



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

GRETCHEN WHITMER
GOVERNOR

ORLENE HAWKS
DIRECTOR

In the Matter of:

Docket No. 18-023589

JOHN MACCOLL
CRD No. 839441

Complaint No. 336201

Respondent.

FINAL ORDER

1. This matter came before the Department of Licensing and Regulatory Affairs under the Michigan Uniform Securities Act (2002), MCL 451.2101 *et seq.* (the "Act"), and associated administrative rules.
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") and the entire hearing record in accordance with MCL 451.2604 and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*
3. The Administrator considered the Findings of Fact and Conclusions of Law in the PFD of Paul Smith, Administrative Law Judge, dated March 26, 2019, and the complete hearing record.
4. The PFD is incorporated by reference.
5. Respondent was found in violation of the Act and/or its associated administrative rules, authorizing the Administrator to revoke his Securities Agent and Investment Adviser Representative Registrations, under MCL 451.2412(2), (4)(b), (4)(e)(iii), 4(l) & (4)(m).

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

- A. Respondent's Securities Agent and Investment Adviser Representative Registrations are immediately Revoked, effective on the mailing date of this Order.
- B. Under MCL 451.2402(1), an individual shall not transact business in this state as an agent unless the individual is registered under the Act or is exempt from registration under section 402(2) of the Act. Under MCL 451.2403(1), a person shall not transact business in this state as an investment adviser unless that

person is registered under the Act or exempt from registration under section 403(2) of the Act. 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.

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

This Final Order is effective immediately upon its mailing.

Given under my hand at Okemos, Michigan, this 9th day of May 2019.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By: 

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

Date mailed: May 17, 2019

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) 241-6356

This is the last and final page of the Final Order in the matter John Maccoll, Complaint No. 336201.

MAR 28 2019

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

CORPORATE OVERSIGHT
RECEIVED

IN THE MATTER OF:

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

v

**John Maccoll,
Respondent**

Docket No.: 18-023589

Case No.: 336201

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

Case Type: Sanction

Filing Type: Sanction

**Issued and entered
this 26th day of March 2019
by:
Paul Smith
Administrative Law Judge**

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

This matter commenced on November 15, 2018, when the Corporations, Securities & Commercial Licensing Bureau within the Department of Licensing and Regulatory Affairs (Petitioner or Bureau) issued a Notice of Intent to Revoke Securities Agent and Investment Advisor Representative Registrations from John Maccoll (Respondent). The Notice of Intent alleged violations of the Michigan Uniform Securities Act (Act), MCL 451.2101 *et seq.*

In correspondence dated December 20, 2018, Petitioner requested a hearing regarding the Notice of Intent to Revoke. A Notice of Hearing scheduling the hearing for February 27, 2019, was mailed to all interested parties on January 22, 2019. On January 24, 2019, counsel for Petitioner forwarded the Notice of Hearing to Respondent at a second address that Respondent was using to retrieve mail. The hearing commenced at the scheduled time and place. Administrative Law Judge Paul Smith presided. Assistant Attorney General James Long appeared on behalf of Petitioner. There was no appearance by Respondent at the proceeding.

Petitioner's counsel indicated at the hearing that he forwarded the Notice of Hearing to the second address because Respondent had previously called the Bureau to advise

that he was using the second address to retrieve his mail. Petitioner's counsel also advised that both addresses were still valid based on Respondent's last representation to the Bureau. Noting that Respondent had received proper legal notice of the proceeding, the hearing proceeded in Respondent's absence pursuant to the Michigan Administrative Hearing Rules and the Administrative Procedures Act ("APA"), MCL 24.201 *et seq.*

The Michigan 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" and "may issue a default order." Michigan Administrative Hearing Rule 792.10134 – Rule 134. The matter also proceeded under Section 72 of the APA, which states 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." MCL 24.272.

A default was entered against Petitioner pursuant to Section 78(2) of the APA, which provides:

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 the Notice of Intent to Revoke are deemed to have been established as true.

ISSUE AND APPLICABLE LAW

Under Section 412 of the Act, the Department of Licensing and Regulatory Affairs (Department)¹ may revoke a registration of securities agent or investment advisor representative and may impose a civil fine if the Department finds that such action would be in the public interest and the agent or representative is subject to discipline under certain provisions of Subsection 412(4):

(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

¹ The authority of the "administrator," as defined in Section 102 of the Act, MCL 451.2102(a), was transferred to the Department of Licensing and Regulatory Affairs by E.R.O. No. 2012-6; MCL 445.2034.

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

[MCL 451.2412(2) & (3).]

