

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: TERRY L. EDLEN )  
\_\_\_\_\_)

FILE NO. 0800330

ORDER OF REVOCATION

TO THE RESPONDENT: Terry L. Edlen (CRD#: 4469076)  
2513 Tartan Way  
Springfield, Illinois 62711

WHEREAS, the above-captioned matter came on to be heard on November 12, 2008 pursuant to the Notice of Hearing dated July 16, 2008, FILED BY Petitioner Secretary of State, and record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Finding of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Attorney at Law, in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department served Respondent with a Notice of Hearing on or about July 16, 2008.
2. The Respondent failed to answer, appear, or submit a responsive pleading.
3. The Respondent did not appear at the Hearing.

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4. That at all relevant times, the Respondent was registered with the Secretary of State as a salesperson and investment adviser representative in the State of Illinois pursuant to Section 8 of the Act until April 12, 2007.
5. That on April 8, 2008 FINRA entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding FILE NO. 2007008631401 which barred him from association with any member of FINRA in any capacity.
6. That the AWC found:
  - a. The Respondent traced a customer's signature on four documents in connection with the purchase of a term life insurance policy and paid the initial premium for the policy, without the customer's knowledge and consent. The Respondent's actions violated NASD Conduct Rule 2110.
  - b. During all relevant times, KB was a member of the public.
  - c. On January 18, 2007, KB met the Respondent to discuss the purchase of a term life insurance policy. The Respondent suggested that KB fill out the application and go through the physical and underwriting process to determine his rating for a life insurance policy. KB signed the completed life insurance application. KB agreed to a face benefit amount of \$350,000 for the insurance policy, which was greater than the amount he desired, so that he would not have to be examined twice if he decided to increase his benefit at a later date.
  - d. On February 4, 2007, KB received a physical. During the week of February 11, 2007, the Respondent reported that KB had received a preferred plus rating from his physical. KB told the Respondent that he and his wife wanted to discuss the purchase of life insurance further, and that KB would contact the Respondent when a decision was made regarding the purchase of the policy.

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- e. During the week of February 25, 2007, the Respondent was informed that KB and his wife wanted to check a few things before they made a decision about purchasing the life insurance policy. KB's wife asked whether she and KB could have until March 5, 2007 to make their decision about the purchase of the insurance policy. The Respondent gave them until March 14, 2007 to decide.
  
- f. On or about February 28, or March 1, 2007, without the knowledge and consent of KB, the Respondent completed and traced KB's signature on four documents that were necessary to complete the purchase of the term life insurance policy for KB. The documents that the Respondent traced KB's signature on were: an electronic mail message, which stated that KB accepted the life insurance policy and consented to changing the face value of the policy from \$350,000 to \$250,000; a document entitled "Part C Agreement/Authorization to Obtain and Disclose Information," which was an application to purchase life insurance without consenting to medical testing; a document entitled "Combined Billing Plan Agreement and Automatic Monthly Payment Authorization," which established a combined billing plan for the life insurance policy, and a document entitled "Policy Service Request Form," which changed the face value for the life insurance policy for KB from \$350,000 to \$250,000, and was dated February 28, 2007. On March 1, 2007, the Respondent also wrote a check from his Premium Fund Trust Account for \$24.77, endorsed the check, and sent the documents with KB's forged signature and the check to Country Life Insurance Company, to purchase a term life insurance policy for KB, without KB's knowledge or consent. The Respondent engaged in this conduct in order to increase his production and earn additional commissions. The Respondent's conduct constituted a violation of NASD Conduct Rule 2110.

WHEREAS, the proposed Conclusions of Law made by the Hearing officer are correct in part and incorrect in part, they are hereby adopted as modified, as the Conclusions of Law of the Secretary of State:

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1. The Department properly served the Notice of Hearing on Respondent on or about July 16, 2008.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 13.1104:
  - (a) the allegations contained in the Amended Notice of Hearing are deemed admitted;
  - (b) Respondent waived his right to a hearing;
  - (c) Respondent is subject to an Order of Default.
5. Because the Respondent failed to appear at the time and place set for hearing, in accordance with Section 130.1109, he:
  - (a) waived his right to present evidence, argue, object or cross examine witnesses; or
  - (b) otherwise participate at the hearing.
6. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson or investment adviser representative may be revoked if the Secretary of State finds that such salesperson or investment adviser representative has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
7. That FINRA is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.

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8. That Section 8.E(3) of the Act provides, inter alia, withdrawal of an application for registration or withdrawal from registration as a salesperson or investment adviser representative, becomes effective 30, days after receipt of an application to withdraw or within such shorter period of time as the Secretary of State may determine. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
9. That by virtue of the foregoing Findings of Fact, the Respondent's registrations as a Salesperson and Investment Adviser Representative in the State of Illinois are subject to revocation pursuant to Sections 8.E(1)(j) and 8.E(3) of the Act.

WHEREAS, the Hearing Officer recommended that the Secretary of State should REVOKE respondent Terry L. Elden's registration as a salesperson and Investment Adviser Representative in the State of Illinois and the Secretary of State adopts the Hearing Officer's recommendation:

NOW THEREFORE, IT SHALL BE AND IS HERBY ORDERED THAT:

1. Respondent Terry L. Edlen's registrations as a Salesperson in the State of Illinois is **REVOKED**, effective April 12, 2007.
2. Respondent Terry L. Eden's registration as an Investment Adviser Representative is **REVOKED**, effective April 12, 2007
3. The matter is concluded without further proceedings.

DATED: This 3rd Day of December, 2008

  
JESSE WHITE  
Secretary of State  
State of Illinois

Dan Tunick  
Attorney for the Secretary of State  
Illinois Securities Department  
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