

2. In February 2007, J. Hennessy and RPG raised most of the funds, at least \$4.92 million, by advising RPG clients and others to invest in MOF units and MOF promissory notes. Of the \$4.92 million, J. Hennessy personally guaranteed \$1.65 million in MOF promissory notes with a 15% annual interest rate (the 2007 MOF Notes). J. Hennessy failed to disclose to the 2007 MOF Note investors who invested after the first 2007 MOF Note was executed that he had personally guaranteed other 2007 MOF Notes. J. Hennessy also failed to disclose to the 2007 MOF Note investors that he was unable to meet his personal guarantees on the 2007 MOF Notes.

3. In February 2007, J. Hennessy misappropriated \$350,000 from an RPG client, raising the client's investment in MOF to \$700,000, when the client had only agreed to invest \$350,000.

4. As of September 2007, MOF was not generating sufficient income to pay the 2007 MOF Notes and investors were seeking payment. J. Hennessy and RPG again began raising funds from RPG advisory clients and other investors by selling them additional MOF units and promissory notes. Between September 2007 and March 2010, J. Hennessy and RPG raised \$1.36 million from RPG advisory clients and other individuals who all invested in MOF. J. Hennessy used at least \$641,408 of these funds to make partial payments to certain 2007 MOF Note holders and thereby reduced his personal liability on the 2007 MOF Notes.

5. During this period, J. Hennessy knowingly made misrepresentations to RPG advisory clients and other individuals who were both existing and prospective MOF investors about the nature and prospects of MOF's business and omitted to inform them that: a) J. Hennessy had guaranteed the 2007 MOF Notes; and b) funds invested in MOF after September 2007 would be used to partially repay the 2007 MOF Notes.

6. In May and June 2009, J. Hennessy also misappropriated a total of approximately \$100,000 from an RPG client by forging the client's signature on documents and used the funds to make a partial payment on two of the 2007 MOF Notes. These notes had been guaranteed by J. Hennessy and his misappropriation of these funds reduced his personal liability on the 2007 MOF notes.

7. Between September 2007 and March 2010, J. Hennessy and RPG advised RPG advisory clients to make MOF investments and convinced RPG clients to invest by deliberately misleading them about the status of MOF and its ability to generate returns.

8. During the scheme, RPG received ill-gotten gains by charging advisory fees to RPG advisory clients whom RPG and J. Hennessy were defrauding, in an amount to be determined at trial. J. Hennessy's ill-gotten gains include the total of: a) at least \$641,408, which is the amount by which J. Hennessy reduced his personal liability on the 2007 MOF Notes through the scheme; added to b) the portion of RPG advisory fees he received during the period February 2007 through April 2012, in an amount to be determined at trial; and (c) the fees paid to MOF Managing Member, in an amount to be determined at trial.

9. By virtue of the conduct as alleged herein, Defendant J. Hennessy has engaged in transactions, acts, practices, and courses of business that constitute violations of Section 17(a) of the Securities Act of 1933 (Securities Act) [15 U.S.C. §§ 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 (Advisers Act) [15 U.S.C. §§ 80b-6(1), (2) and (4)] and Rule 206(4)-8(a)(1) promulgated thereunder [17 C.F.R. § 275.206(4)-8(a)(1)]. Defendant RPG has engaged in transactions, acts, practices and courses of business that constitute violations of Sections

206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2) and (4)] and Rule 206(4)-7 promulgated thereunder [17 C.F.R. § 275.206(4)-7].

10. The SEC, in the interest of protecting the public from further fraudulent activity and to provide relief to investors injured by Defendants' fraudulent scheme, brings this civil enforcement action for a judgment: (a) permanently enjoining Defendants from future violations of the antifraud provisions of the federal securities laws; (b) requiring Defendants to disgorge their ill-gotten gains, plus prejudgment interest thereon; (c) imposing an appropriate civil penalty against Defendants; and (d) such other relief as the Court deems appropriate.

JURISDICTION AND VENUE

11. The SEC brings this action pursuant to the authority conferred by Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)], and Section 209 of the Advisers Act [15 U.S.C. § 80b-9], seeking to restrain and permanently enjoin Defendants from engaging in the acts, practices, transactions and courses of business alleged herein, and for such other equitable relief as may be appropriate or necessary for the benefit of investors.

