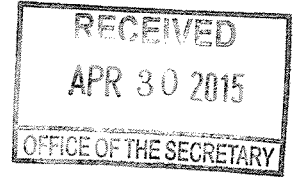


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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
CHICAGO REGIONAL OFFICE
SUITE 900
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CHICAGO, ILLINOIS 60604-2615



ANNE C. MCKINLEY
ASSISTANT REGIONAL DIRECTOR
DIVISION OF ENFORCEMENT

TELEPHONE: (312) 886-1588
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MCKINLEYA@SEC.GOV

29 April 2015

Via UPS and Facsimile

Brent J. Fields, Secretary
Office of the Secretary
100 F Street, N.E.
Washington, DC 20549
Facsimile: 202.772.9324

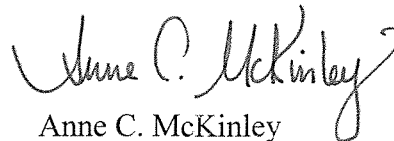
Re: In the Matter of Robert J. Lunn (Admin. Proc. File No. 3-16427)

Dear Mr. Fields:

Enclosed please find the Division of Enforcement's Motion for Summary Disposition, Brief in Support and Supporting Declaration for filing in the above-referenced matter. I am sending these documents to you today by facsimile at 202.772.9324. The original documents, the attached exhibits and three copies will be coming to you by overnight mail.

If you have any questions or need any additional information, please contact me at 312.886.1588.

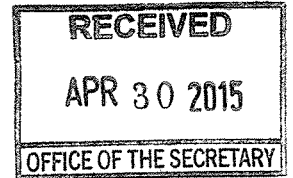
Sincerely,


Anne C. McKinley

Enclosures

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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ADMINISTRATIVE PROCEEDING
File No. 3-16427

In the Matter of

Robert J. Lunn,

Respondent.

DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION

The Division of Enforcement ("Division"), by counsel, hereby moves for summary disposition against Respondent Robert J. Lunn ("Respondent" or "Lunn") pursuant to Rule 250 of the Commission's Rules of Practice. The Division respectfully submits that summary disposition is appropriate, and requests that the Court grant this motion, resolve this proceeding in favor of the Division, and impose a collateral bar in the public interest against the Respondent.

In support of this Motion, the Division relies upon the accompanying Brief in Support and attached Exhibits as referenced in the Supporting Declaration.

Dated: April 29, 2015

Respectfully submitted,

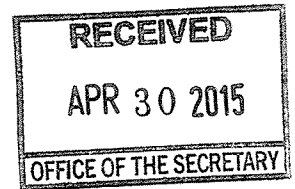


Anne C. McKinley 312.886.1588
Counsel for Division of Enforcement
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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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ADMINISTRATIVE PROCEEDING
File No. 3-16427



In the Matter of

Robert J. Lunn,

Respondent.

**DECLARATION OF ANNE C. MCKINLEY IN SUPPORT OF
DIVISION OF ENFORCEMENT'S MOTION FOR SUMMARY DISPOSITION**

Anne C. McKinley, pursuant to 28 U.S.C. §1746, hereby declares:

1. I am an Assistant Regional Director with the Division of Enforcement ("Division") of the Securities and Exchange Commission ("Commission"), and counsel for the Division in this administrative proceeding. I submit this Declaration in support of the Division's Motion for Summary Disposition and Brief in Support.
2. I have personal and first-hand knowledge of the facts set forth in this Declaration and, if called and sworn as a witness, could and would competently testify to them.
3. Attached to the Brief as Exhibit A is a true and correct copy of the criminal Indictment in U.S. v. Robert J. Lunn, 12 CR 402 (N.D. Ill.), filed on May 30, 2012.
4. Attached to the Brief as Exhibit B is a true and correct copy of the Order disclosing the jury verdict in U.S. v. Robert J. Lunn dated October 17, 2014.

5. Attached to the Brief as Exhibit C is a true and correct copy of the Notification of Docket Entry dated February 20, 2015 announcing the resetting of the date of the sentencing hearing in U.S. v. Robert J. Lunn.

6. Attached to the Brief as Exhibit D is a true and correct copy of the Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203 (f) of the Investment Advisers Act of 1940, and Notice of Hearing (“OIP”) instituted on March 10, 2015 in this proceeding.

7. Attached to the Brief as Exhibit E is a true and correct copy of Respondent Lunn’s Answer filed in this proceeding on April 23, 2015.

8. Attached to the Brief as Exhibit F is a true and correct copy of the Financial Industry Regulatory Authority (“FINRA”) BrokerCheck Report for Lunn Partners Securities, LLC.

9. Attached to the Brief as Exhibit G is a true and correct copy of the FINRA BrokerCheck Report for Robert James Lunn.

10. Attached to the Brief as Exhibit H is a true and correct copy of the FINRA IARD Report for Lunn Partners, LLC.

11. Attached to the Brief as Exhibit I is a true and correct copy of the Jury Instructions in U.S. v. Robert J. Lunn.

I declare under penalty of perjury that the foregoing is true and correct.

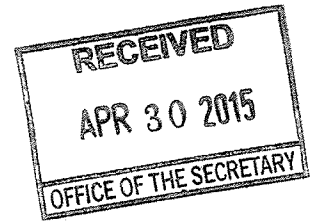
Executed on April 29, 2015.


Anne C. McKinley

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

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ADMINISTRATIVE PROCEEDING
File No. 3-16427



In the Matter of

Robert J. Lunn,

Respondent.

DIVISION OF ENFORCEMENT'S BRIEF IN SUPPORT OF ITS
MOTION FOR SUMMARY DISPOSITION

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INTRODUCTION

Pursuant to Rule 250 of the Securities and Exchange Commission's Rules of Practice, the Division of Enforcement ("Division") submits this brief in support of its Motion for Summary Disposition against Respondent Robert J. Lunn ("Respondent" or "Lunn"). On October 17, 2014, a federal jury in the Northern District of Illinois found Lunn guilty of five counts of bank fraud in violation of 18 U.S.C. §1344. See U.S. v. Robert J. Lunn, Case No. 12 CR 402 (N.D. Ill.). Lunn is scheduled to be sentenced on or around May 6, 2015.

This criminal conviction stemmed entirely from Lunn's activities as an investment adviser. During the period of his misconduct, Lunn owned and operated Lunn Partners, LLC ("Lunn Partners"), a registered investment adviser. During the same time, Lunn also owned, operated and was a registered principal of Lunn Partners Securities, LLC ("Lunn Partners Securities"), a registered broker-dealer. Based on Lunn's criminal conviction, the Division moves to bar Lunn from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization ("NRSRO"), and from participating in any offering of a penny stock.

PROPOSED FINDINGS OF UNDISPUTED FACT

I. Lunn's Criminal Conviction

On May 30, 2012, a grand jury in the Northern District of Illinois issued an Indictment naming Lunn as a defendant in U.S. v. Robert J. Lunn, Case No. 12 CR 402 (N.D. Ill.) (Div. Ex. A.) The Indictment alleged five counts of bank fraud in violation of 18 U.S.C. §1344 based on Lunn's scheme to defraud Leaders Bank, an Oak Brook, Illinois financial institution, and Clients A and B, who were investment advisory clients of Lunn and Lunn Partners (Id. ¶¶ 1(b) and (c).)

The counts of the Indictment alleged that between approximately May 2001 and September 2004, Lunn fraudulently obtained approximately \$3,220,000 in loans from Leaders Bank based on

a series of misrepresentations about his own financial assets, the purposes of the loans, and the authorization of his advisory clients purportedly seeking certain of the loans. (Id.) Specifically, the Indictment alleged that on or about May 10, 2001, Lunn signed a business loan agreement with Leaders Bank for a line of credit. (Id. ¶1(d).) The Indictment alleged that to obtain the loan, Lunn submitted personal financial statements in which he falsely represented that he owned certain stock, namely 150,000 shares of Morgan Stanley Group with a market value of \$11,500,000 and 65,000 shares of Lehman Brothers Holding with a market value of \$5,500,000. (Id. ¶¶ 1(d), 4.) The Indictment also alleged that on or about February 9, 2004, Lunn signed a business loan agreement with Leaders Bank to increase the line of credit and submitted or caused to be submitted a personal financial statement in which he falsely represented that he owned certain stock, namely 100,000 shares of Morgan Stanley with a market value of \$5,800,000 and 15,000 shares of Lehman Brothers with a market value of \$1,000,000. (Id. ¶¶ 1(e), 5.) According to the Indictment, the information about Lunn's ownership of these shares of stock was false. (Id. ¶¶ 4, 5.)

In addition, according to the Indictment, on or about September 20, 2002, Lunn arranged for an unsecured loan from Leaders Bank in the amount of \$1,400,000 purportedly for the benefit of advisory Client A for the purchase of an interest in an airplane. (Id. ¶¶ 1(g), 7-12.) The Indictment further alleged that on or about June 21, 2004, Lunn arranged for a loan from Leaders Bank in the amount of \$500,000 purportedly for the benefit of advisory Client B and forged Client B's signature on the application submitted to the Bank. (Id. ¶¶ 1(h), 13.) The Indictment alleged that, in reality, Lunn used substantially all of the fraudulently obtained funds for his own benefit, including misappropriating \$1,400,000 to make payments to unrelated complaining investment advisory clients and using loan proceeds to make mortgage payments for a property held by Lunn. (Id. ¶ 3, 7, 14, 15.)

Following a seven-day trial, the jury found Lunn guilty on all five counts of bank fraud. (Div. Ex. B.) Lunn is scheduled to be sentenced on May 6, 2015. (Div. Ex. C.)

