

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

IN THE MATTER OF: HINSDALE ASSOCIATES , INC.) FILE NO. 0700458
_____)

CONSENT ORDER OF FINE

TO THE RESPONDENT: Hinsdale Associates, Inc.
(CRD#:108293)
15 Spinning wheel Road Suite 226
Hinsdale, Illinois 60521

WHEREAS, Respondent on the 26th day of August, 2009 executed a certain Stipulation to Enter Consent Order of Fine (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated January 6, 2009 in this proceeding (the " Notice") and Respondent has consented to the entry of this Consent Order of Fine "Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That the Respondent is an Illinois based Federal Covered Investment Adviser (FCIA) since July 5, 2005. The Respondent engages in the business of providing investment advisory services to the general public.
2. That at various times commencing on or about July 5, 2005 and continuing through the present, the Respondent employed between one (1) and four (4) individuals to act as investment adviser representatives. These individuals provided investment advisory services to residents of the State of Illinois at a time when not in compliance with the registration requirements of Section 8 of the Act.

3. That Section 130.839 of the Rules of the Act provides, inter alia, that:
 - a) Effective October 1, 2002, each new applicant filing as an investment adviser or federal covered investment adviser shall file with the NASD, utilizing the IARD, a complete Form U-4 for each investment adviser representative and pay the filing fee specified in Section 130.110 of this Part.
 - b) For purposes of the annual re-registration of investment adviser representatives, each investment adviser and federal covered investment adviser shall file with the NASD, utilizing the IARD, and pay the filing fee specified in Section 130.110 of this Part.
4. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
5. That by virtue of the foregoing, the Respondent has committed violations of Section 12.D of the Act.
6. That Section 11.E(3) of the Act provides, inter alia, that If the Secretary of State shall find that any person is acting or has acted as a federal covered investment adviser, without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit or suspend the person from acting as a federal covered investment adviser in this State.

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the Secretary of State has adopted the following additional Finding of Fact:

7. That Section 11.E(4) of the Act provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

Consent Order of Fine

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- (1) The Respondent has committed violations of Section 12.D of the Act;
- (2) The Respondent is subject to the entry of an order prohibiting or suspending it from acting as a federal covered investment Adviser in the State of Illinois; and
- (3) The Respondent is subject to a FINE pursuant to Section 12.D and Section 11.E(4) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it shall be fined for violations of the Act the amount of Ten Thousand dollars (\$10,000.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it shall be levied costs incurred during the investigation of this matter in the amount of One Thousand Five Hundred Dollars (\$1,500.00), to be paid by certified or cashier's check made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it has submitted with the Stipulation a certified or cashier's check in the amount of Eleven Thousand Five Hundred dollars (\$11,500.00). Said sum is allocated as follows: Ten Thousand dollars (\$10,000.00) as FINE for violations of the Act; and One Thousand Five Hundred dollars (\$1,500.00) to cover the costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it has executed a certain Affidavit which contains undertakings that it will adhere to upon entry of this Consent Order. Said Affidavit is incorporated herein and made a part hereof.

Consent Order of Fine

4

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent is fined for violations of the Act the amount of Ten Thousand dollars (\$10,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on the 25th day of August, 2009 has submitted Ten Thousand dollars (\$10,000.00) in payment thereof.
2. The Respondent is levied costs of investigation in this matter in the amount of One Thousand Five Hundred dollars (\$1,500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on, the 25th day of August, 2009 has submitted One Thousand Five Hundred dollars (\$1,500.00) in payment thereof.
3. The Respondent shall comply with all of the terms and conditions contained in it's accompanying Affidavit which has been made a part of this Order.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 28th day of August, 2009.



JESSE WHITE
Secretary of State
State of Illinois

Daniel A. Tunick
Enforcement Attorney
Illinois Securities Department
Office of Secretary of State
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: 312.793.4433
Facsimile: 312.793.1202