

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

IN THE MATTER OF:)
CLAYTON COLLATERAL ADVISORS, INC.)
and THOMAS HANLEY and ROBERT T. TRUMPY) **FILE NO. 1100302**
their partners, agents, officers and directors,)
employees, affiliates, successors and assigns.)

ORDER OF PROHIBITION AND FINE

TO RESPONDENTS: Thomas Hanley
60 West Magnolia Drive
Streamwood, Illinois 60107

Robert T. Trumpy
115 Calvin Drive
Springfield, Illinois 62704

Clayton Collateral Advisors, Inc.
60 West Magnolia Drive
Streamwood, Illinois 60107

WHEREAS, the above-captioned matter came on to be heard on Febtuary 11, 2014 pursuant to Notice of Hearing dated June 3,2013 and served on Respondents by the Secretary of State through certified mail received by Respondents, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the following proposed Findings of Fact of the Hearing Officer are correct, and are hereby adopted as Findings of Fact of the Secretary of State:

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I. Proposed Findings of Fact

Based on the evidence presented, the Hearing Officer finds that:

1. That Respondent Thomas Hanley (hereinafter at times "Hanley" or collectively, with Robert T. Trumpy and Clayton Collateral Advisors, Inc. "Respondents"), has a last known address of 60 West Magnolia Drive, Streamwood, Illinois 60107.
2. That Respondent Robert T. Trumpy (hereinafter at times "Trumpy" or collectively with Hanley and Clayton Collateral Advisors, Inc., "Respondents") has a last known address of 115 Calvin Drive, Springfield, Illinois 62704.
3. That Respondent Clayton Collateral Advisors, Inc. (hereinafter "Clayton, Inc." or collectively with Hanley and Trumpy, "Respondents") at all relevant herein, was an Illinois corporation (dissolved 3/11/2011) located at 60 West Magnolia Drive, Streamwood, Illinois 60107.
4. That on or about May 3, 2010 Respondents, acting within the State of Illinois, agreed to locate and procure a loan ("Loan") for at least one client ("Client"), and accepted prepaid fees totaling \$75,000 paid by the client to Respondents.
5. That Respondents agreed with the Client to broker a transaction that would result in the Loan to the Client in the amount of \$350,000,000.
6. That Respondents Thomas Hanley and Robert T. Trumpy and Clayton Collateral Advisors, Inc. were not registered with the Secretary of State as loan brokers as required by the Act prior to engaging in the business of loan brokering in the State of Illinois.
8. That Respondents failed to procure the Loan for the Client, and failed to return the \$75,000 prepaid fee to the Client.
9. That instead of procuring the Loan for the Client or returning the \$75,000 to the Client, Respondents converted and used the money for their own personal and business purposes.

II. Proposed Conclusions of Law

Based on the evidence presented and an application of the law to those facts, the Hearing Officer concludes:

1. The Department properly served the Notice of Hearing on Respondent.
2. The Notice of Hearing included the information required under Section 1102 of the Code.

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3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. That the activities set forth in the Findings of Fact are those of a "loan broker", as those terms are defined in Section 15-5.15(a) of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 *et seq.*], (the "Act").
5. That Section 15-10 of the Act provides, *inter alia*, that it shall be unlawful for any person to engage in the business of loan brokering unless registered under the Act. Further, there is no requirement of scienter to find a violation based upon failure to register.
6. That Section 15-55 (d) of the Act provides, *inter alia*, that "if the Secretary of State shall find that any person is acting or has acted as a loan broker as defined in Section 15-5.15 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of this Act, the Secretary of State may by written order prohibit such person from acting as a loan broker in this State."
7. That Section 15-85 (a) of the Act provides, *inter alia*, that it is prohibited by the Act for a loan broker, in connection with a contract for the services of a loan broker, to either directly or indirectly employ any device, scheme or article to defraud, make any untrue statements of material fact, or engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.
8. That by virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents, and each of them, have violated Sections 15-10 and 15-85(a) of the Act.

III. Recommendations as To Disposition

The Hearing Officer recommends that:

1. A Permanent Order of Prohibition be entered against each Respondent.
2. A fine be ordered against each Respondent in the amount of \$10,000.00 each.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Respondents Thomas Hanley, Robert T. Trumpy and Clayton Collateral Advisors, Inc. and their partners, agents, officers and directors, members, managers, employees, successors and assigns, are hereby **PROHIBITED** from loan brokering and/or acting as loan brokers in the State of Illinois;
2. Respondents Thomas Hanley, Robert T. Trumpy and Clayton Collateral Advisors, Inc. are each individually fined in the amount of \$10,000.

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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 15-85(b)(2) 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.

ENTERED this 14th day of August 2014.



JESSE WHITE
Secretary of State
State of Illinois

James J. Tierney
Attorney for the Secretary of State
Securities Department
69 West Washington, Suite 1220
Chicago, Illinois 60602
Ph: 312-793-9650