

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
HEARTLAND INVESTMENT	)	ADMINISTRATIVE ORDER
ASSOCIATES, INC.	)	NO. CD-2002-0003
	)	
<u>RESPONDENT</u>	)	

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENT

1. HEARTLAND INVESTMENT ASSOCIATES, INC. ("RESPONDENT"), is represented to be an Iowa domiciled corporation, registered as a BD in the state of Iowa, et al, with a business address of 693 Marion Boulevard, Marion, IA 52302.

STATEMENT OF FACTS

2. On October 30, 2001, RESPONDENT electronically filed a Form BD, through the National Association of Securities Dealers, Inc., Central Registration Depository ("NASDCRD"), for registration as a dealer in the state of Alabama. On December 5, 2001, a letter was dispatched to RESPONDENT which enumerated certain documentation and information that must be provided as part of the application for registration, among which was a requirement to furnish a statement concerning any prior sales activity that had occurred in the state of Alabama. RESPONDENT was advised that failure to file a complete application may result in denial of the application

and that the notification constituted an Order of the Commission deferring the registration effective date until such time as all deficiencies were resolved and an Order of Registration issued. By letter, dated December 18, 2001, RESPONDENT provided a response to the visitation letter, among which was the statement **“There has not been any prior activity in the state of Alabama by our firm.”**

3. December 5, 2001, a visitation letter was dispatched to RESPONDENT's clearing firm, National Financial Services, LLC (“NFS”), for a listing of Alabama clients of RESPONDENT, and documents, including transaction reports detailing transactions and date of transactions, if any.

4. On January 2, 2002, the Commission received transaction information from NFS reflecting RESPONDENT has 7 accounts, with 5 with Alabama residents, as follows:

- a. Account **OTA-0678373-1** (3 buys and 6 sales during the period 12/22/98 to 10/03/01). **NOTE: Account holder was contacted and he furnished advice that his account was opened in Iowa, but he has been a resident of Alabama for 4 ½ years.**
- b. Account **OTA-213136-1** (6 buys and 5 sales during the period 08/29/02 to 12/24/01).
- c. Account **OTA-182508-1** (5 sales during the period 05/16/00 to 05/17/00).
- d. Account **OTA-182494** (3 sales on 05/16/00).
- e. Account **OTA-152129-1** (4 buys on 11/03/99).
- f. Account **OTA-073547-1** (2 buys and 1 sale during the period 11/23/99 to 12/28/99).
- g. Account **OTA-167266-1** (4 sales on 11/05/99).

5. Review of the files of the Commission, disclosed no record of registration or exemption from registration of RESPONDENT as a dealer in the state of Alabama.

#### CONCLUSIONS OF LAW

6. RESPONDENT is not registered nor exempt from registration as a dealer in the state of Alabama, and has effected securities transactions with a resident of the state of Alabama.

7. Transacting business in the state of Alabama as a dealer, without benefit of registration or exemption from registration, is a violation of Section 8-6-3(a), Code of Alabama 1975.

8. RESPONDENT has filed an application for registration which, as of its effective date, or as of any date after filing, was incomplete or contained a false statement (see highlighted part of paragraph 2, page 2, above).

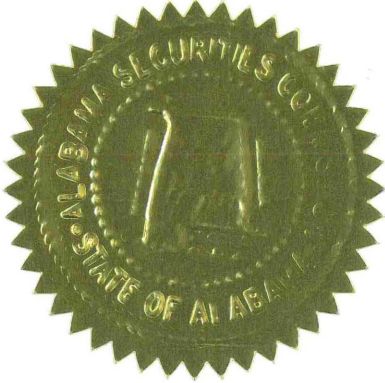
9. The filing of an application for registration, containing a false statement, is a violation of Section 8-6-3(j)(1), Code of Alabama 1975.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that are available to it under the Alabama Securities Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENT immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, Alabama, this 4<sup>th</sup> day of MARCH, 2002.



ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends below the line.

JOSEPH P. BORG  
Director