The grounds for discipline set forth in Subsection (4) of the Act as alleged in the Notice of Intent to Revoke in this proceeding are as follows:

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

* * *

(b) The person willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous 10 years.

* * *

(e) The person is the subject of an order, issued after notice and opportunity for hearing by any of the following:

* * *

(iii) The securities and exchange commission or a self-regulatory organization suspending or expelling the registrant from membership in a self-regulatory organization.

* * *

(l) The person is the subject of a cease and desist order issued by the securities and exchange commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state.

(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.

[MCL 451.2412(2) & (3).]

The Notice of Intent to Revoke alleges that Respondent violated Sections 501 and 502 of the Act, which provide, in pertinent part:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:

(a) Employ a device, scheme, or artifice to defraud.

(b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(c) Engage in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person.

[MCL 451.2501.]

And:

(1) It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities, or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities, to do any of the following:

(a) Employ a device, scheme, or artifice to defraud another person.

(b) Engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

* * *

[MCL 451.25012.]

Pursuant to Section 412 of the Act, a revocation order may not be issued unless findings of fact and conclusions of law have been made on the record pursuant to the APA after notice and an opportunity to be heard. See MCL 451.2412(7).

WITNESS TESTIMONY

Petitioner offered the testimony of Steven Scott who is employed as an investigator for the Bureau and who conducted the investigation into Respondent's conduct. He testified that he became aware of a potential violation through disclosures on the Central Registry Depository (CRD) indicating that Respondent had been terminated by his firm, UBS Financial Services, Inc. (UBS), and was the subject of multiple customer complaints. Scott made an inquiry of UBS about Respondent and learned from UBS that Respondent had been terminated for engaging in a long-term scheme to defraud multiple clients by misappropriating their investments and hiding his misconduct. UBS also sent Scott a copy of Respondent's handwritten "confession" to the firm, in which he admitted to stealing millions of dollars from his clients by misrepresenting that he was making investments for them when, instead, he was keeping the money for himself. Scott testified that Respondent altered checks that his customers had made out to a fictitious fund called "J Mac 011" so that the checks—after alteration—appeared to be made out to "John Maccoll."

Investigator Scott reached out to Respondent to get his side of the story but never received a response.

FEDERAL PROCEEDINGS

Pursuant to MCL 24.277, the Administrative Law Judge took notice of two federal court proceedings as judicially cognizable facts.

On August 9, 2018, the Securities and Exchange Commission (SEC) filed a complaint against Respondent seeking to permanently restrain him from further violations of securities laws and for disgorgement of his "ill-gotten gains." On November 28, 2018, Respondent consented to entry of judgment granting the remedies sought by the SEC.

Also, on August 9, 2018, the United States Department of Justice, on behalf of the United States of America, filed an information charging Respondent with violating federal criminal law. On September 25, 2018, Respondent pleaded guilty to one count of wire fraud, in violation of 18 U.S.C. § 1343. In his plea agreement, Respondent

admitted that while working as a financial advisor for UBS from April 2010 through March 2018, he fraudulently advised some of his clients to send money directly to his personal account on multiple occasions. Instead of investing the funds as promised, he kept the money for himself. In total, he admitted to fraudulently receiving over \$3.7 million from more than ten UBS clients. He conducted his fraudulent activities on his personal cell phone to avoid monitoring by UBS.

EXHIBITS

The following exhibits were offered by Petitioner and admitted into evidence at the hearing:

- Exhibit A** CRD Disclosure Form indicating Respondent's termination from UBS.
- Exhibit B** CRD Disclosure Forms describing customer complaints against Respondent.
- Exhibit C** CRD Disclosure Form indicating civil action by the SEC against Respondent
- Exhibit D** 5/18/2018 letter from Investigator Scott to UBS
- Exhibit E** 5/31/2018 letter from UBS to Investigator Scott
- Exhibit F** 3/10/2018 "confession" letter from Respondent to UBS
- Exhibit G** 6/6/2018 letter from Investigator Scott to Respondent
- Exhibit H** Notice of Intent to Revoke
- Exhibit I** PACER docket sheet for SEC v Maccoll, Docket No. 2:18-cv-12473
- Exhibit J** Complaint in SEC v Maccoll, Docket No. 2:18-cv-12473
- Exhibit K** Respondent's Consent to Judgment in SEC v Maccoll, Docket No. 2:18-cv-12473
- Exhibit L** Consent Judgment entered in SEC v Maccoll, Docket No. 2:18-cv-12473
- Exhibit M** PACER docket sheet for United States v Maccoll, Docket No. 2:18-cr-20551

