments, and insurance business.
3. The Bureau's investigation developed evidence that Respondent developed a close relationship with an elderly Michigan resident, AL, and thereafter abused that relationship by coercing her to liquidate an annuity and negotiating the \$107,735.10 check for the proceeds of the annuity to a bank account he controlled. Respondent purportedly invested the funds in a risky and illiquid "house flipping" venture. Respondent has failed to account for or return the funds to AL, despite assurances in late 2016 that Respondent made to AL, her nephew, and officers of the Fruitport, Michigan Police Department that the funds would be returned.
4. The Director (Administrator) of the Bureau has reviewed materials relating to Respondent's actions as a registrant under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke Respondent's investment adviser representative registration based upon Respondent's conduct.
5. Section 409 of the Securities Act, MCL 451.2409, also quoted above, states in relevant part:

Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative is effective 60 days after an application to withdraw is filed or within a shorter period as provided by rule or order under this act, unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal is effective when and on conditions required by rule or order under this act. The administrator may institute a revocation or suspension proceeding under section 412 within 1 year after the withdrawal became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective if a proceeding is not pending.

6. Section 412(2) of the Securities Act, MCL 451.2412(2), also quoted above, states in relevant part:

(2) If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, or director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

7. Section 412(3) of the Securities Act, MCL 451.2412(3), also quoted above, states:

(3) If the administrator finds that the order is in the public interest and subsection (4)(a) to (f), (i) to (j), or (l) to (n) authorizes the action, an order under this act may censure, impose a bar, or impose a civil fine in an amount not to exceed a maximum of \$10,000.00 for a single violation or \$500,000.00 for more than 1 violation on a registrant....

8. Section 412(4)(m) of the Securities Act, MCL 451.2412(4), also quoted above, states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years.

9. Section 412(7) of the Securities Act, MCL 451.2412(7), also quoted above, states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

10. The Administrator may revoke Respondent's investment adviser representative registration pursuant to Section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent engaged in dishonest or unethical behavior in the investments or insurance industry by convincing an elderly Michigan resident to liquidate an annuity, then using the proceeds of the liquidation for his own purposes without accounting for the funds to the elderly Michigan resident, giving the Administrator cause to issue an order under Sections 409, 412(2) and 412(3) of the Securities Act, MCL 451.2409, MCL 451.2412(2) and MCL 451.2412(3).

11. Despite the issuance of legal notice, to the Respondent's addresses of record, regarding the August 30, 2017 proceeding, neither Respondent nor anyone on Respondent's behalf appeared for the scheduled hearing. Respondent has been unresponsive to multiple communications from the Bureau.

CONCLUSIONS OF LAW

The principles that govern judicial proceedings also apply to administrative hearings. The burden of proof is upon Petitioner to prove by a preponderance of the evidence that grounds exist for the imposition of sanctions upon Respondent. Petitioner meets the burden of proof, as pursuant to the default, all alleged facts in the underlying Notice of Intent are taken as true. Further, under § 72 of the APA, there is no requirement to provide a full evidentiary hearing when all alleged facts are taken as true *Smith v Lansing School District*, 428 Mich. 248 (1987).

Noting the above referenced record, including the exhibits, testimony, and the default in this matter, the Petitioner has proven, by a preponderance of the evidence, that the Respondent is responsible for the violations alleged in the Notice of Intent, specifically Respondent engaged in dishonest or unethical behavior in the investments or insurance industry. Respondent is in violation of the Act and is subject to revocation of his investment adviser representative registration (See, MCL 451.2409 and MCL 451.2412(2),(3),(4)(m) & (7)(a)(b)(c).

PROPOSED DECISION AND RECOMMENDED SANCTIONS

It is the decision of this Administrative Law Judge (ALJ) that Respondent is subject to disciplinary sanctions. It is specifically found that the Administrator has the authority and just cause to revoke Respondent's Michigan investment adviser representative registration and assess the maximum fine amount of \$10,000.00.

Petitioner's counsel, noting the overwhelming evidence contained in the above-referenced exhibits and the default in the present matter, recommended that the revocation notice be upheld as issued, resulting in the revocation of Respondent's Michigan investment adviser representative registration, and the assessment against Respondent of a maximum fine in the amount of \$10,000.00.

