

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ING FINANCIAL PARTNERS, INC.) File No. 06 00566

CONSENT ORDER

TO THE RESPONDENT: ING Financial Partners, Inc.
 c/o Vedder Price P.C.
 222 North LaSalle Street
 Suite 2600
 Chicago, Illinois 60601

WHEREAS, ING Financial Partners, Inc. ("IFP") and the Illinois Securities Department (the "Department") desire to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of law or fact, and without admitting any allegations referred to in the Findings of Fact or Conclusions of Law, IFP has, concurrent with this filing, executed a Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, on the 12th day of September, 2008, concurrent with this filing, a Notice of Hearing has been issued.

WHEREAS, this matter involves the activities of Nevin Gillette ("Gillette"), and Richard Wells ("Wells"), former registered representatives of IFP.

WHEREAS, IFP, on its own volition, offered monies to reimburse individuals for certain funds that Gillette and Wells misappropriated from those individuals.

WHEREAS, IFP has cooperated fully with the Department's investigation into this matter.

WHEREAS, IFP has admitted to the jurisdiction of the Secretary of State in this matter and IFP has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, IFP desires to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of fact, and without admitting any allegations referred to in the

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Findings of Fact, IFP acknowledges that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. At all times relevant IFP was a broker-dealer registered with the State of Illinois Securities Department as an entity engaged in the business of offering, selling or otherwise engaging in the dealing or trading of securities.
2. From in or about February 1986 to September 2006, Nevin Gillette ("Gillette") was a registered salesperson pursuant to Section 8 of the Illinois Securities Law of 1953 (815 ILCS 5/1, *et seq.*) associated with various broker-dealers.
3. From in or about July 2003 to September 2006, Gillette was a registered representative of IFP (or its predecessor Locust Street Securities, Inc.).
4. From in or about October 1986 to July 2003, Richard Wells ("Wells") was a registered salesperson pursuant to Section 8 of the Illinois Securities Law of 1953 (815 ILCS 5/1, *et seq.*) associated with various broker-dealers.
5. From in or about March 2000 to July 2003, Wells was a registered representative of IFP.

Gillette

6. In or about September 2006, it was discovered that Gillette, including for a significant period of time prior to his affiliation with IFP began in July 2003, either directly and/or through entities owned and controlled by Gillette, procured funds from certain investors by telling such investors that he would invest such funds in so-called guaranteed investment contracts and other instruments. In fact, Gillette did not make such investments but rather converted investors' funds to his own business, personal and other purposes.
7. In connection with such activities, Gillette was convicted and sentenced to a term of imprisonment totaling 132 months.
8. IFP was responsible for the reasonable supervision of Gillette and his activities during the time in which Gillette was a registered representative of IFP (or its predecessor Locust Street Securities, Inc.).

9. Neither IFP, nor Gillette's supervisors, engaged in oversight that uncovered Gillette's misconduct.

Wells

10. In or about September 2006, it was discovered that Wells, including for a period of time after his affiliation with IFP ended in July 2003, procured funds from certain investors by telling such investors that he would invest such funds in so-called mutual bond trusts and other instruments. In fact, Wells did not make such investments but rather converted investors' funds for his own business, personal and other purposes.
11. In connection with such activities, Wells was convicted and sentenced to a term of imprisonment totaling 41 months.
12. IFP was responsible for the reasonable supervision of Wells and his activities during the time in which Wells was a registered representative of IFP (or its predecessor Locust Street Securities, Inc.).
13. Neither IFP, nor Wells' supervisors, engaged in oversight that uncovered Wells' misconduct.

WHEREAS, IFP desires to resolve this matter without further administrative action, and for the sole purpose of settling this administrative proceeding, without adjudication of any issues of law, and without admitting any allegations referred to in the Conclusions of Law, IFP acknowledges that the following allegations shall be adopted as the Secretary of State's Conclusions of Law:

1. Section 8.E (1)(e)(iv) of the Illinois Securities Law of 1953 (815 ILCS 5/1 *et seq.*) states, *inter alia*, that the registration of a dealer may be subject to the sanctions provided for under 8.E(1) for failing to maintain and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of its salespersons that are reasonably designed to achieve compliance with applicable securities laws and regulations.
2. IFP is subject to sanctions Section 8.E(1)(e)(iv) of the Act .

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WHEREAS, IFP's consent to the provisions of this Order represents a compromise of disputed claims and defenses and does not constitute an admission of wrongdoing or liability of any kind in relation to Gillette, Wells or otherwise. With the exception of a proceeding to enforce the terms of this Order, it is the intent of the Parties that nothing herein, including this Order itself, shall be admissible or useable in a court of law or other proceeding as the adjudication of any fact, including for the purpose of establishing or attempting to establish that IFP engaged in any wrongdoing of any kind. For any person or entity not a party to this Order, this Order does not create or limit defenses of IFP to any claims.

WHEREAS, this Consent Order resolves and settles the Securities Department's administrative action with respect to the facts and allegations set forth in the Notice of Hearing.

NOW, THEREFORE, THE STATE OF ILLINOIS HEREBY ORDERS, AND IFP CONSENTS, TO THE FOLLOWING:

1. On the basis of the Findings of Fact and Conclusions of Law, ING Financial Partners, Inc., consents to the entry of this Order, for the sole purpose of settling this matter, prior to a hearing and without admitting the Findings of Fact or the Conclusions of Law.
2. That pursuant to this agreement with the Illinois Securities Department, ING Financial Partners, Inc., has made settlement offers to certain former customers of Gillette in the amount of \$4,230,538, and settlement offers to certain former customers of Wells in the amount of \$336,788.22.
3. This Order concludes the investigation by the Illinois Securities Department and any other action that the Illinois Securities Department could commence under the Illinois Securities Law of 1953 (815 ILCS 5/1, *et seq.*) as it relates to the activities of the Respondent as described in the Notice of Hearing. However, this paragraph shall not apply to any claims by the Illinois Securities Department arising from or relating to enforcement of this Order.
4. ING Financial Partners, Inc., through its execution of this Consent Order, voluntarily waives its right to a hearing on this matter and to judicial review of this Consent Order under the Illinois Securities Law of 1953 (815 ILCS 5/1, *et seq.*).
5. IFP shall cause the sum of "one hundred and ten thousand dollars and 00/100" (\$110,000.00) to be paid to the office of the Secretary of State, Securities Investor Education Fund, within ten (10) days of the Effective Date of this Order.

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6. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 12th day of September, 2008.



JESSE WHITE
Secretary of State
State of Illinois *JW*

Attorney for the Secretary of State:
James Nix
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Illinois Securities Department
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312-793-9620

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that 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 for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.