II. The Commission's Order Instituting Proceedings

On March 10, 2015, the Commission issued an Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act"), and Notice of Hearing ("OIP") against Lunn. (Div. Ex. D.) On April 7, 2015, the parties filed a joint pre-hearing conference statement. On April 16, 2015, the Court issued an order setting a briefing schedule for summary disposition. On April 23, 2015, Lunn filed his Answer. (Div. Ex. E.)

In his Answer, Lunn admitted all of the allegations set forth in Section II.A. of the OIP, including the allegations that during the relevant time, Lunn was a registered principal of Lunn Partners Securities, a registered broker-dealer, and was the owner and operator of Lunn Partners, a registered investment adviser (Div. Ex. E ¶1.) Lunn also admitted in his Answer that until 2004, he held the following securities licenses: General Securities Sales Supervisor, General Securities Principal, and Registered Representative. (Div. Ex. E ¶1.) (See, also, Div. Exs. F, G, H.) Lunn also admitted the counts of the criminal Indictment and the jury verdict finding Lunn guilty of each count of the Indictment. (Div. Ex. E ¶¶ 2, 3, 4.)

ARGUMENT AND PROPOSED CONCLUSIONS OF LAW

In light of Lunn's criminal conviction, the Division seeks summary disposition to bar him from the securities industry.

I. Summary Disposition is Appropriate Pursuant to Rule 250

Rule 250(a) of the Commission's Rules of Practice permits a party, with leave of the hearing officer, to move for summary disposition on any or all of the OIP's allegations. A motion

for summary disposition under Rule 250 should be granted when there is “no genuine issue with regard to any material fact and the party making the motion is entitled to a summary disposition as a matter of law.” Rule of Practice 250(b). To defeat such a motion, the opposing party must demonstrate with specificity a genuine issue for a hearing and “may not rest upon the mere allegations or denials of its pleadings.” See Currency Trading Int’l, Inc., et al., Init. Decision Rel. No. 263, 2004 WL 2297418, at *2 (Oct. 12, 2004).

The Commission has repeatedly upheld the use of summary disposition in follow-on administrative proceedings in which the respondent has been criminally convicted. See, e.g., Gary M. Kornman, Exchange Act Release No. 59403, 2009 WL 367635, at *10 (Feb. 13, 2009) (“We have repeatedly upheld the use of summary disposition by a law judge in cases . . . where the respondent has been enjoined or convicted of an offense listed in Exchange Act Section 15(b) and Advisers Act Section 203, the sole determination is the proper sanction, and no material fact is genuinely disputed.”), pet. denied Kornman v. SEC, 592 F.3d 173 (D.C. Cir. 2010); Jeffrey L. Gibson, Exchange Act Rel. No. 57266, Advisers Act Rel. No. 2700, 2008 WL 294717, at *5 (Feb. 4, 2008) (“Use of the summary disposition procedure has been repeatedly upheld in cases . . . where the respondent has been enjoined or convicted and the sole determination concerns the appropriate sanction”), aff’d Gibson v. SEC, 561 F.3d 548 (6th Cir. 2009); Martin A. Armstrong, Init. Decision Release No. 372, 2009 WL 482831, at *6 (Feb. 25, 2009) (respondent barred based on his conviction of conspiracy to commit securities fraud, wire fraud, and commodities fraud); John S. Brownson, Exchange Act Release No. 46161, 2002 WL 1438186, at **3-4 (July 3, 2002) (respondent barred based on his conviction of conspiracy to commit securities fraud, mail fraud, and wire fraud).

Lunn was convicted on all five counts charged against him. In his Answer, Lunn does not deny the criminal conviction. (Div. Ex. E.) He instead challenges certain of the underlying conduct. Id. However, Lunn may not re-litigate or collaterally attack his criminal conviction before this Court. See, e.g., Gregory Bartko, Init. Decision Rel. No. 467, 2012 WL 3578907, at *2 (Aug. 21, 2012) (“The findings and conclusions made in the underlying action are immune from attack in a follow-on administrative proceeding . . . The Commission does not permit a respondent to relitigate issues that were addressed in a previous proceeding against the respondent”); Jose P. Zollino, Exchange Act Rel. No. 55107, Advisers Act Rel. No. 2579, 2007 WL 98919, at *4 (Jan. 16, 2007) (a party may not challenge a criminal conviction in an administrative proceeding); William F. Lincoln, Exchange Act Rel. No. 39629, 1998 WL 80228, at *2 (Feb. 9, 1998) (in proceedings based on a criminal conviction, a respondent is “collaterally estopped from attacking here the merits of the criminal proceeding against him”).

Moreover, Lunn cannot stop this proceeding based on an appeal of the criminal conviction. See, e.g., Elliott v. SEC, 36 F.3d 86, 87 (11th Cir. 1994) (“Nothing in the statute’s language prevents a bar [from being] entered if a criminal conviction is on appeal.”); Hunt v. Liberty Lobby, Inc., 707 F.2d 1493, 1497 (D.C. Circ. 1983) (“Under well-settled federal law, the pendency of an appeal does not diminish the *res judicata* effect of a judgment rendered by a federal court.”).

Thus, summary disposition is appropriate here. The only issue is the appropriate sanction.

II. A Bar is Appropriate Based on Lunn’s Criminal Conviction

Under Section 203(f) of the Advisers Act, the Commission has the authority to bar any person under certain conditions. First, the person must be convicted of a felony or misdemeanor for at least one of the offenses specified in Section 203(e)(2) of the Advisers Act, which includes the making of a false report, the misappropriation of funds, and conduct that arises out of the

conduct of the business of an investment adviser, all of which were offenses alleged in the criminal Indictment on which Lunn was convicted (Div. Ex. A.) Second, the conviction date must be within 10 years from the date the OIP was instituted. Here, Lunn was convicted in October 2014. (Div. Ex. B.) Third, the person must have been associated with an investment adviser during the period of his misconduct. Lunn's conviction was predicated on conduct that occurred between 2001 and 2004. (Div. Ex. A.) Lunn has not and cannot deny that he was associated with an investment adviser during this period. (Div. Exs. E, H.) His misconduct arose in part from his activities as the owner and operator of Lunn Partners, LLC, a registered investment adviser. (Div. Exs. A, E, H.)

Section 15(b)(6)(A)(ii) of the Exchange Act grants the Commission authority to bar any person under circumstances similar to those provided under the Advisers Act. First, the person must be convicted of a felony or misdemeanor for any of the offenses specified in Section 15(b)(4)(B) – which includes those that involve the making of a false report, the misappropriation of funds, or that arise out of the conduct of the business of an investment adviser. The criminal Indictment on which Lunn was convicted included each of these offenses. (Div. Ex. A.) Second, the conviction date must be within 10 years from the date the OIP was instituted. Here, Lunn was convicted in October 2014. (Div. Ex. B.) Third, the person must be associated with a broker or dealer during the period of his misconduct. During the time of his conduct, Lunn was a registered principal of Lunn Partners Securities, LLC, a registered broker-dealer that Lunn owned and operated. (Div. Exs. E, F, G.) Lunn has not and cannot deny his association with Lunn Partners Securities. (Div. Exs. E, F, G.)

Accordingly, the only remaining issue is whether barring Lunn from the securities industry serves the public interest. See, e.g., Shaw Tehrani, Init. Decision Rel. No. 42, 1993 WL 528211, at *2 (Dec. 15, 1993).

Barring Lunn from the securities industry would further the public interest. As part of this determination, the Court should look to the six factors set forth in Steadman v. SEC: (a) the egregiousness of the defendant's actions; (b) the isolated or recurrent nature of the infraction; (c) the degree of scienter involved; (d) the sincerity of the defendant's assurances against future violations; (e) the defendant's recognition of the wrongful nature of his conduct; and (f) the likelihood that the defendant's occupation will present opportunities for future violations. Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981)¹. The "inquiry into . . . the public interest is a flexible one, and no one factor is dispositive." David Henry Disraeli and Lifeplan Associates, Inc., Exchange Act Rel. No. 57027, 2007 WL 4481515, at *15 (Dec. 21, 2007), petition denied, 334 F. App'x 334 (D.C. Cir. 2009) (per curiam). As discussed below, each of these factors weigh in favor of an industry bar against Lunn.

A. The Egregious and Intentional Nature of Lunn's Misconduct

Lunn knowingly committed an egregious crime. Over the course of more than three years, he repeatedly lied to a bank and two investment advisory clients. To find that Lunn committed bank fraud, the members of the jury were instructed that Lunn's guilt depended upon their finding that he "knowingly executed the scheme" which "involved a materially false or fraudulent pretense, representation, or promise" and acted "with the intent to defraud." (Div. Ex. I at 13.)

¹ The Commission has previously stated: "[w]hen considering whether an administrative sanction serves the public interest, we consider the factors identified in Steadman v. SEC: the egregiousness of the respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, the respondent's recognition of the wrongful nature of his conduct, and the likelihood that the respondent's occupation will present opportunities for future violations." Gary M. Kornman, Exchange Act Rel. No. 59403, Advisers Act Rel. No. 2840, 2009 WL 367635, at *6 (Feb. 13, 2009).

The jury instructions further stated that “a person acts knowingly if he realizes what he is doing and is aware of the nature of his conduct, and does not act through ignorance, mistake, or accident,” and defined intent to defraud as acting “knowingly with the intent to deceive or cheat the victim in order to cause a gain of money or property to the defendant or another or the potential loss of money or property to another.” (Div. Ex. I at 17-18.) The jury found Lunn guilty of all five counts of bank fraud and thus, necessarily found that Lunn acted with the intent to defraud.