This ALJ concurs with Petitioner's recommendations. As such, this ALJ recommends that Respondent's Michigan investment adviser representative registration be revoked, and that Respondent be assessed a fine in the amount of \$10,000.00.

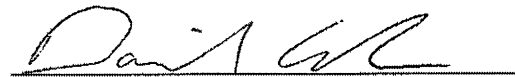
EXCEPTIONS

If a party chooses to file Exceptions to this Proposal for Decision, the Exceptions must be filed within twenty-one (21) days after the Proposal for Decision is issued and entered.

If an opposing party chooses to file a Response to the Exceptions, it must be filed within fourteen (14) days after Exceptions are filed. All Exceptions and Responses to Exceptions must be filed with the:

Michigan Administrative Hearing System
Department of Licensing and Regulatory Affairs
Cadillac Place Annex
3026 W. Grand Blvd., Suite 2-700
Detroit, MI 48202
Fax: (313) 456-4790

and served on all parties to the proceeding.


David Cohen
Administrative Law Judge

PROOF OF SERVICE

I hereby state, to the best of my knowledge, information and belief, that a copy of the foregoing document was served upon all parties and/or attorneys of record in this matter by Inter-Departmental mail to those parties employed by the State of Michigan and by UPS/Next Day Air, facsimile, and/or by mailing same to them via first class mail and/or certified mail, return receipt requested, at their respective addresses as disclosed below this 10th day of January, 2018.



Maria Ardelean
Michigan Administrative Hearing System

Elizabeth Lippitt
Michigan Department of Attorney General
525 West Ottawa Street
P.O. Box 30755
Lansing, MI 48909

Gary Edward Haynes
17611 - 144th Avenue
Spring Lake, MI 49456

Gary Edward Haynes
529 Four Mile Road
Comstock Park, MI 49321

Kimberly Breitmeyer
Regulatory Compliance Division Director, Corporations,
Securities & Commercial Licensing
2501 Woodlake Circle
P.O. Box 30018
Lansing, MI 48909

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the matter of:

Agency No. 331297

GARY E. HAYNES
CRD# 5861291

Respondent.

Issued and entered
This 15th day of May, 2017

NOTICE OF INTENT TO REVOKE
INVESTMENT ADVISER REPRESENTATIVE REGISTRATION

I. RELEVANT FACTS AND APPLICABLE LAW.

Relevant information and statutory provisions, under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (the "Securities Act"):

1. Gary E. Haynes ("Respondent") was registered as an investment adviser representative through First American National Investment Advisors, LLC (CRD#166212), a federal covered investment adviser firm, until on or around October 24, 2016. On or around that date, Respondent was discharged by the firm. (Exhibit 1 – Respondent Form U5). The termination comment accompanying the Form U5 terminating Respondent's registration indicated that Respondent had misappropriated funds, engaged in transactions prohibited by the firm, and engaged in outside business activities involving real estate transactions without providing notice to and receiving approval from the firm. (Exhibit 1).
2. The Corporations, Securities & Commercial Licensing Bureau ("the Bureau") within the Department of Licensing and Regulatory Affairs began an investigation of Respondent's activities in the securities, investments, and insurance business.
3. The Bureau's investigation developed evidence that Respondent developed a close relationship with an elderly Michigan resident, referred to hereafter as "AL", and thereafter abused that relationship by coercing her to liquidate an annuity (Exhibit 1 – Aviva Letter) and negotiating the \$107,735.10 check for the proceeds of the annuity to a bank account he controlled (Exhibit 2 – Check Copy; Exhibit 3 – Respondent's Business Card). Respondent purportedly invested the funds in a risky and illiquid "house flipping" venture. He has failed to account for or return the funds to AL, despite assurances in late 2016 that Respondent made to AL, her nephew, and officers of the Fruitport, Michigan Police Department that the funds would be returned.

4. The Director ("Administrator") of the Bureau has reviewed materials relating to Respondent's actions as a registrant under the Securities Act. The Administrator has determined that it is authorized, appropriate, and in the public interest to revoke Respondent's investment adviser representative registration based upon Respondent's conduct discussed above and hereafter.

