

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

\_\_\_\_\_  
IN THE MATTER OF: ALEXI M. BETHEL )  
\_\_\_\_\_) )  
\_\_\_\_\_)

FILE NO. 0800280

**NOTICE OF HEARING**

**TO THE RESPONDENT:** Alexi M. Bethel  
(CRD#: 4188275)  
840 16<sup>th</sup> Street  
Apartment 15  
Miami Beach, Florida 33139

c/o Brookstone Securities, Inc.  
520 South Florida Avenue  
Lakeland, Florida 33801

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, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 28<sup>th</sup> day of August, 2008 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky, Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered denying Alexi M. Bethel's (the "Respondent ") registration as a salesperson in the State of Illinois pursuant to Section 8.E(1)(k) of the Act and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That on May 13, 2008, Brookstone Securities, Inc., a registered dealer, filed a Form U 4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on July 7, 2006 the State of Washington Department of Financial Institutions Securities Division (State of Washington) entered an Order

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instituting administrative and Denial of Registration, File No. S-05-081 - 06-FO01 which sanctioned the Respondent as follows:

- a. That Alexi Bethel cease and desist from offering and /or selling securities in any manner in violation of RCW 21.20.140, the section of the Securities Act of Washington requiring registration.
  - b. That Alexi Bethel cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.
  - c. That Alexi Bethel cease and desist from violation of RCW 21.20.035, the unlawful purchases or sales for customer's account section of the Securities Act.
  - d. That Alexi Bethel cease and desist from violation of RCW 21.20.702, the suitability of recommendations section of the Securities Act.
  - e. That any future application by Alexi Bethel for registration as a broker-dealer, securities salesperson, investment advisor and/or investment advisor be denied.
  - f. That Alexi Bethel shall be subject to a fine in the amount of \$5,000.
3. That the State of Washington's Conclusions of Law found in pertinent part:
- a. The offer and/or sale of stock, as described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005 (10) and (12).
  - b. The offer or sale of Cardinal Capital Net Inc. stock by Alexi Bethel, as an agent of Cardinal Capital Management, is in violation of RCW 21.20.140 because no registration or notification of claim of exemption for such offer or sale is on file with the Securities Administrator of the State of Washington.
  - c. Alexi Bethel, as described above, has violated RCW 21.20.035, by knowingly effecting transactions in the account of Investor that were excessive in size and frequency in view of the financial resources and character of the account, and that were effected by reason of Investor's trust and confidence in Alexi Bethel. Such practice is grounds for denial of his future broker-dealer, securities salesperson, investment advisor and/or investment advisor representative application pursuant to RCW 21.20.110(1) (b) and

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for imposition of fines pursuant to RCW 21.20.110(1)

- d. Alexi Bethel, as described above, has violated RCW 21.20.702 by recommending the purchase and sale of securities to Investor without reasonable grounds to believe that the transactions were suitable. Such practice is grounds for denial of his future broker-dealer securities salesperson investment adviser and/or investment adviser representative application pursuant to RCW 21.20.110(1) (b) and for imposition fines pursuant to RCW 21.20.110(1).
  - e. Alexi Bethel, as described above, engaged in one or more dishonest and unethical practices in the securities business, as defined by WAC 460-22B-090(7) by recommending to a customer the purchase, sale, or exchange of any security without reasonable grounds to believe that such transaction is suitable for the customer. Such practice is grounds for denial of his future broker-salesperson, investment adviser and/or investment adviser representative application pursuant to RCW 21.20.110(g).
  - f. The offer or sale of Cardinal Capital Net, Inc. stock was made in violation of RCW 21.20.010 because, as set forth in the Findings of Fact, Respondent Alexi Bethel, either made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Such practice is grounds for denial of Alexi Bethel's future broker-dealer, securities salesperson, investment adviser and/or investment adviser representative application pursuant to RCW 21.20.110(1) (b) and for imposition of fines pursuant to RCW 21.20.110(1).
4. That Section 8.E(1)(k) 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 had an order entered against it after notice and opportunity for hearing by a securities agency of any state, any foreign government or agency thereof, the Securities and Exchange Commission, or the Federal Commodities Futures Trading Commission arising from any fraudulent or deceptive act or a practice in violation of any statute, rule, regulation administered or promulgated by the agency or commission.
  5. That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(k) of the Act.

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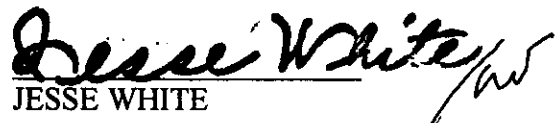
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 ILL. Adm. Code 130)(the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A link 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. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

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

Dated: This 17<sup>th</sup> day of July 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorneys for the Secretary of State:

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Hearing Officer:  
James Kopecky  
190 S. LaSalle Street, Suite 850-A  
Chicago, Illinois 60603