12. This Court has jurisdiction over this action, and venue lies in this District, pursuant to Sections 20(d) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(d) and 77v(a)], Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d) and 78aa], and Sections 209 and 214 of the Advisers Act [15 U.S.C. §§ 80b-9 and 80b-14]. Defendants, directly or indirectly, singly or in concert, have made use of the means or instruments of transportation or communication in, and the means or instrumentalities of, interstate commerce, or of the mails, in connection with the transactions, acts, practices, and courses of business alleged herein. Some of these transactions, acts, practices and courses of business occurred in the Northern District of

Illinois, where RPG maintained its largest office during the scheme, and where Defendants made certain representations during the relevant period.

13. The Defendants have, directly and indirectly, made, and are making, use of the mails, and of the means and instrumentalities of interstate commerce, in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

14. There is a reasonable likelihood that Defendants will, unless enjoined, continue to engage in the transactions, acts, practices and courses of business set forth in this Complaint, and transactions, acts, practices and courses of business of similar purport and object.

15. The SEC also seeks a final judgment ordering Defendants to disgorge ill-gotten gains and pay prejudgment interest thereon, and ordering Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209 of the Advisers Act [15 U.S.C. § 80b-9].

DEFENDANTS

16. **Resources Planning Group, Inc.** is a privately-held Indiana corporation with its headquarters in Chicago, Illinois. RPG has been registered with the SEC as an investment adviser since 2001 and remains registered as of the date of this Complaint.

17. **Joseph J. Hennessy**, age 51, is a resident of Western Springs, Illinois. Between at least 2001 and June 2012, J. Hennessy was a co-owner and co-principal of RPG with his brother, Terrance Hennessy. J. Hennessy was also a member of MOF Managing Member, LLC. J. Hennessy is a co-owner and registered representative of HLM Securities, Inc. (HLM), a broker-dealer registered with the SEC since April 2005. J. Hennessy holds securities license series 7, 24, 63 and 65. J. Hennessy became a certified public accountant in 1985.

OTHER RELEVANT ENTITY

18. MOF Managing Member, LLC (MOF Managing Member) was a Delaware LLC that was formed in February 2004 and served as the investment adviser to MOF. There were four principals of MOF Managing Member, including J. Hennessy. J. Hennessy directed and controlled MOF Managing Member. MOF Managing Member was managing member of MOF, a pooled investment vehicle. Because J. Hennessy was a principal of MOF Managing Member and made all final investment decisions for MOF, he too was an investment adviser to MOF.

THE MOF FRAUD

MOF's Formation and Operation

19. MOF was formed in 2004 as a private equity fund that targeted investments in small-to-medium enterprises based in the Midwest. According to a 2004 private placement memorandum for MOF, MOF Managing Member served as the adviser to MOF. After MOF began operating, J. Hennessy and RPG raised capital for MOF. In addition, J. Hennessy and RPG controlled the funds that flowed through MOF. MOF's revenues were based on management fees charged to portfolio companies it acquired. Between 2005 and approximately February 2007, MOF acquired three portfolio companies. Since March 2007, MOF has not acquired any additional portfolio companies.

20. The four members of the MOF Managing Member worked in separate locations. J. Hennessy and another member were located in Chicago, Illinois and two members in Cincinnati, Ohio. MOF stopped preparing audited financial statements after 2006 because MOF's chief financial officer could not obtain information from J. Hennessy about the capital J. Hennessy and RPG had raised through the sale of MOF units and promissory notes.

21. RPG advised clients about investing in securities and received compensation in the form of a management fee based on a percentage of the assets managed. J. Hennessy made investment decisions and recommendations not only for his RPG advisory clients, who paid for this advice based on the amount of assets that were being managed, but also for MOF. J. Hennessy directly benefited from the fees received by RPG and MOF Managing Member. J. Hennessy reviewed and approved MOF's communications with its shareholders.

Raising Capital for MOF

22. In February 2007, MOF purchased a controlling interest in its third and final portfolio company. MOF raised nearly \$5.57 million from investors to acquire that company between February and June 2007. Of the \$5.57 million, \$3.92 million consisted of MOF units and \$1.65 million consisted of the 2007 MOF Notes.