B. The Recurrent Nature of Lunn’s Wrongdoing

Lunn’s crimes were not isolated incidents. Rather, Lunn’s misconduct occurred multiple times over a period of three years. This type and length of misconduct has previously been found to constitute recurrent wrongdoing. See, e.g., Richard J. Daniello, Exchange Act Rel. No. 27049, 44 S.E.C. Docket 155, 1989 WL 991994, at *4 (July 21, 1989) (four months of misappropriating employer’s funds was not isolated); Brion G. Randall, Advisers Act Rel. No. 3632, 2013 WL 3776679 (July 18, 2013) (a scheme lasting over five years constituted recurring and egregious misconduct).

C. The High Degree of Scienter Involved in Lunn’s Misconduct

Lunn’s actions involved a high degree of scienter – lying, forging signatures and misappropriating funds. As described above, the members of the jury were instructed that Lunn’s guilt depended upon a finding that he acted “with the intent to defraud” which was defined as “act[ing] knowingly with the intent to deceive or cheat the victim . . .” (Div. Ex. I at 13, 18.) By finding Lunn guilty, the jury necessarily found that Lunn acted with the intent to defraud.

D. Lunn’s Refusal to Accept Responsibility for his Wrongdoing or Provide Assurances Against Future Misconduct

Lunn has not made any assurances against future violations and has not accepted responsibility for his crimes. He pled not guilty in his criminal case and continues to challenge his

criminal conviction. His refusal to accept responsibility for his actions speaks to the need for a bar in order to prevent him from committing the same violations again in the future.

E. The High Likelihood of Lunn's Future Violations

Lunn has spent his entire career in the securities industry. To state the obvious, the securities industry is no place for someone convicted of a crime that includes lying to and misappropriating funds from investment advisory clients. See, e.g., Bruce Paul, Exchange Act Rel. No. 21789, 32 S.E.C. Docket 723, 1985 WL 548579, at *2 (Feb. 26, 1985) (“the securities industry presents a great many opportunities for abuse and overreaching, and depends very heavily on the integrity of its participants.”).

In light of the Steadman factors, a bar is appropriate and necessary, and would best serve the public interest. See, e.g., Shaw Tehrani, 1993 WL 528211, at *3 (barring respondent from the brokerage business based upon his past conduct because he posed a “threat to the investing public and the public needs to be protected from the potential of further misconduct at his hands”); Daniel J. Gallagher, Init. Decision Rel. No. 644, 2014 WL 374973, at *4 (July 13, 2014) (barring respondent from the brokerage business based on securities fraud and wire fraud convictions since “the public interest requires a severe sanction when a respondent’s past misconduct involves fraud because opportunities for dishonesty recur constantly in the securities business”); Elliott, 36 F.3d at 87 (barring defendant was in the public interest as he was convicted of “serious violations of the securities laws . . .”).

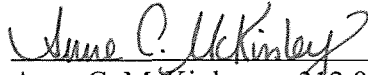
CONCLUSION

For the reasons set forth above, the Division respectfully requests that the Administrative Law Judge grant the Division’s Motion for Summary Disposition and enter an order barring Lunn from association with any broker, dealer, investment adviser, municipal securities dealer,

municipal advisor, transfer agent, or NRSRO, and from participating in any offering of a penny stock.

Dated: April 29, 2015

Respectfully submitted,



Anne C. McKinley 312.886.1588
Counsel for Division of Enforcement
U.S. Securities and Exchange Commission
175 West Jackson Boulevard, Suite 900
Chicago, IL 60604
Email: mckinleya@sec.gov

CERTIFICATE OF SERVICE

I hereby certify that true copies of the Division of Enforcement's Motion for Summary Disposition, Brief in Support and Supporting Declaration were served on the following on this 29th day of April, 2015, in the manner indicated below:

[REDACTED]

[REDACTED]

[REDACTED]

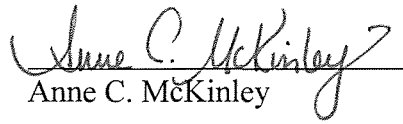

Anne C. McKinley

EXHIBIT A

FILED

MAY 30 2012

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

THOMAS G BRUTON
CLERK, U S DISTRICT COURT

UNITED STATES OF AMERICA)
)
 v.)
)
 ROBERT J. LUNN)

12 CR 402

Violations: Title 18, United States
Code, Section 1344

JUDGE NORGLE

MAGISTRATE JUDGE NOLAN

COUNT ONE

The SPECIAL SEPTEMBER 2011 GRAND JURY charges:

1. At times material to this indictment:

- (a) Defendant ROBERT J. LUNN owned and operated Lunn Partners, LLC, an investment advisory business.
- (b) Leaders Bank, located in Oak Brook, Illinois, was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.
- (c) Lunn Client A and Lunn Client B were investment adviser clients of Lunn Partners and defendant LUNN.

Line of Credit

(d) On or about May 10, 2001, defendant LUNN signed a Business Loan Agreement with Leaders Bank for a line of credit in the amount of \$480,000. To obtain the loan, defendant LUNN submitted and caused to be submitted a Personal Financial Statement in which defendant LUNN represented that he owned certain stock, namely, 150,000 shares of Morgan Stanley Group with a market value of \$11,500,000, and 65,000 shares of Lehman Brothers Holding with a market value of \$5,500,000.

(e) On or about February 9, 2004, defendant LUNN signed a Business Loan Agreement with Leaders Bank, which increased the earlier line of credit to \$1,200,000. To obtain the increase in the line of credit, defendant LUNN submitted and caused to be submitted a Personal Financial Statement in which defendant LUNN represented that he owned certain stock, namely, 100,000 shares of Morgan Stanley with a market value of \$5,800,000, and 15,000 shares of Lehman Brothers with a market value of \$1,000,000.

(f) On or about April 19, 2004, defendant LUNN signed a Change in Terms Agreement with Leaders Bank, which increased the outstanding line of credit to \$1,320,000.

Loan for Client A

(g) On or about September 20, 2002, defendant LUNN arranged for an unsecured loan from Leaders Bank in the amount of \$1,400,000 purportedly for the benefit of Lunn Client A. To obtain the loan, defendant LUNN submitted and caused to be submitted a Net Worth Report for Lunn Client A. Defendant LUNN also represented and caused to be represented to Leaders Bank that Lunn Client A sought the short-term financing purportedly for the purpose of purchasing an interest in an airplane.

Loan for Client B

(h) On or about June 21, 2004, defendant LUNN arranged for a loan from Leaders Bank in the amount of \$500,000 purportedly for the benefit of Lunn Client B. To obtain the loan, defendant LUNN submitted and caused to be

submitted a Net Worth Report for Lunn Client B. Defendant LUNN also represented and caused to be represented to Leaders Bank that Lunn Client B sought this short-term financing purportedly for the purpose of a business investment.

2. Beginning no later than in or around May 2001, and continuing at least through in or around September 2004, at Chicago and Oak Brook, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERT J. LUNN,

defendant herein, knowingly devised and participated in a scheme to defraud Leaders Bank and certain of his investment adviser clients and to obtain money and funds owned by and under the custody and control of Leaders Bank by means of materially false and fraudulent pretenses, representations, promises, and omissions, which scheme is described in the following paragraphs.

3. It was part of the scheme that defendant LUNN fraudulently obtained approximately \$3,220,000 from Leaders Bank based on a series of misrepresentations to Leaders Bank about his own assets, the purpose of such financing, and the knowing authorization of clients purportedly seeking the financing. The defendant used substantially all of the fraudulently obtained funds for his own benefit, including misappropriating \$1,400,000 to make payments to unrelated complaining investment adviser clients.

Line of Credit

4. It was further part of the scheme that in or about May 2001, defendant

LUNN submitted and caused to be submitted a Personal Financial Statement containing false information to Leaders Bank in order to induce Leaders Bank to provide an unsecured line of credit in the amount of \$480,000 for Lunn Partners. On the Personal Financial Statement, defendant LUNN falsely stated that he owned certain stock, namely, 150,000 shares of Morgan Stanley with a market value of \$11,500,000, and 65,000 shares of Lehman Brothers with a market value of \$5,500,000. Based in part on defendant's false representations, Leaders Bank provided an unsecured line of credit in the amount of \$480,000.

5. It was further part of the scheme that in or about January 2004, defendant LUNN sought an increase of \$720,000 to the earlier line of credit for a total of \$1,200,000. In order to induce Leaders Bank to approve the increase, defendant LUNN submitted and caused to be submitted a Personal Financial Statement containing false information. On the Personal Financial Statement, defendant LUNN falsely stated that he owned certain stock, namely, 100,000 shares of Morgan Stanley with a market value of \$5,800,000, and 15,000 shares of Lehman Brothers with a market value of \$1,000,000. Based in part on defendant's false representations, Leaders Bank approved the increase in the line of credit to a total amount of \$1,200,000.

6. It was further part of the scheme that on or about April 19, 2004, defendant LUNN applied for a \$120,000 increase in his Leaders Bank line of credit from \$1.2 million to \$1.32 million. Based in part on the previously submitted false information by the defendant, Leaders Bank increased the line of credit to \$1,320,000.

By April 19, 2004, defendant LUNN had used the entire line of credit.

Loan for Lunn Client A

7. It was further part of the scheme that in or about September 2002, defendant caused an application to be submitted to Leaders Bank for a 45-day, unsecured loan in the amount of \$1,400,000 purportedly for the benefit of Lunn Client A, when the defendant intended to and did use the loan proceeds to make payments to unrelated complaining investment adviser clients.

