

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

\_\_\_\_\_  
IN THE MATTER OF: CAPITAL GUARDIAN LLC. )  
\_\_\_\_\_) )

FILE NO. 1000122

**CONSENT ORDER OF FINE**

TO THE RESPONDENT:

Capital Guardian, LLC.  
C/o Stanley R. Goldstein  
Attorney at Law Becker & Poliakoff, LLP  
45 Broadway 11th Floor  
New York, New York 10006

WHEREAS, Respondent on the 10<sup>th</sup> day of May, 2010 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 April 16, 2010 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 at all relevant times, the Respondent was registered with the Secretary of State as a dealer in the State of Illinois pursuant to Section 8 of the Act.
2. That Section 8.B(9)(a) of the Act requires that each dealer registered in the State of Illinois file a "Designated Principal(s) Form" (DPF) with the Secretary of State by December 31 of the current year for the next calendar year.

Consent Order of Fine

2

3. That the Respondent failed to file the DPF by December 31, 2009.
4. That The Office of the Secretary of State, Illinois Securities Department (the "Department") attempted to contact the Respondent by letter to remind them of their obligation to file the DPF Form and pay the required late filing fee, without any response by the Respondent.
5. That the Respondent has refused and continues to refuse to file the DPF and pay the late filing fee.
6. 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.
7. That by virtue of the foregoing, the Respondent has committed a violation of Section 12.D of the Act.
8. That Section 8.E(1)(g) of the Act provides that the registration of a dealer may be revoked if it has violated any of the provisions of this Act.

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 Findings of Fact:

- 1) 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; and
- 2) That the required document and the applicable fee was received by the Department after April 16, 2010.

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) They violated Section 12.D of the Act;
- 2) The Respondent's registration as a dealer in the State of Illinois is subject to revocation pursuant to Section 8.E (1)(g) of the Act; and
- 3) The Respondent is subject to a FINE pursuant to Sections 12.D and 11.E(4) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be FINED Two Hundred Fifty dollars (\$250.00), to be paid by certified or cashier's check, made payable to the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be levied the costs incurred during the investigation of this matter in the amount of Two Hundred Fifty Dollars (\$250.00), 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 they have submitted with the Stipulation a certified or cashier's check in the amount of Five Hundred dollars (\$500.00). Said sum is allocated as follows: Two Hundred Fifty dollars (\$250.00) as FINE for violation of the Act; and Two Hundred Fifty dollars (\$250.00) 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, 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 ORDER THAT:

1. Respondent is FINED in the amount of Two Hundred Fifty dollars (\$250.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on, 2010 has submitted Two Hundred Fifty dollars (\$250.00) in payment thereof.

Consent Order of Fine

4

2. Respondent is levied costs of investigation in this matter in the amount of Two Hundred Fifty dollars (\$250.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on May 13, 2010 has submitted Two Hundred Fifty dollars (\$250.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 13<sup>th</sup> day of May, 2010.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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