23. J. Hennessy raised the vast majority of the funds MOF used to buy its third portfolio company. He recommended units in MOF as an investment to RPG advisory clients, and at least 16 RPG advisory clients purchased \$3.92 million in units between February 2007 and June 2007. J. Hennessy also recommended the 2007 MOF Notes to RPG advisory clients. These notes were issued by MOF, required full repayment of principal within one year and paid a 15% annual interest rate. The 2007 MOF Notes were signed either by J. Hennessy or an RPG employee. Three investors, at least two of which were J. Hennessy and RPG's advisory clients, purchased \$1.65 million in MOF promissory notes, all of which J. Hennessy personally guaranteed. RPG advisory clients made investments in MOF units and the 2007 MOF Notes based on J. Hennessy and RPG's recommendations.

24. For RPG clients who invested after the first 2007 MOF Note was executed, J. Hennessy failed to disclose that he had personally guaranteed other 2007 MOF Notes. J. Hennessy also failed to disclose to the 2007 MOF Note investors that he was unable to meet his personal guarantees on the 2007 MOF Notes. All of these facts would have been material to an investor's decision to invest in MOF or to buy the 2007 MOF Notes.

25. In February 2007, J. Hennessy misappropriated \$350,000 from an RPG advisory client (Client A). Client A had agreed to invest \$350,000 in MOF units, but J. Hennessy took \$700,000 from Client A and transferred the funds to MOF without Client A's knowledge or approval. J. Hennessy had discretion over the client's accounts, which held millions of dollars, and took the additional funds without authorization.

MOF Flounders and J. Hennessy Scrambles to Raise Funds

26. MOF was saddled with a heavy debt load after acquiring its final portfolio company. The 2007 MOF Notes, which represented approximately 18.5% of the capital raised by MOF, carried a high interest rate and required repayment within a year. In addition, MOF's portfolio companies struggled after their acquisition. By the third quarter of 2007, the portfolio companies had ceased paying any management fees to MOF. In light of these poor results, MOF lacked sufficient funds to repay its indebtedness on the 2007 MOF Notes.

27. J. Hennessy, as the personal guarantor of the \$1.65 million of 2007 MOF Notes, began to raise funds from RPG advisory clients and others to pay off outstanding 2007 MOF Notes and thereby reduce his personal liability on the 2007 MOF Notes.

28. Between September 2007 and March 2010, J. Hennessy raised a total of approximately \$1.36 million. Of the \$1.36 million, \$357,000 was invested by four RPG advisory clients and two other investors in MOF units. The remaining \$1 million came from

five RPG advisory clients who invested in additional MOF promissory notes. Those notes were not personally guaranteed by J. Hennessy.

29. J. Hennessy knowingly made his fraudulent representations in the offer and sale of the MOF units and notes after September 2007, either during in-person meetings with RPG clients or in telephone conversations with them. Most of these clients were longstanding RPG advisory clients, and many are older and retired.

30. The RPG advisory clients who invested in MOF units and promissory notes in or after September 2007 were deceived by J. Hennessy's knowing misrepresentations and omissions about the investment. J. Hennessy promoted MOF to at least one RPG advisory client as a viable private equity fund that could offer high returns. J. Hennessy failed to tell prospective investors about MOF's precarious financial situation, or that their funds would be used to make payments on the 2007 MOF Notes and thereby reduce J. Hennessy's personal liability. J. Hennessy's fraud enabled him to reduce his personal liability on the 2007 MOF Notes by at least \$641,408.

31. As early as September 2007, the 2007 MOF Note investors were seeking payment on the 2007 MOF Notes. J. Hennessy began writing checks to 2007 MOF Note holders that MOF did not have sufficient funds to pay (NSF Checks). On several occasions between September 2007 and November 2009, J. Hennessy wrote multiple NSF checks to the 2007 MOF Note holders.