8. It was further part of the scheme that defendant LUNN falsely represented to Leaders Bank that the \$1,400,000 in loan proceeds would be used for Lunn Client A's benefit to purchase an interest in an airplane.

9. It was further part of the scheme that in or around December 2002, defendant LUNN sought and obtained a 60-day extension on the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Lunn Client A.

10. It was further part of the scheme that in or around February 2003, defendant LUNN sought and obtained a 120-day extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Lunn Client A.

11. It was further part of the scheme that in or around June 2003, defendant LUNN sought and obtained a 240-day extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Lunn Client A.

12. It was further part of the scheme that in or around January 2004, defendant LUNN sought and obtained a 1-year extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Lunn Client A.

Loan for Lunn Client B

13. It was further part of the scheme that in or about June 2004, defendant LUNN caused an application to be submitted to Leaders Bank for a \$500,000 loan purportedly for the benefit of Lunn Client B without Lunn Client B's knowledge, authorization, or consent. Defendant LUNN forged Lunn Client B's signature on this application. As a result of defendant's false application, on or about June 21, 2004, Leaders Bank approved the \$500,000 loan to Lunn Client B.

14. It was further part of the scheme that on or about June 21, 2004, defendant LUNN directed Leaders Bank to disburse \$493,500 of the loan proceeds purportedly for Lunn Client B to an account at Leaders Bank that defendant controlled.

15. It was further part of the scheme that defendant LUNN misappropriated the loan funds for his own use by, among other actions, using the funds to make mortgage payments for a property held by defendant LUNN.

16. It was further part of the scheme that defendant LUNN misrepresented, concealed, hid, and caused to be misrepresented, concealed, and hidden, the purposes of and acts done in furtherance of the scheme.

17. As a result of the fraudulent financing scheme, defendant LUNN

fraudulently obtained approximately \$3,220,000, and ultimately caused a loss to Leaders Bank of more than \$2,700,000.

18. On or about September 20, 2002, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the above described scheme, knowingly caused Leaders Bank to disburse \$1,400,000 in proceeds from the loan purportedly for the benefit of Lunn Client A to an account at Wachovia Bank held by an unrelated complaining investment adviser client;

In violation of Title 18, United States Code, Section 1344.

COUNT TWO

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about February 18, 2004, at Oak Brook, in the Northern District

of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$656,280 in proceeds from LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT THREE

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about April 19, 2004, at Oak Brook, in the Northern District of

Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$85,000 in proceeds from defendant LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT FOUR

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about April 20, 2004, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$35,000 in proceeds from defendant LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT FIVE

The SPECIAL SEPTEMBER 2011 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about June 21, 2004, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse \$493,500 in proceeds from the loan purportedly for the benefit of Lunn Client B to an account at Leaders Bank controlled by defendant LUNN, namely, the "Lunn 26th LLC" account;

In violation of Title 18, United States Code, Section 1344.

FORFEITURE ALLEGATION

The SPECIAL SEPTEMBER 2011 Grand Jury further alleges:

1. The allegations in Counts One through Five of this indictment are realleged for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

2. As a result of his violations of Title 18, United States Code, Section 1344, as alleged in Counts One through Five,

ROBERT J. LUNN,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any and all right, title, and interest he may have in any property constituting, and derived from, proceeds he obtained directly or indirectly as the result of such violations.

3. The interests of defendant subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A), include the sum of at least \$2,700,000.

4. If any of the forfeitable property described above, as a result of any act or omission by defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third party;
- (c) has been placed beyond the jurisdiction of the court;
- (d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c);

All pursuant to Title 18, United States Code, Section 982(a)(2)(A).

FOREMAN

UNITED STATES ATTORNEY

EXHIBIT B

VAD

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS**

UNITED STATES OF AMERICA)
Plaintiffs)
v.)
ROBERT J. LUNN)
Defendant)

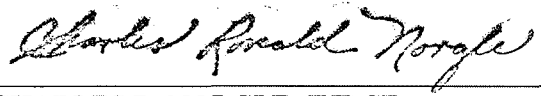
Case No: 12 CR 402

Judge: **CHARLES R. NORGLÉ**

ORDER

Jury trial held. Jury verdict of guilty on all Counts One, Two, Three, Four and Five of the indictment. Trial ends. Post trial motions are due on or before 12/5/2014. The government's response will be due on or before 12/12/2014. Defendant's reply is due on or before 12/19/2014. The case is referred to the probation department for a presentence. Sentencing is set for January 21, 2015 at 11:30 a.m.

Date: 10/17/2014



CHARLES R. NORGLÉ, JUDGE
UNITED STATES DISTRICT COURT

Time(1:00)

EXHIBIT C

**UNITED STATES DISTRICT COURT
FOR THE Northern District of Illinois – CM/ECF LIVE, Ver 6.1
Eastern Division**

UNITED STATES OF AMERICA

Plaintiff,

v.

Case No.: 1:12-cr-00402

Honorable Charles R. Norgle Sr.

Robert J Lunn

Defendant.

NOTIFICATION OF DOCKET ENTRY

This docket entry was made by the Clerk on Friday, February 20, 2015:

MINUTE entry before the Honorable Charles R. Norgle: Enter Agreed Order Sentencing hearing is reset for 5/6/2015 at 10:00 a.m. Mailed notice (ewf,)

ATTENTION: This notice is being sent pursuant to Rule 77(d) of the Federal Rules of Civil Procedure or Rule 49(c) of the Federal Rules of Criminal Procedure. It was generated by CM/ECF, the automated docketing system used to maintain the civil and criminal dockets of this District. If a minute order or other document is enclosed, please refer to it for additional information.

For scheduled events, motion practices, recent opinions and other information, visit our web site at www.ilnd.uscourts.gov.

EXHIBIT D

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74469 / March 10, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4043 / March 10, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16427

In the Matter of

Robert J. Lunn,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Robert J. Lunn (“Respondent” or “Lunn”).

II.

After an investigation, the Division of Enforcement alleges that:

A. Respondent

1. Lunn, age 65, is a resident of Chicago, Illinois. From 1970 through at least 2004, Lunn was employed in the securities industry by a variety of registered broker-dealers and investment advisers. From approximately April 1996 to October 2004, Lunn was a registered principal of Chicago, Illinois-based Lunn Partners Securities, LLC, a registered broker-dealer that Lunn owned and operated. During the same time frame, Lunn also owned and operated Chicago-based Lunn Partners, LLC, a registered investment adviser. Until 2004, Lunn held the following

securities licenses with the Financial Industry Regulatory Authority (“FINRA”): General Securities Sales Supervisor, General Securities Principal, and Registered Representative.

B. Respondent’s Criminal Conviction

2. On May 30, 2012, Lunn was indicted in the United States District Court for the Northern District of Illinois, alleging five counts of bank fraud in violation of 18 U.S.C. §1344 based on Lunn’s scheme to defraud a financial institution and two of his investment advisory clients. *United States v. Robert J. Lunn, Case No. 12 CR 402 (N.D. Ill.)*.

3. On October 17, 2014, the jury in *U.S. v. Robert J. Lunn* returned a verdict finding Lunn guilty of each count of the Indictment.

4. The counts of the criminal Indictment alleged that between May 2001 and September 2004, Lunn knowingly devised and participated in a scheme to defraud Leaders Bank, an Oak Brook, Illinois financial institution, and two of his investment advisory clients and to obtain money by materially false and fraudulent pretenses, representations, promises and omissions. Among other things, the Indictment alleged that Lunn fraudulently obtained approximately \$3.2 million in loans from Leaders Bank based on a series of misrepresentations about his own financial assets, the purposes of the loans, and the authorization of his advisory clients purportedly seeking the loans. Lunn used substantially all of the funds for his own benefit, including misappropriating \$1.4 million to make payments to unrelated complaining investment advisory clients. According to the Indictment, Lunn submitted and caused to be submitted two personal financial statements that contained false information. Lunn also misrepresented the purpose of a loan obtained in the name of one of his investment advisory clients and caused a loan application with a forged signature to be submitted on behalf of another investment advisory client without the client’s knowledge, authorization or consent.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an

Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission

Brent J. Fields
Secretary

EXHIBIT E

UNITED STATES OF AMERICA
Before the
Securities and Exchange Commission

ADMINISTRATIVE PROCEEDING
File No. 3-16427

In the Matter of

Robert J. Lunn

Respondent

RESPONDENT'S ANSWER TO ORDER INSTITUTING PROCEEDINGS

For his Answer to the allegations contained in the Order Instituting Public Administrative Proceedings in this matter Respondent states as follows:

Section II. A. Respondent admits the allegations set forth in Section II.A. of the Order Instituting Public Administrative Proceedings.

Section II. B. 2. Respondent admits the allegations set forth in Section II.B.2., except that Respondent denies that he had a scheme to defraud a financial institution and two of his investment advisory clients.

Section II. B. 3. Respondent admits the allegations set forth in Section II.B.3.

Section II. B. 4. Respondent admits that the Indictment in case 12 CR 402 makes the allegations set forth in the first, second, and fourth sentences of this paragraph 4. Respondent denies that he used substantially all of the funds for his own benefit, including \$1.4 million to make payments to unrelated complaining advisory clients. Respondent also denies that he misrepresented the purpose of a loan obtained in the name of one of his investment advisory clients and caused a loan application with a forged signature to be submitted on behalf of another investment advisory client

without the client's knowledge, authorization or consent.

Respectfully submitted,

John M. Beal
Attorney for Respondent

John M. Beal
Attorney at Law
53 West Jackson Blvd., Suite 1615
Chicago IL 60604
(312) 408-2766

EXHIBIT F



BrokerCheck Report

LUNN PARTNERS SECURITIES, LLC

CRD# 25444

Report #16142-90557, data current as of Monday, April 20, 2015.

