

Notice of Hearing

STATE OF ILLINOIS  
SECRETARY OF STATE  
DEPARTMENT OF SECURITIES

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IN THE MATTER OF:     Eric Johnson; Brent     )     FILE NO. 0500500  
                                   Hurt; H.D. Brent &     )  
                                   Company; H.D.B     )  
                                   Advisors, Inc.     )  
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NOTICE OF HEARING

TO THE RESPONDENT:     Eric William Johnson (CRD# 2142522)  
   609 S. Jackson  
   Hinsdale, IL 60521

Brent David Hurt  
175 N Harbor Drive Apt 5207  
Chicago, IL 60601

H.D. Brent & Company (CRD# 45976)  
208 S. LaSalle  
Suite# 1350  
Chicago, IL 60604

H.D.B. Advisors, Inc. (CRD# 122884)  
208 S. LaSalle  
Suite# 1350  
Chicago, IL 60604

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5/1 et. seq.] (The "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 16<sup>th</sup> day of October, 2007, at the hour of 10:00 a.m., or as soon as possible thereafter, before James Kopecky, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said Hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting 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 10 (ten) days of the order.

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The grounds for such proposed action are as follows:

### COUNT I:

1. Eric William Johnson (“Johnson” or collectively with Brent Hurt, HD Brent & Company, and HDB Advisors Inc., “Respondents”) is an individual with a last known address of 609 S. Jackson, Hinsdale, IL 60521.
2. Johnson has been registered with the Secretary of State, Securities Department (“the Department”) from October of 1998 to present as an investment adviser representative, with HDB Advisors Inc.
3. Johnson has been registered with the Secretary of State, Securities Department (“the Department”) from December of 1997 to present as Salesperson, with HD Brent & Company.
4. Brent David Hurt (Hurt, or collectively with Johnson, HD Brent & Company, and HDB Advisors Inc., “Respondents”) is an individual with a last known address of 175 N Harbor Drive, Apt. 5207, Chicago, IL 60601.
5. Hurt has been registered with the Secretary of State, Securities Department (“the Department”) from October of 1998 to present as an investment adviser representative, with HDB Advisors Inc. Hurt is an officer and shareholder of HDB Advisors Inc.
6. Hurt has been registered with the Secretary of State, Securities Department (“the Department”) from March of 1999 to present as Salesperson, with HD Brent & Company. Hurt is HD Brent's President and Chief Compliance Officer.
7. H.D. Brent & Company (“H.D. Brent” collectively with Johnson, Hurt and HDB Advisors, “Respondents”), a broker-dealer is located at 208 S. LaSalle, Suite 1350, Chicago, Illinois 60604.
8. H.D.B. Advisors Inc. (“HDB Advisors,” or collectively with Johnson, Hurt, and H.D. Brent “Respondents”), is registered with the Illinois Secretary of State, Securities Department (“the Department”) as a State Covered Investment Advisor.
9. Island Holdings, LLC, (“Island Holdings”) was an Illinois Limited Liability Company, which was involuntary dissolved in January of 2005.
10. In December 2001, H.D. Brent & Company, by means of a private placement, offered and sold memberships in Island Holdings LLC.

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11. The Operating Agreement of Island Holdings LLC states that Island Holdings is engaged in the business of purchasing a home from Siegel Raymond and Brent, Ltd. and then subsequently renting the home out to Siegel Raymond and Brent Ltd. for two years. At the end of the two years the members of Island Holdings have the option of selling the property.
12. The home was located on Great Exuma in the Bahamas.
13. Hurt is a fifty percent shareholder of Siegel Raymond and Brent, Ltd.
14. At all times relevant, Johnson was Managing Member of Island Holdings.
15. Johnson's duties as managing member of Island Holdings included:
  - a. Receiving the rent from Siegel Raymond and Brent Ltd.;
  - b. Distributing the rent received to the members of Island Holdings.
  - c. Conferring with accountants regarding individual reports for distributions from the Island Holdings profit-sharing plan.
16. Johnson received five percent of Island Holdings' annual gross cash flow as compensation from Island Holdings for the activities he performed as managing member of Island Holdings.
17. Pursuant to Section 8.C of the Illinois Securities Law of 1953 as amended (815 ILCS 5/1 *et seq.* the "Act"), a dealer wishing to register a salesperson in the State of Illinois shall file an application with the Secretary of State which the salesperson is required to provide to the dealer, executed verified or authenticated by the salesperson setting forth information provided in Section 8.C of the Act.
18. Pursuant to Section 130.810 of the Rules and Regulations under the Act, an application, properly filed with the Secretary of State pursuant to Section 8.C, includes filing a U4 form with the NASD utilizing the CRD System.
19. Pursuant to Section 8.C of the Act the U4 form must be amended whenever a change occurs that renders inaccurate any information contained in the initial application.
20. The relevant portion of the U4 form states the following:
  - a. Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the

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number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.

21. Respondent Hurt knew or should have known of Johnson's role as Managing Member of Island Holding, both as Chief Compliance Officer of HD Brent and as a 50% shareholder of Siegel Raymond and Brent Ltd.
22. On or around July 11, 2003, Respondent H.D. Brent and H.D.B. Advisors, by and through the actions of Hurt and Johnson, filed a U4 that falsely claimed Johnson was not engaged in any outside business activity.
23. To date, neither H.D. Brent, nor HBD Advisors, nor Johnson has filed with the Secretary of State a U4 disclosing Johnson's outside business activity.
24. Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to make, or cause to be made, (1) in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
25. By virtue of the foregoing, Respondents violated Section 12.E of the Act.

### COUNT II:

26. Counts 1-25 are realleged and incorporated by reference.
27. To date, Johnson has not filed with the Secretary of State a U4 form disclosing his outside business activity.
28. Section 8.E(1)(h) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's business repute or qualifications, or has refused to furnish any such information requested by the Secretary of State.
29. That by virtue of the foregoing, Eric Johnson's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(h) of the Act.
30. Section 8.E(1)(e)(h) of the Act provides, inter alia, that the registration of a salesperson and/or an investment advisor representative may be revoked if the Secretary of State finds that the salesperson and/or investment advisor representative has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary

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of State to determine a salesperson's or an investment advisor representative's qualifications.

31. That by virtue of the foregoing, Eric Johnson's registration as an investment advisor representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(h) of the Act.
32. That by virtue of the foregoing, Eric Johnson's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(h) of the Act.

### **COUNT III:**

33. Counts 1-25 are realleged and incorporated by reference.
34. From December 2001 to 2005, Hurt caused to be filed with the Secretary of State a U4 form falsely stating that Johnson was not involved in any outside business activity.
35. Section 8.E(1)(h) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such salesperson has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's business repute or qualifications, or has refused to furnish any such information requested by the Secretary of State.
36. Section 8.E(1)(e)(h) of the Act provides, inter alia, that the registration of a salesperson and/or an investment advisor representative may be revoked if the Secretary of State finds that the salesperson and/or investment advisor representative has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or an investment advisor representative's qualifications.
37. That by virtue of the foregoing, Brent Hurt's registration as salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(h) of the Act.
38. That by virtue of the foregoing, Brent Hurt's registration as an investment advisor representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(h) 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, or other responsive pleading

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within thirty (30) days of 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.

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 21<sup>st</sup> day of August, 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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