32. J. Hennessy preyed on his RPG advisory clients as a source of repayment for the 2007 MOF Notes. J. Hennessy's misconduct took many different forms:

- a. In November 2007, J. Hennessy raised \$750,000 from three RPG advisory clients, purportedly for investments in MOF promissory

notes. Rather than direct the \$750,000 in investments for the benefit of MOF, J. Hennessy used \$700,000 of those funds to redeem Client A's investment (as discussed at para. 25 above).

b. In May 2009 and again in June 2009, J. Hennessy knowingly forged documents purporting to be from an RPG advisory client so that he could transfer a total of \$100,000 in funds into MOF. Both unauthorized transfers involved a widow in her sixties who depended on J. Hennessy to manage her life savings. In the first event, J. Hennessy forged the client's signature on a letter of authorization and wired \$50,000 from the client's account to MOF's account. After transferring the \$50,000 into the MOF account, J. Hennessy sent the funds to a 2007 MOF Note investor as a payment. In the second event, J. Hennessy put a \$50,000 MOF promissory note with a forged signature of the client into the client's advisory file and transferred another \$50,000 to MOF. The notes have not yet been repaid.

c. J. Hennessy knew that one MOF portfolio company had been placed in receivership in April 2009. The next month, in May 2009, J. Hennessy convinced another RPG advisory client to invest \$157,000 of retirement funds in a MOF promissory note. J. Hennessy made false statements to the client, representing MOF as a sound investment. J. Hennessy told the client that investing in MOF was a good alternative to investing in the "market" and that

the returns would “beat the market.” J. Hennessy immediately used these funds to partially repay an earlier 2007 MOF Note personally guaranteed by J. Hennessy.

Current Status of MOF

33. Although MOF still exists, all three of its portfolio companies have ended up in receivership and its only bank account closed in July 2010. RPG and J. Hennessy have not reported on the true status of MOF to the advisory clients who invested in MOF units, the 2007 MOF Notes and other MOF promissory notes. As recently as April 2012, J. Hennessy told at least one MOF investor that J. Hennessy expected MOF to fully repay the investment.

THE DEFENDANTS’ ILL-GOTTEN GAINS

34. As part of the scheme, J. Hennessy received ill-gotten gains in three forms: a) the approximately \$641,408 by which he reduced his personal liability on the 2007 MOF Notes; b) the portion of the advisory fees J. Hennessy received from the total fees RPG charged to advisory clients during the fraud, in an amount to be determined at trial; and c) the fees paid to MOF Managing Member, in an amount to be determined at trial. RPG received ill-gotten gains in the form of the advisory fees charged to RPG advisory clients whom it was defrauding during the scheme, in an amount to be determined at trial.

FAILURE TO ADOPT COMPLIANCE PROCEDURES

35. Between February 2007 and March 2010, RPG had not adopted any compliance procedure which required any person associated with RPG or any other person at RPG to verify the authenticity of an advisory client’s signature.

36. Between February 2007 and March 2010, RPG had not adopted any compliance procedure which required any person associated with RPG or any other person at RPG to get approval from another person at RPG before executing a client wire transfer instruction directing RPG to transfer funds out of a client account.

COUNT I
Violations of Section 17(a)(1) of the Securities Act
[15 U.S.C. § 77q(a)(1)]
(J. Hennessy)

37. Paragraphs 1 through 36 are realleged and incorporated herein by reference.

38. As is set forth more fully herein, J. Hennessy, in the offer or sale of securities, by the use of the means and instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly employed devices, schemes or artifices to defraud.

39. J. Hennessy knowingly or recklessly engaged in the fraudulent conduct described above.

40. By reason of the foregoing, J. Hennessy violated Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT II
Violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act
[15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)]
(J. Hennessy)

41. Paragraphs 1 through 36 are realleged and incorporated herein by reference.

42. J. Hennessy, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly has obtained money or property by means of untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in a transaction,

practice, or course of business which operated or would operate as a fraud or deceit upon purchasers of securities.

43. By reason of the foregoing, J. Hennessy violated Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT III
Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)]
And Rule 10b-5 Thereunder [17 C.F.R. § 240.10b-5]
(J. Hennessy)

44. Paragraphs 1 through 36 are realleged and incorporated by reference.

45. J. Hennessy, in connection with the purchase or sale of securities, directly or indirectly, by the use of the means or instrumentalities of interstate commerce or of the mails: (a) used or employed a device, scheme, or artifice to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud and deceit upon the purchasers and prospective sellers of such securities.