Exhibit N Rule 11 Plea Agreement in United States v Maccoll, Docket No. 2:18-cr-20551

Exhibit O Government's Sentencing Memorandum in United States v Maccoll, Docket No. 2:18-cr-20551

FINDINGS OF FACT

Based on the records, including Respondent's default, the following findings of fact are established:

1. Respondent was registered as a securities agent for and an investment advisor representative of UBS Financial Services, Inc.
2. In 2018, Petitioner began an investigation into Respondent's activities in the securities industry.
3. Respondent is the subject of a Notice and Order to Cease and Desist, issued on November 15, 2018, requiring Respondent to cease and desist from engaging in practices in violation of the Act. The Notice and Order to Cease and Desist was based on the Petitioner's findings that Respondent misappropriated investment funds from UBS clients through fraud.
4. Respondent is the subject of an order by a self-regulatory organization, the Financial Industry Regulatory Authority ("FINRA") barring him from association with any FINRA member based on his violations of securities laws.
5. Respondent engaged in dishonest and unethical practices in the securities business, from April 2010 through March 2018, by misrepresenting to multiple UBS clients that funds would be invested in securities for their benefit when, instead, Respondent retained the funds for his own personal use.
6. Respondent fraudulently advised UBS clients to send money directly to his personal account ostensibly to be invested in a fund called "the Hatteras Fund" that was not available through UBS. Instead of investing this money in securities on behalf of his clients, as promised, Respondent kept the money for his own personal use.
7. Respondent fraudulently induced UBS clients to write checks to a fictitious fund called "J Mac 011" and then altered the checks to look as though they had been made out to "John Maccoll." He then kept the proceeds of these checks for his

own personal use instead of investing the money in securities on behalf of UBS clients, as he had promised.

8. Respondent's scheme to defraud UBS clients resulted in his misappropriation of over more than \$3.7 million from UBS clients.
9. The SEC has secured a Consent Judgment in federal court, Docket No. 2:18-cv-12473, restraining Respondent from further violations of federal securities laws and requiring Respondent to disgorge his ill-gotten gains.
10. Respondent has pleaded guilty to violating 18 U.S.C. § 1343 (wire fraud), Docket No. 2:18-cr-20551, for misappropriating over \$3.7 million in funds through his scheme to defraud UBS clients.
11. Respondent acted willfully in defrauding multiple UBS clients and misappropriating for his own personal use funds that the UBS clients believed were being invested in securities for their benefit.
12. Revocation of Respondent's registrations as a securities agent and investment advisor representative would be in the public interest.
13. Imposition of a civil fine against Respondent in an amount not to exceed \$500,000 would be in the public interest.

CONCLUSIONS OF LAW

Respondents was properly served notice by mail at two addresses, one of which he acknowledged to Petitioner's counsel as the address he used to retrieve mail and another which he acknowledged as a valid address. Under Section 78 of the APA, MCL 24.278 and Rule 134(1) of the Administrative Hearing Rules, R 792.10134(1), the failure of Respondent to attend the scheduled hearing after being properly served notice allows for disposition based on default. When a party defaults, all well-pleaded facts are taken as true. See, e.g., *Kalamazoo Oil Co v Boerman*, 242 Mich App 75, 78-79 (2000) and MCL 24.278(2) (explaining that the disposition of a contested case may be made by a default).

In this matter, the facts pleaded in the Notice of Intent to Revoke (which are established through Respondent's default) and the facts established through the testimony and exhibits admitted at the hearing, amply demonstrate that Respondent violated Sections 501 and 502 of the Act by defrauding investors in connection with a fraudulent scheme related to the procurement of securities and in the provision of advice regarding investment in securities. These facts also establish that revocation of Respondent's

registrations, and the imposition of a civil fine not to exceed \$500,000, are appropriate pursuant to Subsections 4(b), 4(e)(iii), 4(l), and 4(m) of Section 412 of the Act (as alleged in the Notice of Intent to Revoke).

PROPOSED DECISION AND RECOMMENDED SANCTIONS

This ALJ concurs in the assessment of the Department of Licensing and Regulatory Affairs ("Department") that revocation of Respondent's registrations and a civil fine of \$500,000 are appropriate based on the facts established in the record. It is the proposed decision of the ALJ that the Administrator, the Department, issue an appropriate Final Order upholding the underlying Notice of Intent to Revoke Securities Agent and Investment Advisor Representative Registrations.

