

BEFORE THE  
DIVISION OF SECURITIES  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
STATE OF WISCONSIN

---

In the Matter of  
TIMOTHY D. MORALES

FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND  
DEFAULT ORDER REVOKING  
SECURITIES AGENT LICENSE

Respondent.

File No. S-98292(LX)

---

Based on this matter having been initiated by the staff of the Enforcement Unit of the Division of Securities pursuant to a Request for Hearing filed with the Division on September 1, 1999, resulting in a Notice of Hearing issued September 1, 1999; and

Based on a second Notice of Hearing issued by the Division on December 17, 1999 which was sent by certified mail and signed for on behalf of Respondent as evidenced by a certified mail receipt dated December 18, 1999; and

Based on Respondent Morales' failure to appear at the hearing scheduled at the Division's offices on February 8, 2000 at 10:00 am as provided in the December 17, 1999 Notice of Hearing in this matter; and

Based on the Division Staff's Offer of Proof presented at the February 8, 2000 hearing in support of a Motion to impose a Default Order revoking the securities agent license of Timothy D. Morales;

I FIND THAT:

1. Timothy D. Morales ("Morales") is a licensed securities agent (CRD #1136485);
2. At a pre-hearing conference held by telephone on October 21, 1999 relating to the September 1, 1999 Notice of Hearing, Morales agreed to a 10-day suspension of his Wisconsin securities agent license, commencing October 25, 1999;
3. On October 22, 1999, Morales received via mail as sent by the Division staff, a copy of the proposed consent suspension agreement, consisting of a Waiver and Consent To Order and an Order of Suspension which stated that Morales' license was "... suspended for 10 business days as of October 25, 1999.";
4. On October 25, 1999, Morales signed the Waiver and Consent To Order and sent it back to the Division;

5. On October 27, 1999, the Order of Suspension was signed by the Division Administrator;
6. Morales offered and sold securities to persons in Wisconsin in at least 8 transactions during the period October 25-28, 1999.

CONCLUSIONS OF LAW

1. Morales' actions in offering and selling securities while his license was suspended constitute a violation of sec. 551.31(1), Wis. Stats., and provide a basis for revocation of Morales' securities agent license pursuant to sec. 551.34(2), Wis. Stats.;
2. Morales' actions in offering and selling securities to persons in Wisconsin in violation of an Order issued by the Division provide a basis, pursuant to sec. 551.34(1)(b), Wis. Stats., for the revocation of Morales' securities agent license;
3. Morales' failure to appear at the scheduled February 8, 2000 hearing as prescribed in the December 17, 1999 Notice of Hearing in this proceeding constitutes a default under DFI-Sec 8.03, Wis. Adm. Code, enabling the Designated Hearing Officer to make a decision, enter an order, or otherwise dispose of the case.

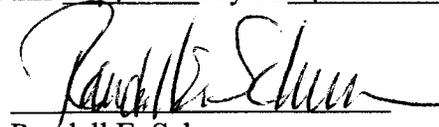
Therefore, I find that this action is necessary and appropriate in the public interest and for the protection of investors, and pursuant to secs. 551.31, 551.34(1)(b) and (2), 551.61, and 551.63, Wis. Stats.,

IT IS ORDERED THAT:

The securities agent license of Timothy D. Morales is hereby revoked effective as of November 4, 1999.

EXECUTED at Madison, Wisconsin this 11<sup>th</sup> day of February, 2000

(SEAL)



Randall E. Schumann  
Designated Hearing Officer

NOTICE:

You are advised that any wilful violation of an Order issued by the Administrator of the Division of Securities of the State of Wisconsin Department of Financial Institutions under Ch. 551, Wis. Stats., is a criminal offense punishable under the provisions of sec. 551.58, Wis. Stats.