

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

IN THE MATTER OF: Robert J. Lunn and)
Lunn Partners, LLC)
_____)

FILE NO: 0400750

SECOND AMENDED NOTICE OF HEARING

TO THE RESPONDENTS: Robert J. Lunn
CRD# 314549
1420 N. Lake Shore Drive
Chicago, Illinois 60610

Lunn Partners, LLC
CRD#106483
C/o Robert J. Lunn
1420 N. Lake Shore Drive
Chicago, Illinois 60610

You are hereby notified that pursuant to Section 11.E of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of February 2009, at the hour of 10:00 a.m., or as soon as possible thereafter, before Soula J. Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondents from selling or offering for sale securities in the State of Illinois, from acting as investment adviser in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E (4) of the Act, payable within 10 (ten) days of the Order.

The grounds for such proposed action are as follows:

COUNT I
Deceptive Practice

1. Respondent Robert J. Lunn is an Illinois resident whose last known address is 1420 N. Lake Shore Drive, Chicago, Illinois 60610. At all relevant times, Respondent Lunn was an investment adviser representative of and the managing partner of Respondent Lunn Partners, LLC.
2. Respondent Lunn Partners, LLC is a Delaware LLC. Illinois Secretary of State records indicate that Respondent Lunn Partners, LLC, was qualified to do business in Illinois, however as of July 14 2006 Respondent Lunn Partners', LLC status of revoked. At all relevant times, Respondent Lunn Partners, LLC was a Federally covered Investment Advisor.
3. Respondents entered into an Investment Advisor relationship with an Illinois Investor ("Investor A").
4. During the period of June 29, 2001 through December 31, 2002 Respondents issued and sold to Investor A a series of promissory notes ("Notes").
5. In addition, on or around 2002 Respondents established and managed a cash management account on behalf of Investor A. Utilizing Investor A's funds in the Cash Management Account, Respondents made loans to related parties and other parties.
6. In or around February of 2003, Investor A requested that the Respondents liquidate his cash management account.
7. In or around May of 2003, Respondents entered an agreement where in the event of a default, Respondents would guarantee certain obligations relating to the Cash Management account.
8. Respondents failed to inform Investor A that in the event of a Default Respondents had insufficient assets to guarantee such obligations.
9. Subsequently, Investor A requested Respondents meet the obligations under the guarantees they had provided Investor A and Respondents were unable to do so.

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10. Section 12.J of the Act provides, *inter alia*, that it shall be a violation of the Act for any person “when acting as an investment adviser, investment adviser representative, or a federally covered investment adviser, by any means or instrumentality, directly or indirectly to engage in any transaction, practice , or course of business which operates as a fraud or deceit upon any client or prospective client.”
11. By virtue of the foregoing, Respondents violated 12.J of the Act.

Count II
Failure to Register

12. Paragraphs 1-9 of Count I are realleged and incorporated by reference as paragraphs 1-9 of Count II and are fully set forth herein.
13. Respondent Robert J. Lunn was not registered as an investment advisor representative in Illinois during the pertinent time.
14. Section 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person “to act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.”
15. By virtue of the foregoing, Respondents violated 12.C of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the “Rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

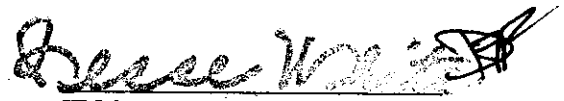
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The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 7th day of January 2009.



JESSE WHITE
Secretary of State
State of Illinois

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