

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

IN THE MATTER OF: HLM SECURITIES, INC. and)
JOSEPH JAMES HENNESSY)

FILE NO. 1200326

SUMMARY ORDER OF SUSPENSION

TO THE RESPONDENT: Joseph James Hennessy
(CRD #1380254)
1211 Maple
Western Springs, IL 60558

HLM Securities, Inc.
(CRD#: 133216)
190 South LaSalle Street
Suite 1640
Chicago, IL 60603

c/o Terrance Hennessy
HLM Securities, Inc.
190 South LaSalle Street
Suite 1640
Chicago, IL 60603

WHEREAS, on April 26 2005, HLM Securities, Inc, filed a Form U-4 application for registration ("HLM"), as a Dealer in the State of Illinois, and on April 26, 2005, such application was approved;

WHEREAS, on April 26 2005, HLM filed a Form U-4 application for registration of Joseph James Hennessy ("Hennessy") as a Salesperson in the State of Illinois, and on April 26, 2005, such application was approved;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that Respondent HLM's registration as a Dealer in the State of Illinois is subject to a Summary Order of Suspension;

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that Respondent Hennessy's registration as a Salesperson in the State of Illinois is subject to a Summary Order of Suspension;

Summary Order of Suspension

2

WHEREAS, the Secretary of State finds that the grounds for such Summary Orders of Suspension are as follows:

1. That at all relevant times, Respondent HLM was registered with the Secretary of State as a dealer in the State of Illinois pursuant to Section 8 of the Act.
2. That at all relevant times, Respondent Hennessy was registered with the Secretary of State as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
3. That at all relevant times Respondent Hennessy was both registered through and a control person of Respondent HLM, being both a direct owner and executive officer of HLM.
4. That on: November 29, 2012: The Securities And Exchange Commission Filed A Complaint In The United States District Court For The Northern District Of Illinois Against Joseph J. Hennessy And His Firm, An Investment Adviser [Resources Planning Group, Inc.], For Defrauding Clients And Others Who Were Promised Returns That Would "Beat The Market" For Investing In A Private Equity Fund They Managed. What Investors Didn't Know Was The Fund Was Failing And They Were Being Used To Raise Money To Repay Promissory Notes To Earlier Investors. The Sec Alleges That Hennessy And The Firm Raised More Than \$1.3 Million By Misrepresenting The Fund As A Viable Private Equity Fund That Could Offer High Returns. Hennessy Failed To Tell Investors About The Fund's Poor Financial Condition Or That Their Money Was Being Used To Repay Fund Promissory Notes That He Had Personally Guaranteed. He Therefore Misappropriated Client Funds To Make Payments On The Notes And Prop Up The Fund. According To The Sec's Complaint, Hennessy Financed The Fund's Acquisition Of Its Largest Portfolio Company In 2007 In Part By Having The Fund Issue \$1.65 Million In Promissory Notes, All Of Which He Personally Guaranteed. When The Fund's Portfolio Companies Were Unable To Pay Management Fees Later That Year, The Fund Lacked Sufficient Funds To Repay The Notes. From September 2007 To March 2010, Hennessy Raised \$1.36 Million From Firm Clients And Other Investors To Make Payments On The Notes. Hennessy Falsely Told Investors That The Fund Was Viable And Offered High Returns. The Sec Further Alleges That Hennessy Misappropriated Money From Firm Clients. In November 2007, He Raised \$750,000 From Three Firm Clients Purportedly To Invest In The Fund. But Then Hennessy Used That Money To Redeem Another Client's Investment In The Fund. Twice In Mid-2009, Hennessy Forged Letters Of Authorization From A Widowed Firm Client To Transfer \$100,000 From Her Account To The Fund In Exchange For Promissory Notes That Have Yet To Be Repaid. The Sec's Complaint Charges Hennessy With Violating Section 17(A) Of The Securities Act Of 1933, Section 10(B) Of The Securities Exchange Act Of 1934 And Rule 10b-5. Hennessy Is Also Charged With Violating Sections 206(1), (2) And (4) Of The Investment Advisers Act Of 1940 And Rule 206(4)-8.

Summary Order of Suspension

3

5. That Section 8.B(8)(b)(11) of the Act requires that any change which renders no longer accurate any information contained in any application for registration or re-registration of a dealer shall be reported to the Secretary of State within ten business days after the occurrence of such change.
6. That FORM BD at question 11.G asks:

Is the *applicant* or a *control affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of 11.H(1)?
7. That the Respondents failed to report to the Secretary of State or on Respondent HLM's FORM BD that a direct owner and executive officer of Respondent HLM, Joseph James Hennessy, was the subject of the SEC's civil proceeding discussed at Paragraph 4, above.
8. That the Respondents have failed and refused and continue to refuse to file disclosure of the SEC civil proceeding against Respondent Hennessy on Respondent HLM's Form BD.
9. 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 Respondents have 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 suspended if they have violated any of the provisions of this Act
9. That by virtue of the foregoing, the Respondent HLM's registration as a dealer in the State of Illinois is subject to suspension pursuant to Section 8.E(1)(g) of the Act.
8. That Section 8.E(1)(g) of the Act provides that the registration of a salesperson may be suspended if he has violated any of the provisions of this Act.
9. That by virtue of the foregoing, the Respondent Hennessy's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(g) of the Act.

NOW IT IS HEREBY ORDERED THAT.

Respondent HLM's registration as a Dealer in the State of Illinois shall be **SUSPENDED**, effective December 18, 2012, subject to the further Order of the Secretary of State.

Summary Order of Suspension

4

Respondent Hennessy's registration as a Salesperson in the State of Illinois shall be **SUSPENDED**, effective December 18, 2012, subject to the further Order of the Secretary of State.

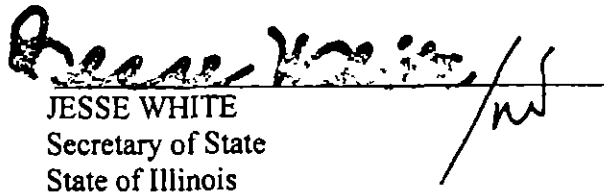
A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 14th day of December, 2012.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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Illinois Securities Department
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