

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: SCOTT C. WINTERS

FILE NO. 0300688

NOTICE OF HEARING

TO THE RESPONDENT: Scott C. Winters
(CRD #: 2598188)
8163 Sunset Road
Willowbrook, Illinois 60527

C/o Nexus Advisors Inc.
One tower Lane, Suite 1700
Oakbrook Terrace, Illinois 60181

You are hereby notified that, pursuant to Section 11.F of the Illinois Securities Law of 1953 (815 ILCS 5 et. seq.) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of November 2003, at 10:00 a.m., 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.

Said hearing will be held to determine whether an Order shall be entered revoking Scott C. Winters' ("Respondent") registration as a dealer in the State of Illinois 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 April 24, 2003 the Respondent filed a Form U-4 application become registered with the Secretary of State as an investment adviser representative in the State of Illinois pursuant to Section 8 of the Act. Subsequently, the Respondent became registered in this capacity on May 13, 2003.

Notice of Hearing

- 2 -

2. That on March 27, 2003 the State of California Department of Corporations, entered a Desist and Refrain Order ("Order") against the Respondent which found, among other things, that the Respondent violated Section 25401 of the Corporation Code. Specifically, the Order found:
 - a. At all, relevant times, the Respondent was President of Titan Securities, LLC ("Titan Securities"). Titan Securities is or was a Delaware limited liability company, formed in February 2000. The Respondent is or was the sole principal shareholder, office and director of Titan Securities.
 - b. Beginning in or about March 1, 2000, the Respondent and Titan Securities offered or sold securities in the form of limited partnership interests of Titan Fund 1, L.P. ("Titan Fund"), a Delaware Limited Partnership. Titan Fund was organized in February 2000 and Titan Securities served as the general partner and investment manager of the Partnership.
 - c. The Respondent through Titan Securities offered and sold over \$800,000 worth of limited partnership interests in Titan Fund to approximately 5 of his clients from about March 2000 through October 2000.
 - d. The purported purpose of Titan Fund was to seek substantial capital appreciation by investing in, and trading equities, options and other securities.
 - e. In connection with these offers and sales, the Respondent through Titan Securities represented to investors that:
 - i. The fund had millions of dollars, including \$2,000,000 of the Respondent's own money; in fact the fund only had around \$800,000, none of which belonged to him;
 - ii. The fund had over 25 investors; in fact the fund only had about 5 investors;
 - iii. The fund would invest in conservative investments and be diversified to limit risk; in fact the fund consisted of risky investments and was not diversified; and.

Notice of Hearing

- 4 -

8. That Section 8.E(1)(g) of the Act provides that the registration of an investment adviser representative may be revoked if he has violated any of the provisions of the Act.
9. That by the virtue of the foregoing, the Respondent's registration as an investment adviser representative in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(g) of the Act.


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

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

DATED: This 3rd day of October 2003.



JESSE WHITE
Secretary of State
State of Illinois

Notice of Hearing

- 5 -

Attorney for the Secretary of State:

Daniel Tunick

Office of the Secretary of State

Illinois Securities Department

69 West Washington, Suite 1220

Chicago, Illinois 60602

(312) 793-3384

Hearing Officer:

Soula J. Spyropoulos, Esq.

6348 N. Cicero Ave.

Chicago, Illinois 60646

(773) 282-3400