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Registration and Withdrawal	2
Firm Profile	3 - 6
Firm History	7
Firm Operations	8 - 13
Disclosure Events	14

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <http://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.



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brokercheck.finra.org



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Thank you for using FINRA BrokerCheck.

LUNN PARTNERS SECURITIES, LLC

CRD# 25444

SEC# 8-42026

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Main Office Location

ONE NORTH FRANKLIN STREET
SUITE 750
CHICAGO, IL 60606

Mailing Address

ONE NORTH FRANKLIN STREET
SUITE 750
CHICAGO, IL 60606

Business Telephone Number

312-629-1800

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 06/10/1997.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

Registration Withdrawal Information

This section provides information relating to the date the brokerage firm ceased doing business and the firm's financial obligations to customers or other brokerage firms.



**This firm terminated or
withdrew registration on:** 09/27/2004

**Does this brokerage firm owe
any money or securities to
any customer or brokerage
firm?** No

Firm Profile

This firm is classified as a limited liability company.

This firm was formed in Illinois on 06/10/1997.

Its fiscal year ends in December.



Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

LUNN PARTNERS SECURITIES, LLC

Doing business as LUNN PARTNERS SECURITIES, LLC

CRD# 25444

SEC# 8-42026

Main Office Location

ONE NORTH FRANKLIN STREET
SUITE 750
CHICAGO, IL 60606

Mailing Address

ONE NORTH FRANKLIN STREET
SUITE 750
CHICAGO, IL 60606

Business Telephone Number

312-629-1800

Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.



Direct Owners and Executive Officers

Legal Name & CRD# (if any):	LUNN PARTNERS, LLC
Is this a domestic or foreign entity or an individual?	Domestic Entity
Position	OWNER
Position Start Date	06/1997
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	LUNN, ROBERT JAMES 314549
Is this a domestic or foreign entity or an individual?	Individual
Position	MANAGING PARTNER
Position Start Date	04/1997
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	YERKS, GARY MICHAEL 2589566
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF FINANCIAL OFFICER
Position Start Date	06/1996

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.



Indirect Owners

Legal Name & CRD# (if any):	LUNN, ROBERT JAMES 314549
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	LUNN PARTNERS LLC
Relationship to Direct Owner	MANAGING MEMBER
Relationship Established	04/1996
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.



Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 03/13/1990 to 11/30/2004.



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 3 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter

Real estate syndicator

Private placements of securities



Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: MONTGOMERY SECURITIES
CRD #: 4357
Business Address: 600 MONTGOMERY STREET
SAN FRANCISCO, CA 94111
Effective Date: 05/03/1999
Description: THE APPLICANT HAS ENTERED INTO A FULLY-DISCLOSED AGREEMENT WITH MONTGOMERY CORRESPONDENT SERVICES. APPLICANT WILL BE AN INTRODUCING BROKER TO MONTGOMERY CORRESPONDENT SERVICES. CUSTODY OF ALL FUNDS AND SECURITIES WILL BE MAINTAINED BY MONTGOMERY CORRESPONDENT SERVICES, 600 MONTGOMERY STREET, SAN FRANCISCO, CA 94111

This firm does have accounts, funds, or securities maintained by a third party.

Name: MONTGOMERY SECURITIES
CRD #: 4357
Business Address: 600 MONTGOMERY STREET
SAN FRANCISCO, CA 94111
Effective Date: 05/03/1999
Description: THE APPLICANT HAS ENTERED INTO A FULLY-DISCLOSED AGREEMENT WITH MONTGOMERY CORRESPONDENT SERVICES. APPLICANT WILL BE AN INTRODUCING BROKER TO MONTGOMERY CORRESPONDENT SERVICES. CUSTODY OF ALL FUNDS AND SECURITIES WILL BE MAINTAINED BY MONTGOMERY CORRESPONDENT SERVICES, 600 MONTGOMERY STREET, SAN FRANCISCO, CALIFORNIA, 94111.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: MONTGOMERY SECURITIES
CRD #: 4357
Business Address: 600 MONTGOMERY STREET
SAN FRANCISCO, CA 94111
Effective Date: 05/03/1999
Description: THE APPLICANT HAS ENTERED INTO A FULLY-DISCLOSED AGREEMENT WITH MONTGOMERY CORRESPONDENT SERVICES. APPLICANT WILL BE AN INTRODUCING BROKER TO MONTGOMERY CORRESPONDENT

Firm Operations



Industry Arrangements (continued)

SERVICES. CUSTODY OF ALL ACCOUNTS, FUNDS AND SECURITIES
WILL BE MAINTAINED BY MONTGOMERY CORRESPONDENT SERVICES.

Control Persons/Financing

This firm does have individuals who control its management or policies through agreement.

Name: LUNN PARTNERS SECURITIES, LLC
CRD #: 25444
Business Address: 209 SOUTH LASALLE STREET
SUITE 810
CHICAGO, IL 60604
Effective Date: 04/01/1996
Description: THE APPLICANT HAS ENTERED INTO A MANAGEMENT AND OPERATING
EXPENSE AGREEMENT WITH LUNN PARTNERS, LLC, THE OWNER OF
THE APPLICANT. PURSUANT TO THE AGREEMENT, LUNN PARTNERS,
LLC WILL PROVIDE CONSULTING, GENERAL ADMINISTRATION,
CLERICAL SUPPORT, MANAGERIAL SERVICES, OFFICE FACILITIES AND
OTHER SUPPORT SERVICES AND FACILITIES TO THE APPLICANT. IN
ADDITION, LUNN PARTNERS, LLC WILL PROVIDE CAPITAL TO THE
APPLICANT PURSUANT TO A SUBORDINATED LOAN AGREEMENT. LUNN
PARTNERS, LLC IS A REGISTERED INVESTMENT ADVISOR.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations



Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
- controlled by
- or under common control with

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

LUNN PARTNERS SECURITIES, LLC controls the firm.

CRD #:	25444
Business Address:	209 SOUTH LASALLE STREET SUITE 810 CHICAGO, IL 60604
Effective Date:	04/01/1999
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	THE APPLICANT IS A FULLY OWNED BY LUNN PARTNERS, LLC: AN SEC REGISTERED INVESTMENT ADVISOR.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final



Allegations: NASD CONDUCT RULES 2110 AND 3010(B) AND NASD MEMBERSHIP AND REGISTRATION RULE 1120 - RESPONDENT MEMBER PERMITTED A REGISTERED PERSON TO PERFORM DUTIES AS A SALES SUPERVISOR AND GENERAL SECURITIES REPRESENTATIVE, IN THAT HE ACTED AS MANAGING DIRECTOR, WHILE HIS REGISTRATION STATUS WITH THE NASD WAS INACTIVE DUE TO HIS FAILURE TO TIMELY COMPLETE THE REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE; AND, FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE APPLICABLE RULES OF THE NASD, WITH RESPECT TO THE REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE.

Initiated By: NASD

Date Initiated: 03/08/2004

Docket/Case Number: C8A040011

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/08/2004

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE, THE FIRM IS FINED \$2,500, JOINTLY AND SEVERALLY AND FINED AN ADDITIONAL \$2,500.

Reporting Source: Firm



Current Status: Final

Allegations: MEMBER PERMITTED A REGISTERED PERSON TO PERFORM DUTIES AS A SALES SUPERVISOR AND GENERAL SECURITIES REPRESENTATIVE WHILE THE PERSON WAS CE INACTIVE.

THE MEMBER FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE REGISTERED REPRESENTATIVE DO NOT BECOME CE INACTIVE.

Initiated By: NASD

Date Initiated: 01/30/2004

Docket/Case Number: AWC NO. C8A040011

Principal Product Type: Other

Other Product Type(s): NASD CONTINUING EDUCATION RULES

Principal Sanction(s)/Relief Sought: Other

Other Sanction(s)/Relief Sought: MEMBER PERMITTED A REGISTERED PERSON TO PERFORM DUTIES AS A SALES SUPERVISOR AND GENERAL SECURITIES REPRESENTATIVE WHILE THE PERSON WAS CE INACTIVE.

THE MEMBER FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE REGISTERED REPRESENTATIVE DO NOT BECOME CE INACTIVE.

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/08/2004

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: MEMBER PERMITTED A REGISTERED PERSON TO PERFORM DUTIES AS A SALES SUPERVISOR AND GENERAL SECURITIES REPRESENTATIVE WHILE THE PERSON WAS CE INACTIVE. FINE OF \$2,500.00.

THE MEMBER FAILED TO ESTABLISH, MAINTAIN AND ENFORCE WRITTEN SUPERVISORY PROCEDURES REASONABLY DESIGNED TO ENSURE REGISTERED REPRESENTATIVE DO NOT BECOME CE INACTIVE.FINE OF \$2,500.00.

End of Report



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EXHIBIT G

BrokerCheck Report
ROBERT JAMES LUNN

CRD# 314549

Report #93756-33437, data current as of Monday, April 20, 2015.

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Broker Qualifications	2 - 3
Registration and Employment History	4
Disclosure Events	5

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <http://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources.

[For more information about FINRA, visit www.finra.org.](http://www.finra.org)

ROBERT J. LUNN

CRD# 314549

Report Summary for this Broker

This broker is not currently registered.

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 1 Principal/Supervisory Exam
- 2 General Industry/Product Exams
- 0 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

LUNN PARTNERS SECURITIES, LLC

CRD# 25444
CHICAGO, IL
04/1996 - 10/2004

LEHMAN BROTHERS INC.

