

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

IN THE MATTER OF: RHOADS LUCCA CAPITAL  
MANAGEMENT, INC.

FILE NO. C1200151

**CONSENT ORDER OF DISMISSAL**

TO THE RESPONDENT: Rhoads Lucca Capital Management  
(CRD# 105214)  
ATTN: John Rhoads  
14911 Quorum Drive, Ste 380  
Dallas, Texas 75254-7058

c/o Cary S. Kvitka, Esq.  
Stark & Stark  
P.O. Box 5315  
Princeton, NJ 08543

WHEREAS, Rhoads Lucca Capital Management, Inc. ("Respondent") on the 26th day of March 2013 executed a certain Stipulation to Enter Consent Order of Dismissal (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 Amended Notice of Hearing of the Secretary of State, Securities Department, dated February 28, 2013 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal (the "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 Amended Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. The Respondent is a Texas based Federal Covered Investment Adviser (FCIA) since September 4, 1986. The Respondent engages in the business of providing investment advisory services to the general public.
2. During the period of September 12, 2011 through January 26, 2012, Respondent provided investment advisory services to residents of the State of Illinois

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without prior thereto having filed documents of "Notice" ("notification of filing") with Secretary of State.

3. That Section 8.C-5 of the Act, provides, inter alia, a federal covered investment adviser shall file with the Secretary of State, prior to acting as a federal covered investment adviser in this State, such documents as have been filed with the Securities and Exchange Commission as the Secretary of State by rule or order may prescribe. The notification filing of a federal covered investment adviser shall be accompanied by a notification filing fee established pursuant to Section 11.a of this Act, which shall be returnable in any event. Every person acting as a federal covered investment adviser in this State shall file a notification filing and pay an annual notification filing fee established pursuant to Section 11.a of this Act, which is not returnable in any event. The failure to file any such notification shall constitute a violation of Section 12.D of this Act.
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 a violation 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.

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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 a violation 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) That by virtue of the foregoing, 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 violation of the Act the amount of Six Thousand Six Hundred Eighty-five Dollars (\$6,685.00). 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 they shall be levied fees and costs as follows: Four Hundred dollars (\$400.00) representing back registration fees; and Five Hundred dollars (\$500.00) to cover the cost incurred during the investigation of this matter, 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 Seven Thousand Five Hundred Eighty-five Dollars (\$7,585.00). Said sum is allocated as follows: Six Thousand Six Hundred Eighty-five Dollars (\$6,685.00) as FINE for violation of the Act; Four Hundred dollars (\$400.00) representing back registration fees; and Five Hundred Dollars (\$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.

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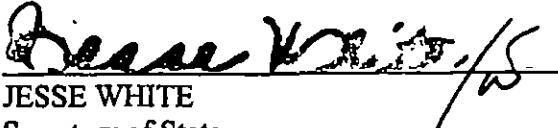
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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Amended Notice of Hearing dated February 28, 2013 is dismissed.
2. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 3rd day of April 2013.

  
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JESSE WHITE  
Secretary of State  
State of Illinois