EXCEPTIONS

If a party chooses to file Exceptions to this Proposal for Decision, the Exceptions must be filed within twenty-one (21) days aft the Proposal for Decision is issue and entered. If an opposing party chooses to file a Response to the Exceptions, it must be filed within fourteen (14) days after the Exceptions are filed. All Exceptions and Responses to Exceptions must be file 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



Paul Smith
Administrative Law Judge

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

In the matter of:

Agency No. 336201

JOHN MACCOLL
CRD# 839441

Respondent.

_____ /

Issued and entered
This 15 day of November, 2018

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Director of the Corporations, Securities & Commercial Licensing Bureau (the “Administrator”), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq* (“Securities Act”), hereby orders John Maccoll (“Respondent”) to cease and desist from engaging in an act, practice, or course of business that operates as a fraud or deceit on another person in connection with the offer or sale of a security, and from engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person in the provision of investment advice, contrary to the Securities Act. Respondent is notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondent

1. John Maccoll (CRD#839441) (“Respondent”) was registered as an agent of and an investment adviser representative for UBS Financial Services, Inc. (CRD#8174, “UBS”) until on or around March 15, 2018, when he was terminated from by the firm because he misappropriated funds from multiple clients and refused to cooperate with UBS’s investigation into the matter.

B. Findings of Fact

1. The Bureau conducted an investigation of Respondent's activities after UBS filed a Form U5 on the Central Registration Depository ("CRD") which terminated Respondent's registrations and identified that Respondent may have misappropriated client funds.
2. The investigation developed evidence that Respondent convinced multiple clients to liquidate legitimate securities holdings to use the proceeds for investing with a fictitious "Hatteras Fund"¹. Respondent had clients write checks to a fictitious "escrow account" for the fictitious "Hatteras Fund" titled "J Mac 011" and filled in the checks to say "J Maccoll". Thereafter, Respondent deposited the funds into his personal checking account, using the monies to pay personal expenses and fake returns to prior investors so he could perpetuate his fraud.
3. Respondent fraudulently misrepresented material facts to investment advisory clients when he told them that the proceeds of their securities liquidations would be invested for their benefit with the fictitious "Hatteras Fund", when in fact those proceeds were used to fund Mr. Maccoll's lifestyle, and to perpetuate his fraud.

II. RELEVANT STATUTORY PROVISIONS

1. Section 501 of the Securities Act, MCL 451.2501, states in part:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:

- (a) Employ a device, scheme, or artifice to defraud.
- (b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
- (c) Engage in an act, practice, or course of business that operates or would operate as a fraud or deceit on another person.

¹ Hatteras Fund is a legitimate fund which exists and accepts investments. One of Respondent's affected clients had been struggling to obtain information about his investment with the fictitious "Hatteras Fund" from Respondent, and contacted the legitimate Hatteras Fund directly. After the client was informed that he had no money deposited with the legitimate Hatteras Fund, the client contacted UBS to report Respondent's misconduct.

2. Section 502 of the Securities Act, MCL 451.2502, states in part:

(1) It is unlawful for a person that advises others for compensation, either directly or indirectly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities, or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities, to do any of the following:

- (a) Employ a device, scheme, or artifice to defraud another person.
- (b) Engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

III. CONCLUSIONS OF LAW

1. Respondent John Maccoll, in connection with the offer or sale of securities, engaged in an act, practice, or course of business that operated as a fraud on other persons when he convinced many of his clients to liquidate legitimate securities holdings to invest in a fraudulent fund which did not exist, and instead used the proceeds of those legitimate securities liquidations to fund his own lifestyle and to perpetuate his fraud by making ponzi payments to prior investors, contrary to section 501 of the Securities Act, MCL 451.2501.
2. Respondent John Maccoll, as a person who advised others for compensation on the advisability of investing in, purchasing, or selling securities, engaged in an act, practice, or course of business that operated as a fraud or deceit upon his clients when he advised them to liquidate legitimate securities holdings to invest in a fictitious fund that was used solely to benefit Respondent and to perpetuate Respondent's fraud, contrary to section 502(1) of the Securities Act, MCL 451.2502(1).

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondent shall immediately CEASE AND DESIST from engaging in an act, practice, or course of business that would operate as a fraud or deceit upon another person in connection with the offer or sale of securities and in the provision of investment advice, contrary to the Conditional Registration Order and the Securities Act.

Notice & Order to Cease & Desist
John Maccoll (CN 336201)
CRD#839441

- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In her Final Order, the Administrator, under section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose a civil fine of \$500,000.00 against Respondent.
- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities 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 this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondent has 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

VI. ORDER FINAL ABSENT HEARING REQUEST

- A. Under section 604 of the Securities Act, MCL 451.2604, the Respondent's failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

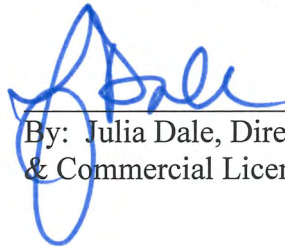
\$500,000.00 – John Maccoll, under section 604 of the Securities Act, MCL 451.2604.

