

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: DONALD M. MEDLEY, INC.)
ITS OFFICERS, DIRECTORS,) File No. 0900439
EMPLOYEES, AFFILIATES, SUCCESSORS,)
AGENTS AND ASSIGNS,)
AND DONALD M. MEDLEY)

CONSENT ORDER

TO THE RESPONDENTS: Donald M. Medley, Inc.
Donald M. Medley
22 South Main Street
Harrisburg, Illinois 62946

WHEREAS, Respondents Donald M. Medley, Inc., and Donald M. Medley (the "Respondents") on March 16, 2010, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondents have consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondents have acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Respondent, Donald M. Medley, Inc., is an Illinois registered corporation with a last known address of 22 S. Main St., Harrisburg, Illinois 62946;
2. That at all times relevant, the Respondent Donald M. Medley, was president of Donald M. Medley, Inc.;
3. That on or about September 15, 2009, Respondent Donald M. Medley met with RS and ET in Kentucky, at which time

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Respondent discussed with RS and ET an investment with an entity named the Southern Foundation for the Advancement of Arts and Education (hereinafter "Southern Foundation") and personally handed and/or delivered to RS and ET a joint venture agreement with the Southern Foundation;

4. That at all times relevant, neither Donald M. Medley, Inc., nor Donald M. Medley were registered as a dealer and/or salesperson of securities in the State of Illinois;
5. That at all times relevant, the aforesaid joint venture agreement was not registered as a security in the State of Illinois;
6. That the aforesaid joint venture agreement is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
9. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;
10. That at all times relevant hereto, Respondents Donald M. Medley, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and Donald M. Medley, did not file an application for registration of the above-referenced securities with the Secretary of State;
11. That at all times relevant hereto, Respondents Donald M. Medley, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and Donald M. Medley, did not file an application for

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registration as a dealer or salesperson for the sales of securities in the State of Illinois;

WHEREAS, the Respondents have acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondents Donald M. Medley, Inc., by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and Donald M. Medley, have violated Sections 12.A and 12.D of the Act;


WHEREAS, the Respondents acknowledge and agree that the Respondents shall be prohibited from offering and/or selling securities in the State of Illinois except in compliance with the Act;

WHEREAS, the Respondents acknowledge and agree that this Consent Order neither includes nor requires a fine;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law;
2. The Respondents shall be prohibited from offering and/or selling securities in the State of Illinois except in compliance with the Act.

ENTERED: This 17th day of March, 2010.

 DR

JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of

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1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State
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Hearing Officer:
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