5. Section 409 of the Securities Act, MCL 451.2409, states in relevant part:

Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative is effective 60 days after an application to withdraw is filed or within a shorter period as provided by rule or order under this act, unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal is effective when and on conditions required by rule or order under this act. *The administrator may institute a revocation or suspension proceeding under section 412 within 1 year after the withdrawal became effective automatically and issue a revocation or suspension order as of the last date on which registration was effective if a proceeding is not pending. (Emphasis added).*

6. Section 412(2) of the Securities Act, MCL 451.2412(2), states in relevant part:

If the administrator finds that the order is in the public interest and subsection (4) authorizes the action, an order under this act may revoke, suspend, condition, or limit the registration of a registrant and if the registrant is a broker-dealer or investment adviser, of a partner, officer, director, or a person having a similar status or performing similar functions, or a person directly or indirectly in control of the broker-dealer or investment adviser...

7. Section 412(3) of the Securities Act, MCL 451.2412(3), states:

If the administrator finds that the order is in the public interest and subsection (4)(a) to (f), (i) to (j), or (l) to (n) authorizes the action, an order under this act may censure, impose a bar, or impose a civil fine in an amount not to exceed a maximum of \$10,000.00 for a single violation or \$500,000.00 for more than 1 violation on a registrant...

8. Section 412(4) of the Securities Act, MCL 451.2412(4) states in relevant part:

(4) A person may be disciplined under subsections (1) to (3) if any of the following apply to the person:

(m) The person has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous 10 years...

9. Section 412(7) of the Securities Act, MCL 451.2412(7), states:

(7) Except under subsection (6), an order shall not be issued under this section unless all of the following have occurred:

- (a) Appropriate notice has been given to the applicant or registrant.
- (b) Opportunity for hearing has been given to the applicant or registrant.
- (c) Findings of fact and conclusions of law have been made on the record pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

10. The Administrator may revoke Respondent's investment adviser representative registration pursuant to section 412(2) of the Securities Act, MCL 451.2412(2), because it is in the public interest, and because:

- A. Respondent engaged in dishonest or unethical behavior in the investments or insurance industry by convincing an elderly Michigan resident to liquidate an annuity, then using the proceeds of the liquidation for his own purposes without accounting for the funds to the elderly Michigan resident, giving the Administrator cause to issue an order under sections 409, 412(2), and 412(3) of the Securities Act, MCL 451.2409, MCL 451.2412(2) and MCL 451.2412(3).

II. ORDER.

The Administrator finds that this ORDER is authorized, appropriate, and in the public interest based on the above-cited facts and law.

IT IS ORDERED as follows:

1. The Administrator intends TO REVOKE THE INVESTMENT ADVISER REPRESENTATIVE REGISTRATION OF GARY E. HAYNES under section 412(2) of the Securities Act, MCL 451.2412(2), because he has engaged in dishonest or unethical business practices in the investments or insurance industry within the previous 10 years, which supports the revocation of his investment adviser representative registration under the above-cited provisions of the Michigan Uniform Securities Act (2002), 2008 PA 551, MCL 451.2101 *et seq.*


2. In her final order, the Administrator intends to impose a civil fine of \$10,000.00 against Respondent under section 412(3) of the Securities Act, MCL 451.2412(3).

3. In accordance with sections 412(2) and 412(7) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(7): This is NOTICE that the Administrator intends to commence administrative proceedings to revoke Respondent's investment adviser representative registration, and that Respondent has thirty (30) days after the date that this Order is served on Respondent to respond in writing to the enclosed Notice of Opportunity to Show Compliance.

If the Administrator timely receives a written request, depending upon the election, the Administrator shall either promptly schedule a compliance conference, or schedule a hearing within fifteen (15) days after receipt of the written request. If you fail to respond to this Notice and Order within the time frame specified, the Administrator shall schedule a hearing. If a hearing is requested or ordered, the Administrator, after notice of and an opportunity for hearing to Respondent, may modify or vacate this Order or extend the Order until final determination.

If Respondent requests a hearing, the request must be in writing and filed with the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Regulatory Compliance Division, P.O. Box 30018, Lansing, MI 48909.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

By: 
Julia Dale, Administrator and Director
Corporations, Securities & Commercial Licensing Bureau