

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

\_\_\_\_\_  
IN THE MATTER OF: Brett Ian Friedberg )  
\_\_\_\_\_)

FILE NO. 1300203

**CONSENT ORDER OF DISMISSAL**

TO THE RESPONDENT:      Brett Ian Friedberg  
   2 Cooper Square, Apt 9G  
   New York, NY 10003

HFP Capital Markets, LLC  
386 Park Avenue South, 8<sup>th</sup> Floor  
New York, NY 10016

WHEREAS, Respondent on the 25<sup>th</sup> day of July, 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 Notice of Hearing of the Secretary of State, Securities Department, dated June 24, 2013, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("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 Salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on April 9, 2013 the Arkansas Securities Department entered an order which sanctioned the respondent as follows:
  - a. Respondent's Registration as a Salesperson in the State of Arkansas is REVOKED.
  - b. Fined \$5,000.
3. That the Order Found:

**Facts and Violative Conduct**

On February 5, 2013, Arkansas Securities Commissioner A. Heath Abshire approved a Consent Order between the staff of the Arkansas Securities Department ("Staff") and Brett Ian Friedberg ("Friedberg"). Under the terms of the Consent Order, Friedberg agreed to a Revocation of his Registration as a Broker-Dealer Agent for various violations of the Arkansas Securities Act ("Act") and rules of the Arkansas Securities Commissioner ("Rules"), including making unjustified or untruthful representations to a client or prospective client; recommending the purchase of a Security without reasonable grounds for believing the recommendation is suitable for the customer; and other unfair, misleading, or unethical practices. Friedberg further agreed to pay a Monetary Fine of \$5,000.00 to the department. Friedberg waived his right to a Hearing and entered into the Consent Order without admitting or denying the allegations set forth by the Staff. The Consent Order found that Friedberg contacted an Arkansas resident on a Cold Call recommending the purchase of certain B-Rated Corporate Bonds. In making his recommendation, Friedberg made misrepresentations regarding a possible buy-out of the Bond-Issuing Company and the potential value of the Bond subsequent to a Merger Event. Friedberg further failed to disclose the risks associated with purchasing a B-Rated Bond. Friedberg mailed the prospective customer a packet with a Prepopulated Account Application Form which inflated the amount of the applicant's net worth and listed Investment Objective as "Speculative" and Risk Tolerance as "High" without discussing these issues with the customers.

- 4 That Section 8.E(1)(i) of the Act provides, inter alia, that the registration of a salesperson may be revoked if the Secretary of State finds that such Salesperson has had a license or registration under any Federal or State law regulating securities, commodity futures contracts, or stock futures contracts refused, cancelled, suspended, withdrawn, revoked, or otherwise adversely affected in a similar manner.
5. That The Arkansas Securities Department is an agency of the Sovereign State of Arkansas as specified in Section 8.E(1)(i) of the Act.

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 Conclusion of Law:

The Respondent's registration as a salesperson in the State of Illinois is subject to revocation pursuant to Section 8.E(1)(i) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has executed a certain Affidavit, which contains undertakings that he will adhere to upon entry of this Consent Order. Said Affidavit is incorporated herein and made a part hereof.

Consent Order of Dismissal

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WHEREAS, by means of the Stipulation, Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of Fifteen Hundred dollars (\$1,500.00), 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.

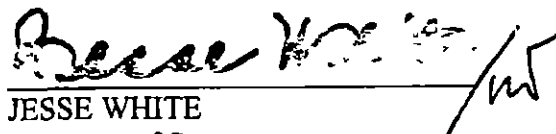
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of Fifteen Hundred dollars (\$1,500.00) to cover costs incurred during the investigation of this matter, Said check has been made payable 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 ORDERED THAT:

1. The Notice of Hearing dated June 24, 2013, is dismissed.
2. The Respondent shall adhere to the Undertaking he agreed to in the Affidavit upon entry of this consent order.
3. The Respondent is levied costs of investigation in this matter in the amount of Fifteen Hundred dollars (\$1,500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement fund, and on July 25, 2013 has submitted Fifteen Hundred dollars (\$1,500.00) in payment thereof.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 25<sup>th</sup> day of July 2013.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

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Enforcement Attorney  
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