CRD# 7506
NEW YORK, NY
11/1994 - 04/1996

MORGAN STANLEY & CO., INCORPORATED

CRD# 8209
NEW YORK, NY
02/1971 - 07/1994

Disclosure Events

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

Are there events disclosed about this broker? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.

Broker Qualifications



Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 1 principal/supervisory exam, 2 general industry/product exams, and 0 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
General Securities Sales Supervisor Examination (Options Module & General Module)	Series 8	02/12/1990

General Industry/Product Exams

Exam	Category	Date
General Securities Principal Examination	Series 000	02/10/1971
Registered Representative Examination	Series 1	09/25/1970

State Securities Law Exams

Exam	Category	Date
No information reported.		

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
04/1996 - 10/2004	LUNN PARTNERS SECURITIES, LLC	25444	CHICAGO, IL
11/1994 - 04/1996	LEHMAN BROTHERS INC.	7506	NEW YORK, NY
02/1971 - 07/1994	MORGAN STANLEY & CO., INCORPORATED	8209	NEW YORK, NY
05/1978 - 02/1980	MORGAN STANLEY & CO., INCORPORATED	5203	
03/1975 - 05/1978	WILLIAM BLAIR & COMPANY	1252	
09/1971 - 04/1975	MEISIROW & COMPANY	1000004	
10/1970 - 11/1971	LEHMAN BROTHERS INCORPORATED	514	

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
03/1996 - Present	LUNN PARTNERS SECURITIES, LLC	CHICAGO, IL

Disclosure Events



What you should know about reported disclosure events:

1. Disclosure events in BrokerCheck reports come from different sources:

- As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Final	On Appeal
Regulatory Event	2	0



Disclosure Event Details

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

Disclosure 1 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	ILLINOIS
Sanction(s) Sought:	Prohibition
Other Sanction(s) Sought:	GRANTING SUCH OTHER RELIEF AS MAY BE AUTHORIZED UNDER THE ACT INCLUDING BUT NOT LIMITED TO IMPOSITION OF A MONETARY FINE IN THE MAXMUM AMOUNT PURSUANT TO 11.E(4) OF THE ACT.
Date Initiated:	11/21/2007
Docket/Case Number:	0400750
Employing firm when activity occurred which led to the regulatory action:	LUNN PARTNERS, LLC
Product Type:	Other
Other Product Type(s):	INVESTMENT ADVICE
Allegations:	RESPONDENTS VIOLATED SECTIONS 12.C AND 12.J OF THE ILLINOIS SECURITY ACT BY FAILING TO INFORM AN ILLINOIS IVESTOR THAT RESPONDENT HAD INSUFFICIENT ASSETS TO GUARANTEE CERTAIN OBLIGATIONS PURSUANT TO AN AGREEMENT WITH SAID INVESTOR IN THE EVENT OF DEFAULT.
Current Status:	Final
Resolution:	Stipulation and Consent



Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 04/09/2009

Sanctions Ordered:

Other Sanctions Ordered: RESPONDENTS STIPULATED TO COUNT II OF THE NOTICE OF HEARING "FAILURE TO REGISTER" PURSUANT TO SECTIONS 12.C AND 12.D OF THE ACT. COUNT I OF THE NOTICE OF HEARING WAS DISMISSED

Sanction Details: CONSENT ORDER OF PROHIBITION

Regulator Statement AMENDED NOTICE OF HEARING WAS ISSUED NOVEMBER 26, 2007. THE HEARING WAS SCHEDULED FOR JANUARY 24, 2008. SECOND AMENDED NOTICE OF HEARING WAS ISSUED JANUARY 7, 2009. THE HEARING IS SCHEDULED FOR FEBRUARY 19TH, 2009. CONSENT ORDER WAS ISSUED APRIL 9, 2009. CONTACT (312) 793-9643

Disclosure 2 of 2

Reporting Source: Regulator

Regulatory Action Initiated By: NASD

Sanction(s) Sought:

Other Sanction(s) Sought:

Date Initiated: 03/08/2004

Docket/Case Number: C8A040011

Employing firm when activity occurred which led to the regulatory action: LUNN PARTNERS SECURITIES, LLC

Product Type: No Product

Other Product Type(s):

Allegations: NASD CONDUCT RULE 2110 AND NASD MEMBERSHIP AND REGISTRATION RULE 1120 - RESPONDENT LUNN PERFORMED DUTIES AS A SALES SUPERVISOR AND GENERAL SECURITIES REPRESENTATIVE, IN THAT HE ACTED AS MANAGING PARTNER, WHILE HIS REGISTRATION STATUS WITH



NASD WAS INACTIVE DUE TO HIS FIALURE TO TIMELY COMPLETE THE REGULATORY ELEMENT OF NASD'S CONTINUING EDUCATION RULE.

Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Resolution Date: 03/08/2004

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, RESPONDENT LUNN CONSENTED TO THE DESCRIBED AND SANCTIONS AND TO THE ENTRY OF FINDINGS; THERFORE, HE IS FINED \$5,000.

.....

Reporting Source: Broker

Regulatory Action Initiated By: NASD

Sanction(s) Sought: Other

Other Sanction(s) Sought: FROM 2/3/2003 TO 4/16/2003 LUNN PERFORMED DUTIES AS A SALES SUPERVISOR WHILE HIS STATUS WITH THE NASD WAS INACTIVE.

Date Initiated: 01/30/2004

Docket/Case Number: AWC NO. C8A04001

Employing firm when activity occurred which led to the regulatory action: LUNN PARTNERS SECURITIES, LLC

Product Type: Other

Other Product Type(s): FROM 2/3/2003 TO 4/16/2003 LUNN PERFORMED DUTIES AS A SALES SUPERVISOR WHILE HIS STATUS WITH THE NASD WAS INACTIVE.

Allegations: FROM 2/3/2003 TO 4/16/2003 LUNN PERFORMED DUTIES AS A SALES SUPERVISOR WHILE HIS STATUS WITH THE NASD WAS INACTIVE.



Current Status: Final

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/08/2004

Sanctions Ordered: Monetary/Fine \$5,000.00

Other Sanctions Ordered:

Sanction Details: FROM 2/3/2003 TO 4/16/2003 LUNN PERFORMED DUTIES AS A SALES SUPERVISOR WHILE HIS STATUS WITH THE NASD WAS INACTIVE.

End of Report



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EXHIBIT H



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Quick Search

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Identifying Information

Organization CRD Number: 106483	Primary Business Name: LUNN PARTNERS LLC
Organization SEC Number: 801-51626	Full Legal Name: LUNN PARTNERS LLC
No BD Record	Electronic Filer
Full Legal Name	LUNN PARTNERS LLC
Advisory Business Name	LUNN PARTNERS LLC
Principal Office and Place of Business	1 NORTH FRANKLIN STREET SUITE 750 CHICAGO, IL 60606 UNITED STATES
Mailing Address	
Residential Address (for Sole Proprietor)	
Principal Office Telephone Number	312-629-1800
Principal Office Facsimile Number	312-629-2622
Days of Week Business is Conducted at Principal Office	Monday - Friday
Normal Business Hours	8:00-5:00
Web Addresses	WWW.LUNNPARTNERS.COM
Registrations with Foreign Financial Regulatory Authorities	
Basis for SEC Registration	has regulatory assets under management of \$25 million or more but less than \$100 million;
Current Registration Status	Terminated - 11/30/2004
Basis for SEC Reporting by Exempt Reporting Adviser	
Current Reporting Status	

Contact Information - Chief Compliance Officer	
Chief Compliance Officer Name	
Chief Compliance Officer Other Titles	
Chief Compliance Officer Address	
Chief Compliance Officer Telephone Number	
Chief Compliance Officer Fax Number	
Chief Compliance Officer E-Mail Address	
Contact Information - Additional Regulatory Contact Person	
Contact Person Name	ROBERT J. LUNN
Contact Person Title	MANAGING PARTNER
Contact Person Address	1 NORTH FRANKLIN STREET STE 750 CHICAGO, IL 60606 UNITED STATES
Contact Person Telephone Number	312-629-1800
Contact Person Fax Number	312-629-2622
Contact Person E-Mail Address	RLUNN@LUNNPARTNERS.COM
Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?	
Central Index Key Number	
Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?	
Legal Entity Identifier	



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Registration/Reporting Status History

Organization CRD Number: 106483	Primary Business Name: LUNN PARTNERS LLC
Organization SEC Number: 801-51626	Full Legal Name: LUNN PARTNERS LLC
No BD Record	Electronic Filer

SEC/Jurisdiction	Registration Status	Explanation	Status Effective Date	Changed By
SEC	Terminated		11/30/2004	GYERKS
SEC	Approved		04/05/1996	TAYLORA

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Direct Owners / Executive Officers

Organization CRD Number: 106483	Primary Business Name: LUNN PARTNERS LLC
Organization SEC Number: 801-51626	Full Legal Name: LUNN PARTNERS LLC
No BD Record	Electronic Filer

Full Legal Name	Domestic, Foreign, Individual	Title or Status	Date Title or Status Acquired	Ownership Code	Control person	Public Reporting Company	CRD #, EIN, IRS #, SSN	Has Disclosure
LUNN, ROBERT, JAMES	Individual	MANAGING PARTNER	04/1996	25% but less than 50%	Y	N	314549	Y



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EXHIBIT I

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

ROBERT J. LUNN

)
)
) No. 12 CR 402
)
) Judge Norgle
)

JURY INSTRUCTIONS

FILED

OCT 17 2014

JUDGE CHARLES R. NORGLÉ
U.S. District Court Judge

Members of the jury, I will now instruct you on the law that you must follow in deciding this case. I will also give you a copy of these instructions to use in the jury room. You must follow all of my instructions about the law, even if you disagree with them. This includes the instructions I gave you before the trial, any instructions I gave you during the trial, and the instructions I am giving you now.