46. J. Hennessy acted knowingly or recklessly when he engaged in the fraudulent conduct described above.

47. By reason of the foregoing, J. Hennessy violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

COUNT IV
Violations of Sections 206(1) and 206(2) of the Advisers Act
[15 U.S.C. §§ 80b-6(1) and (2)]
(RPG and J. Hennessy)

48. Paragraphs 1 through 36 are realleged and incorporated by reference.

49. RPG and J. Hennessy, at all relevant times, were investment advisers within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

50. RPG, as an investment adviser to RPG clients, and J. Hennessy as an investment adviser to RPG clients and, through MOF Managing Member as an adviser to MOF, owed the RPG clients and other MOF investors duties of utmost good faith, fidelity, and care to make full and fair disclosure to them of all material facts – including : a) that J. Hennessy had guaranteed the 2007 MOF Notes; b) that investor funds invested in MOF in or after September 2007 would be used to repay the 2007 MOF Notes; and c) the true status of MOF’s operations and ability to generate investor returns after September 2007 - as well as the duty to act in the best interests of RPG clients and other MOF investors, and not to act in RPG and J. Hennessy’s own interests to the detriment of RPG clients and other MOF investors.

51. Defendants RPG and J. Hennessy, directly or indirectly, knowingly or recklessly, by use of the means or instrumentalities of interstate commerce: (a) employed devices, schemes, or artifices to defraud clients and prospective clients; or (b) engaged in transactions, practices or courses of business which operated or would operate as a fraud and deceit upon clients or prospective clients.

52. By reason of the foregoing, RPG and J. Hennessy violated Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)].

COUNT V
Violations of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)]
and Rule 206(4)-8(a)(1) Thereunder [17 C.F.R. § 275.206(4)-8(a)(1)]
(J. Hennessy)

53. Paragraphs 1 through 36 are realleged and incorporated by reference.

54. Defendant J. Hennessy acted as an investment adviser to MOF, a pooled investment vehicle.

55. By engaging in the conduct described above, J. Hennessy, directly or indirectly, by use of the means or instrumentalities of interstate commerce: (1) made untrue statements of material fact or omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to RPG clients and investors or prospective investors in MOF.

56. By reason of the foregoing, J. Hennessy violated Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8(a)(1) thereunder [17 C.F.R. § 275.206(4)-8(a)(1)].

COUNT VI
Violations of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)]
and Rule 206(4)-7 Thereunder [17 C.F.R. § 275.206(4)-7]
(RPG)

57. Paragraphs 1 through 36 are realleged and incorporated by reference.

58. By engaging in the conduct described above, RPG, an investment adviser registered or required to be registered under Section 203 of the Advisers Act [15 U.S.C. § 80b-3] during all relevant times, acting at least negligently, provided investment advice to RPG clients without adopting and implementing written policies and procedures reasonably designed to prevent violation, by RPG and RPG's supervised persons, of the Advisers Act and the rules promulgated under the Advisers Act.

59. By reason of the foregoing, RPG violated Section 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(4)] and Rule 206(4)-7 thereunder [17 C.F.R. 275.206(4)-7].

RELIEF REQUESTED

WHEREFORE, the SEC requests that this Court enter a judgment:

A. Finding that Defendants RPG and J. Hennessy committed the violations alleged against them herein;

B. Permanently enjoining and restraining Defendant RPG from further violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)];

C. Permanently enjoining and restraining Defendant J. Hennessy from further violations of Sections 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. §§ 77q(a)(1), (2) and (3)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2) and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2) and (4)], and Rule 206(4)-8(a)(1) promulgated thereunder [17 C.F.R. § 275.206(4)-8(a)(1)];

D. Ordering Defendants RPG and J. Hennessy to pay disgorgement of all ill-gotten gains obtained through the scheme described within this complaint, plus prejudgment interest hereon;

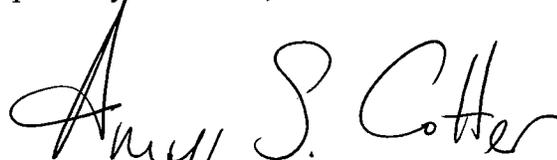
E. Ordering Defendant RPG to pay an appropriate civil monetary penalty pursuant to Section 209 of the Advisers Act [15 U.S.C. § 80b-9];

F. Ordering Defendant J. Hennessy to pay an appropriate civil monetary penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209 of the Advisers Act [15 U.S.C. § 80b-9];

G. Retaining jurisdiction over this action to implement and carry out the terms of all orders and decrees that may be entered and to entertain any suitable application or motion for additional relief within the jurisdiction of the Court; and

H. Granting any further relief as the Court may deem appropriate.

Respectfully Submitted,



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