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

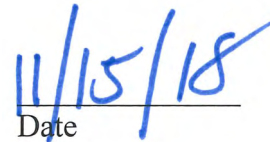
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondent under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondent may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



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



Date

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

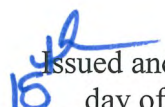
In the matter of:

Agency Nos. 336201

JOHN MACCOLL
CRD# 839441

Respondent.

_____ /

This 16 day of November, 2018
 issued and entered

**NOTICE OF INTENT TO REVOKE SECURITIES AGENT AND
INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS**

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. John Maccoll (CRD#839441) ("Respondent") was registered as a securities agent for and an investment adviser representative of UBS Financial Services, Inc. (CRD# 8174, "UBS"), a Michigan-registered broker-dealer and a federal-covered investment adviser properly notice-filed in Michigan. Respondent's registrations through UBS were terminated on or around March 15, 2018 because UBS discovered that Respondent had misappropriated funds from multiple clients and thereafter refused to cooperate with UBS's investigation into the matter.
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 industry.
3. Respondent is the subject of a Notice and Order to Cease and Desist which was issued to Respondent for violations of sections 501 and 502 of the Securities Act, MCL 451.2501 and 451.2502. (Exhibit 1).
4. Respondent is the subject of an order by a self-regulatory organization, the Financial Industry Regulatory Authority ("FINRA") barring him from association with any FINRA member (Exhibit 2) for the activities that led the Bureau to issue its Notice and Order to Cease and Desist.
5. Respondent engaged in dishonest or unethical practices in the securities business within the previous ten years by misrepresenting to clients that their funds would be invested

for their benefit when Respondent actually spent investor funds to pay for his own lifestyle and to perpetuate his fraud by making ponzi-style payments to previous investors.

6. 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 securities agent and investment adviser representative registrations based upon Respondent’s conduct discussed above and hereafter.
7. 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...

8. 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...

9. 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:

(b) The person willfully violated or willfully failed to comply with this act or the predecessor act or a rule adopted or order issued under this act or the predecessor act within the previous 10 years.

(e) The person is the subject of an order, issued after notice and opportunity for hearing by any of the following:...

(iii) The securities and exchange commission or a self-regulatory organization suspending or expelling the registrant from membership in a self-regulatory organization.

(l) The person is the subject of a cease and desist order issued by the securities and exchange commission or issued under the securities, commodities, investment, franchise, banking, finance, or insurance laws of a state.

(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...

10. 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.

11. 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 willfully violated or willfully failed to comply with the Securities Act within the previous 10 years by engaging in an act, practice or course of business that was a fraud or deceit on another person in connection with the offer or sale of securities and in the provision of investment advice, contrary to sections 501 and 502 of the Securities Act, MCL 451.2501 and 451.2502, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(b), MCL 451.2412(2) and MCL 451.2412(4)(b).
- B. Respondent is subject to an order by FINRA, a self-regulatory organization, expelling him from membership with that organization, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(e)(iii) of the Securities Act, MCL 451.2412(2) and MCL 341.2412(4)(e)(iii).
- C. Respondent is the subject of a cease and desist order issued under the securities laws of a state, giving the Administrator cause to issue an order under sections 412(2) and 412(4)(l), MCL 451.2412(2) and MCL 451.2412(4)(l).
- D. Respondent engaged in dishonest or unethical behavior in the securities industry within the previous 10 years by fraudulently convincing clients to provide him with money to invest, and then using that investor money to fund his own lifestyle and to perpetuate his fraud through ponzi-type payments to prior investors, giving the Administrator cause to issue an order under sections 412(2)

and 412(4)(m) of the Securities Act, MCL 451.2412(2) and MCL 451.2412(4)(m).

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 SECURITIES AGENT AND INVESTMENT ADVISER REPRESENTATIVE REGISTRATIONS OF JOHN MACCOLL under section 412(2) of the Securities Act, MCL 451.2412(2), because he willfully violated the Securities Act; because he is subject to an order expelling him from a self-regulatory organization; because he is the subject of a cease and desist order issued by a state securities regulator; and because he has engaged in dishonest or unethical business practices in the securities industry within the previous 10 years, all of which support the revocation of his securities agent and investment adviser representative registrations 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 \$500,000.00 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 securities agent and investment adviser representative registrations, 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.

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

By:



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