

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: ORBITEX FUNDS
DISTRIBUTOR, INC.

FILE NO. 0300760

CONSENT ORDER OF DISMISSAL

TO THE RESPONDENT: Orbitex Funds Distributor, Inc.
(CRD #: 41453)
Metro Center
1 Station Place
Stamford, CT 06902

Michael Clements
41-15 46th Street
Apt 3J
Sunnyside, NY 11104

WHEREAS, Respondent on the 10th day of February 2004 executed a certain Stipulation to Enter Consent Order of Dismissal (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated September 26, 2003, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, while neither admitting nor denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That at all relevant times Respondent was registered with the Secretary of State as a dealer in the State of Illinois pursuant to Section 8 of the Act.

Consent Order of Dismissal

- 2 -

2. That during the third week of May, pursuant to the Illinois Securities Law of 1953 (815 ILCS 5/8.J) ("Act"), the Department mailed to Respondent 2003 Annual Report of Branch Offices in Illinois ("Form") in blank, with instructions that Respondent was to return the Form, filled out, along with any applicable branch office fee, "on or before June 30, 2003." The Form was sent to Respondent's address of record in the Central Registration Depository (CRD).
3. That on July 9, 2003, the Department sent a letter ("Letter") to Respondent notifying Respondent of its failure to return the Form by the required date and that it was required to return the Form within ten (10) business days from the date of the Letter, "as well as a \$50 late filing fee as authorized under Section 8.J of the Act," ("Late Fee").
4. That on July 28, 2003, Respondent returned the Form, along with any applicable branch office fees ("Filing"), however the Late Fee was not submitted in the Filing.
5. That after the Filing the Department sent a letter (Letter #2) to Respondent, acknowledging receipt of the Form on August 1, 2003 and again notifying Respondent that the failure to file required documents in a timely manner requires payment of a late filing fee of \$50 pursuant to Section 8.J of the Act and Section 130.110(a) of the administrative rules.
6. That a representative of the Department followed up Letter #2 and called Respondent on July 25 and again on August 27, 2003 and requested, or left messages requesting, the Late Fee.
7. That to date, Respondent has failed and refused to pay the Late Fee to the Department.
8. That Section 12.D provides that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
9. That by virtue of its failure to return the Form and pay the Late Fee as required and authorized by Section 8.J of Act Respondent has violated the Act.
10. That Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a dealer may be suspended or revoked if the Secretary of State finds that such dealer has violated any of the provisions of the Act.

Consent Order of Dismissal

- 3 -

11. That by virtue of the foregoing, Respondent's registration as a dealer in the State of Illinois is subject to suspension or revocation pursuant to Section 8.E(1)(g) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's registration as a dealer in the State of Illinois is subject to suspension or revocation pursuant to Section 8.E(1)(g) of the Act.

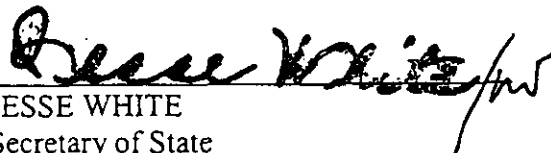
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that it shall pay the sum of Two Hundred Fifty dollars (\$250.00) representing the costs of this action, payable to the Secretary of State Investors Education Fund within thirty days after the entry of this Order.

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

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondent shall pay the sum of Two Hundred Fifty dollars (\$250.00) representing the costs of this action, payable to the Secretary of State Investors Education Fund within thirty days after the entry of this Order.
2. The Notice of Hearing dated September 26, 2003 is dismissed.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 30th day of March 2004.


JESSE WHITE
Secretary of State
State of Illinois