As jurors, you have two duties. Your first duty is to decide the facts from the evidence that you saw and heard here in court. This is your job, not my job or anyone else's job.

Your second duty is to take the law as I give it to you, apply it to the facts, and decide if the government has proved the defendant guilty beyond a reasonable doubt.

You must perform these duties fairly and impartially. Do not let sympathy, prejudice, fear, or public opinion influence you. In addition, do not let any person's race, color, religion, national ancestry, or gender influence you.

You must not take anything I said or did during the trial as indicating that I have an opinion about the evidence or about what I think your verdict should be.

The charge against the defendant is in a document called an indictment. You will have a copy of the indictment during your deliberations.

The indictment in this case charges that the defendant committed the crime of bank fraud. The defendant has pled not guilty to the charges.

The indictment is simply the formal way of telling the defendant what crime he is accused of committing. It is not evidence that the defendant is guilty. It does not even raise a suspicion of guilt.

The defendant is presumed innocent of each and every one of the charges. This presumption continues throughout the case, including during your deliberations. It is not overcome unless, from all the evidence in the case, you are convinced beyond a reasonable doubt that the defendant is guilty as charged.

The government has the burden of proving the defendant's guilt beyond a reasonable doubt. This burden of proof stays with the government throughout the case.

The defendant is never required to prove his innocence. He is not required to produce any evidence at all.

You must make your decision based only on the evidence that you saw and heard here in court. Do not consider anything you may have seen or heard outside of court, including anything from the newspaper, television, radio, the Internet, or any other source.

The evidence includes only what the witnesses said when they were testifying under oath, the exhibits that I allowed into evidence, and the stipulations that the lawyers agreed to. A stipulation is an agreement that certain facts are true or that a witness would have given certain testimony.

Nothing else is evidence. The lawyers' statements and arguments are not evidence. If what a lawyer said is different from the evidence as you remember it, the evidence is what counts. The lawyers' questions and objections likewise are not evidence.

A lawyer has a duty to object if he thinks a question is improper. If I sustained objections to questions the lawyers asked, you must not speculate on what the answers might have been.

If, during the trial, I struck testimony or exhibits from the record, or told you to disregard something, you must not consider it.

Give the evidence whatever weight you decide it deserves. Use your common sense in weighing the evidence, and consider the evidence in light of your own everyday experience.

People sometimes look at one fact and conclude from it that another fact exists. This is called an inference. You are allowed to make reasonable inferences, so long as they are based on the evidence.

You may have heard the terms “direct evidence” and “circumstantial evidence.” Direct evidence is evidence that directly proves a fact. Circumstantial evidence is evidence that indirectly proves a fact.

You are to consider both direct and circumstantial evidence. The law does not say that one is better than the other. It is up to you to decide how much weight to give to any evidence, whether direct or circumstantial.

Do not make any decisions simply by counting the number of witnesses who testified about a certain point.

You may find the testimony of one witness or a few witnesses more persuasive than the testimony of a larger number. You need not accept the testimony of the larger number of witnesses.

What is important is how truthful and accurate the witnesses were and how much weight you think their testimony deserves.

Part of your job as jurors is to decide how believable each witness was, and how much weight to give each witness' testimony, including that of the defendant. You may accept all of what a witness says, or part of it, or none of it.

Some factors you may consider include:

- the age of the witness;
- the intelligence of the witness;
- the witness' ability and opportunity to see, hear, or know the things the witness testified about;
- the witness' memory;
- the witness' demeanor;
- whether the witness had any bias, prejudice, or other reason to lie or slant the testimony;
- the truthfulness and accuracy of the witness' testimony in light of the other evidence presented; and
- inconsistent or consistent statements or conduct by the witness.

It is proper for an attorney to interview any witness in preparation for trial.

You have heard evidence that before the trial, the defendant made a statement that may be inconsistent with his testimony here in court. You may consider an inconsistent statement by the defendant made before the trial to help you decide how believable the defendant's testimony was here in court, and also as evidence of the truth of whatever the defendant said in the earlier statement.

Certain summaries were admitted in evidence. You may use those summaries as evidence.

Counts One through Five of the indictment charge the defendant with bank fraud. In order for you to find the defendant guilty of this charge, the government must prove each of the five following elements beyond a reasonable doubt:

1. There was a scheme to defraud a bank or to obtain money or funds owned by, or in the custody or control of, a bank by means of false or fraudulent pretenses, representations or promises as charged in the indictment;
2. The defendant knowingly executed the scheme;
3. The defendant acted with the intent to defraud;
4. The scheme involved a materially false or fraudulent pretense, representation, or promise; and
5. At the time of the charged offense the deposits of the bank were insured by the Federal Deposit Insurance Corporation.

If you find from your consideration of all the evidence that the government has proved each of these elements beyond a reasonable doubt as to the charge you are considering, then you should find the defendant guilty of that charge.

If, on the other hand, you find from your consideration of all the evidence that the government has failed to prove any one of these elements beyond a reasonable doubt as to the charge you are considering, then you should find the defendant not guilty of that charge.

The bank fraud statute can be violated whether or not there is any loss to or recovery by the victim of the crime.

A scheme is a plan or course of action formed with the intent to accomplish some purpose.

In considering whether the government has proven a scheme to obtain moneys or funds from a bank by means of false pretenses, representations or promises, the government must prove at least one of the false pretenses, representations, promises, or acts charged in the portion of the indictment describing the scheme. However, the government is not required to prove all of them.

A scheme to defraud a bank means a plan or course of action intended to deceive or cheat that bank or to obtain money or property or to cause the potential loss of money or property by the bank.

In considering whether the government has proven a scheme to obtain moneys or funds from a bank by means of false pretenses, representations or promises, the government must prove at least one of the false pretenses, representations, promises, or acts charged in the portion of the indictment describing the scheme. However, the government is not required to prove all of them.

A person acts knowingly if he realizes what he is doing and is aware of the nature of his conduct, and does not act through ignorance, mistake, or accident. In deciding whether the defendant acted knowingly, you may consider all of the evidence, including what the defendant did or said.

A person acts with intent to defraud if he acts knowingly with the intent to deceive or cheat the victim in order to cause a gain of money or property to the defendant or another or the potential loss of money or property to another.

A false or fraudulent pretense, representation, or promise, omission or concealment is "material" if it is capable of influencing or has a natural tendency to influence the decision of the person to whom it was addressed.

It is not necessary that the false or fraudulent pretense, representation, promise, omission or concealment actually have that influence or be relied on by the person to whom it is addressed, as long as it was capable of doing so.

Defendant Lunn's theory of defense is that he lacked the intent to defraud Leaders Bank in that 1) he did not knowingly submit false personal financial statements to Leaders Bank, and 2) he did not intend to deceive Leaders Bank as to the Geras and Pippen loan applications.

The indictment charges that the crimes happened "on or about." The government must prove that the crime happened reasonably close to those dates. The government is not required to prove that the crimes happened on those exact dates.

The defendant has been accused of more than one crime. The number of charges is not evidence of guilt and should not influence your decision.

You must consider each charge and the evidence concerning each charge separately. Your decision on one charge, whether it is guilty or not guilty, should not influence your decision on any other charge.

In deciding your verdict, you should not consider the possible punishment for the defendant. If you decide that the government has proved the defendant guilty beyond a reasonable doubt, then it will be my job to decide on the appropriate punishment.

Once you are all in the jury room, the first thing you should do is choose a foreperson. The foreperson should see to it that your discussions are carried on in an organized way and that everyone has a fair chance to be heard. You may discuss the case only when all jurors are present.

Once you start deliberating, do not communicate about the case or your deliberations with anyone except other members of your jury. You may not communicate with others about the case or your deliberations by any means. This includes oral or written communication, as well as any electronic method of communication, such as telephone, cell phone, smart phone, iPhone, Blackberry, computer, text messaging, instant messaging, the Internet, chat rooms, blogs, websites, or services like Facebook, LinkedIn, YouTube, Twitter, or any other method of communication.

If you need to communicate with me while you are deliberating, send a note through the court security officer. The note should be signed by the foreperson, or by one or more members of the jury. To have a complete record of this trial, it is important that you do not communicate with me except by a written note. I may have to talk to the lawyers about your message, so it may take me some time to get back to you. You may continue your deliberations while you wait for my answer. Please be advised that transcripts of trial testimony are not available to you. You must rely on your collective memory of the testimony.

If you send me a message, do not include the breakdown of any votes you may have conducted. In other words, do not tell me that you are split 6-6, or 8-4, or whatever

your vote happens to be.

A verdict form has been prepared for you. You will take this form with you to the jury room.

[Read the verdict forms.]

When you have reached unanimous agreement, your foreperson will fill in, date, and sign the verdict form. Each of you will sign it.

Advise the court security officer once you have reached a verdict. When you come back to the courtroom, I will read the verdict aloud.

The verdict must represent the considered judgment of each juror. Your verdict, whether it is guilty or not guilty, must be unanimous.

You should make every reasonable effort to reach a verdict. In doing so, you should consult with each other, express your own views, and listen to your fellow jurors' opinions. Discuss your differences with an open mind. Do not hesitate to re-examine your own view and change your opinion if you come to believe it is wrong. But you should not surrender your honest beliefs about the weight or effect of evidence just because of the opinions of your fellow jurors or just so that there can be a unanimous verdict.

