

**STATE OF ILLINOIS
SECRETARY OF STATE
DEPARTMENT OF SECURITIES**

_____))
IN THE MATTER OF: MARK ANTHONY SKERTICH))
_____))

File No: C0100662

NOTICE OF HEARING

TO THE RESPONDENT: Mark Anthony Skertich
 10710 Oregon Street
 Culver City, California 90232
 CRD#: 1336774

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5) (“the Act”) and 14 Ill. Adm. Code 130, Subpart K (the “Rules”), a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 16th day of July 2003, at 10:00 am, or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos, esq., or another duly designated Hearing Officer of the Secretary of State.

This hearing will be held to determine whether an Order should be entered pursuant to Section 11.E of the Act prohibiting the Respondent from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

COUNT I
Fraud and Deceit

1. Respondent Mark Anthony Skertich (“Respondent”) is an individual whose last known address is 10710 Oregon Street, Culver City, California 90232.
2. At all relevant times, Respondent was registered as a salesperson with American Investment Services, Inc.
3. Donna Brenski (“DB”) is an individual who resides at 1816 South Oak Park Avenue, Berwyn, Illinois 60402.

4. In about January 1997 DB inherited approximately \$100,000 worth of telephone stocks (“Baby Bells”). A friend of DB referred her to Respondent for the purpose of monitoring her portfolio and making investments.
5. Prior to meeting Respondent, DB had little experience with regard to investments. Her investing experience was limited to her Individual Retirement Account (“IRA”).
6. On about February 1997 DB completed an account application (“Application”) for a cash account. In her Application DB indicated that her objective was for “growth”, and that her risk tolerance was “average.” DB and Respondent’s partner, Steven Mlynski, both signed the Application.
7. From February 1997 until December 1998, DB’s account was managed by Respondent’s partner, Steven Mlynski. From December 1998 until December 1999 DB’s account was managed by Respondent.
8. When DB’s account was under Respondent’s control, Respondent mismanaged DB’s account. Respondent engaged in short selling, day trading and in and out trading. During 1999 Respondent turned DB’s account over approximately 25 times.
9. Respondent also made dozens of unauthorized trades on margin from DB’s IRA account without DB’s knowledge or consent. In fact, Respondent never explained to DB what it meant to trade on margin, nor did he inform her of the risks involved.
10. In December 1999, DB instructed Respondent not to make any additional trades on her behalf and to liquidate her positions immediately. Respondent disregarded DB’s instructions and continued to make trades from her account without her knowledge or consent. Each time Respondent made a trade from DB’s account he earned a commission.
11. On information and belief, Respondent usurped control over DB’s account and engaged in excessive and reckless trading for the sole purpose of increasing his commissions and not to benefit DB’s account.
12. Respondent’s activities described in paragraphs 6-12 involve the offer and sale of investment contracts and therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Act.
13. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.

14. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
15. By virtue of the foregoing, Respondent violated Sections 12.A and 12.F of the Act.

COUNT II

Obtaining Money through the Sale of Securities by any Untrue Statement

- 1-11. Paragraphs 1-11 of Count I are realleged and incorporated by reference as paragraphs 1-11 of Count II and are fully set forth herein.
12. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
13. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

COUNT III

Devise Scheme or Artifice to Defraud

- 1-11. Paragraphs 1-11 of Count I are realleged and incorporated by reference as paragraphs 1-11 of Count III and are fully set forth herein.
12. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
13. By virtue of the foregoing, Respondent violated Section 12.I of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of the receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

Notice of Hearing

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A copy of the Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This _____ day of May, 2003.

Jesse White
Secretary of State
State of Illinois

Attorneys for the Secretary of State:

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Hearing Officer:

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