The twelve of you should give fair and equal consideration to all the evidence. You should deliberate with the goal of reaching an agreement that is consistent with the individual judgment of each juror.

You are impartial judges of the facts. Your sole interest is to determine whether the government has proved its case beyond a reasonable doubt.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) No. 12 CR 402
 v.)
) Judge Norgle
 ROBERT J. LUNN)

VERDICT FORM

We, the jury, find the defendant, ROBERT J. LUNN:

- | | | | | |
|--|--------|--------------------------|------------|--------------------------|
| On Count One of the indictment: | Guilty | <input type="checkbox"/> | Not Guilty | <input type="checkbox"/> |
| On Count Two of the indictment: | Guilty | <input type="checkbox"/> | Not Guilty | <input type="checkbox"/> |
| On Count Three of the indictment: | Guilty | <input type="checkbox"/> | Not Guilty | <input type="checkbox"/> |
| On Count Four of the indictment: | Guilty | <input type="checkbox"/> | Not Guilty | <input type="checkbox"/> |
| On Count Five of the indictment: | Guilty | <input type="checkbox"/> | Not Guilty | <input type="checkbox"/> |

FOREPERSON

DATED: _____

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
)
) v.)
) Violations: Title 18, United States
ROBERT J. LUNN) Code, Section 1344
)

COUNT ONE

1. At times material to this indictment:

(a) Defendant ROBERT J. LUNN owned and operated Lunn Partners, LLC, an investment advisory business.

(b) Leaders Bank, located in Oak Brook, Illinois, was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation.

(c) Scottie Pippin and Robert Geras were investment adviser clients of Lunn Partners and defendant LUNN.

Line of Credit

(d) On or about May 10, 2001, defendant LUNN signed a Business Loan Agreement with Leaders Bank for a line of credit in the amount of \$480,000. To obtain the loan, defendant LUNN submitted and caused to be submitted a Personal Financial Statement in which defendant LUNN represented that he owned certain stock, namely, 150,000 shares of Morgan Stanley Group with a market value of \$11,500,000, and 65,000 shares of Lehman Brothers Holding with a market value of \$5,500,000.

(e) On or about February 9, 2004, defendant LUNN signed a Business Loan Agreement with Leaders Bank, which increased the earlier line of credit to \$1,200,000. To obtain the increase in the line of credit, defendant LUNN submitted and caused to be submitted a Personal Financial Statement in which defendant LUNN represented that he owned certain stock, namely, 100,000 shares of Morgan Stanley with a market value of \$5,800,000, and 15,000 shares of Lehman Brothers with a market value of \$1,000,000.

(f) On or about April 19, 2004, defendant LUNN signed a Change in Terms Agreement with Leaders Bank, which increased the outstanding line of credit to \$1,320,000.

Loan for Scottie Pippen

(g) On or about September 20, 2002, defendant LUNN arranged for an unsecured loan from Leaders Bank in the amount of \$1,400,000 purportedly for the benefit of Scottie Pippen. To obtain the loan, defendant LUNN submitted and caused to be submitted a Net Worth Report for Scottie Pippen. Defendant LUNN also represented and caused to be represented to Leaders Bank that Scottie Pippen sought the short-term financing purportedly for the purpose of purchasing an interest in an airplane.

Loan for Robert Geras

(h) On or about June 21, 2004, defendant LUNN arranged for a loan from Leaders Bank in the amount of \$500,000 purportedly for the benefit of Robert Geras. To obtain the loan, defendant LUNN submitted and caused to be submitted a Net Worth

Report for Robert Geras. Defendant LUNN also represented and caused to be represented to Leaders Bank that Robert Geras sought this short-term financing purportedly for the purpose of a business investment.

2. Beginning no later than in or around May 2001, and continuing at least through in or around September 2004, at Chicago and Oak Brook, in the Northern District of Illinois, Eastern Division, and elsewhere,

ROBERT J. LUNN,

defendant herein, knowingly devised and participated in a scheme to defraud Leaders Bank and certain of his investment adviser clients and to obtain money and funds owned by and under the custody and control of Leaders Bank by means of materially false and fraudulent pretenses, representations, promises, and omissions, which scheme is described in the following paragraphs.

3. It was part of the scheme that defendant LUNN fraudulently obtained approximately \$3,220,000 from Leaders Bank based on a series of misrepresentations to Leaders Bank about his own assets, the purpose of such financing, and the knowing authorization of clients purportedly seeking the financing. The defendant used substantially all of the fraudulently obtained funds for his own benefit, including misappropriating \$1,400,000 to make payments to unrelated complaining investment adviser clients.

Line of Credit

4. It was further part of the scheme that in or about May 2001, defendant LUNN submitted and caused to be submitted a Personal Financial Statement containing false information to Leaders Bank in order to induce Leaders Bank to provide an unsecured line of credit in the amount of \$480,000 for Lunn Partners. On the Personal Financial Statement, defendant LUNN falsely stated that he owned certain stock, namely, 150,000 shares of Morgan Stanley with a market value of \$11,500,000, and 65,000 shares of Lehman Brothers with a market value of \$5,500,000. Based in part on defendant's false representations, Leaders Bank provided an unsecured line of credit in the amount of \$480,000.

5. It was further part of the scheme that in or about January 2004, defendant LUNN sought an increase of \$720,000 to the earlier line of credit for a total of \$1,200,000. In order to induce Leaders Bank to approve the increase, defendant LUNN submitted and caused to be submitted a Personal Financial Statement containing false information. On the Personal Financial Statement, defendant LUNN falsely stated that he owned certain stock, namely, 100,000 shares of Morgan Stanley with a market value of \$5,800,000, and 15,000 shares of Lehman Brothers with a market value of \$1,000,000. Based in part on defendant's false representations, Leaders Bank approved the increase in the line of credit to a total amount of \$1,200,000.

6. It was further part of the scheme that on or about April 19, 2004, defendant LUNN applied for a \$120,000 increase in his Leaders Bank line of credit from \$1,200,000

to \$1,320,000. Based in part on the previously submitted false information by the defendant, Leaders Bank increased the line of credit to \$1,320,000. By April 19, 2004, defendant LUNN had used the entire line of credit.

Loan for Scottie Pippen

7. It was further part of the scheme that in or about September 2002, defendant caused an application to be submitted to Leaders Bank for a 45-day, unsecured loan in the amount of \$1,400,000 purportedly for the benefit of Scottie Pippen, when the defendant intended to and did use the loan proceeds to make payments to unrelated complaining investment adviser clients.

8. It was further part of the scheme that defendant LUNN falsely represented to Leaders Bank that the \$1,400,000 in loan proceeds would be used for Scottie Pippen's benefit to purchase an interest in an airplane.

9. It was further part of the scheme that in or around December 2002, defendant LUNN sought and obtained a 60-day extension on the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Scottie Pippen.

10. It was further part of the scheme that in or around February 2003, defendant LUNN sought and obtained a 120-day extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Scottie Pippen.

11. It was further part of the scheme that in or around June 2003, defendant LUNN sought and obtained a 240-day extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Scottie Pippen.

12. It was further part of the scheme that in or around January 2004, defendant LUNN sought and obtained a 1-year extension for the \$1,400,000 loan while still falsely maintaining that the purpose of the loan was for the purchase of an interest in an airplane by Scottie Pippen.

Loan for Robert Geras

13. It was further part of the scheme that in or about June 2004, defendant LUNN caused an application to be submitted to Leaders Bank for a \$500,000 loan purportedly for the benefit of Robert Geras without Geras's knowledge, authorization, or consent. As a result of defendant's false application, on or about June 21, 2004, Leaders Bank approved the \$500,000 loan to Robert Geras.

14. It was further part of the scheme that on or about June 21, 2004, defendant LUNN directed Leaders Bank to disburse \$493,500 of the loan proceeds purportedly for Robert Geras to an account at Leaders Bank that defendant controlled.

15. It was further part of the scheme that defendant LUNN misappropriated the loan funds for his own use by, among other actions, using the funds to make mortgage payments for a property held by defendant LUNN.

16. It was further part of the scheme that defendant LUNN misrepresented, concealed, hid, and caused to be misrepresented, concealed, and hidden, the purposes of and acts done in furtherance of the scheme.

17. As a result of the fraudulent financing scheme, defendant LUNN fraudulently obtained approximately \$3,220,000, and ultimately caused a loss to Leaders Bank of more than \$2,700,000.

18. On or about September 20, 2002, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the above described scheme, knowingly caused Leaders Bank to disburse \$1,400,000 in proceeds from the loan purportedly for the benefit of Scottie Pippen to an account at Wachovia Bank held by an unrelated complaining investment adviser client;

In violation of Title 18, United States Code, Section 1344.

COUNT TWO

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about February 18, 2004, at Oak Brook, in the Northern District of

Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$656,280 in proceeds from LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT THREE

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about April 19, 2004, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$85,000 in proceeds from defendant LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT FOUR

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about April 20, 2004, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse approximately \$35,000 in proceeds from defendant LUNN's line of credit to a Lunn Partners account at Northern Trust;

In violation of Title 18, United States Code, Section 1344.

COUNT FIVE

1. Paragraphs 1 through 17 of Count One are incorporated here.
2. On or about June 21, 2004, at Oak Brook, in the Northern District of Illinois, and elsewhere,

ROBERT J. LUNN,

defendant herein, for the purpose of executing and attempting to execute the scheme, knowingly caused Leaders Bank to disburse \$493,500 in proceeds from the loan purportedly for the benefit of Robert Geras to an account at Leaders Bank controlled by defendant LUNN, namely, the "Lunn 26th LLC" account;

In violation of Title 18, United States Code, Section 1344.