AN ACT concerning business transactions.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Illinois Securities Law of 1953 is
amended by changing Sections 2.1, 8, 11, and 14 as follows:

(815 ILCS 5/2.1) (from Ch. 121 1/2, par. 137.2-1)

Sec. 2.1. Security. "Security" means any note, stock,
treasury stock, bond, debenture, evidence of indebtedness,
certificate of interest or participation in any
profit-sharing agreement, collateral-trust certificate,
preorganization certificate or subscription, transferable
share, investment contract, investment fund share,
face-amount certificate, voting-trust certificate,
certificate of deposit, certificate of deposit for a
security, fractional undivided interest in oil, gas or other
mineral lease, right or royalty, any put, call, straddle,
option, or privilege on any security, certificate of deposit,
or group or index of securities (including any interest
therein or based on the value thereof), or any put, call,
straddle, option, or privilege entered into on a national
securities-exchange relating to foreign currency, or, in
general, any interest or instrument commonly known as a
"security", or any certificate of interest or participation
in, temporary or interim certificate for, receipt for,
guarantee of, or warrant or right to subscribe to or
purchase, any of the foregoing. "Security" does not mean a
mineral investment contract or a mineral deferred delivery
contract; provided, however, the Department shall have the
authority to regulate these contracts as hereinafter
provided.

(Source: P.A. 87-463.)
Sec. 8. Registration of dealers, limited Canadian
dealers, salespersons, investment advisers, and investment
adviser representatives.

A. Except as otherwise provided in this subsection A,
every dealer, limited Canadian dealer, salesperson,
investment adviser, and investment adviser representative
shall be registered as such with the Secretary of State. No
dealer or salesperson need be registered as such when
offering or selling securities in transactions believed-in
good-faith-to-be exempted by subsection A, B, C, D, E, G, H,
I, J, K, M, O, P, Q, R or S of Section 4 of this Act,
provided that such dealer or salesperson is not regularly
engaged in the business of offering or selling securities in
reliance upon the exemption set forth in subsection G or M of
Section 4 of this Act. No dealer, issuer or controlling
person shall employ a salesperson unless such salesperson is
registered as such with the Secretary of State or is employed
for the purpose of offering or selling securities solely in
transactions believed—in—good—faith—to—be exempted by
subsection A, B, C, D, E, G, H, I, J, K, L, M, O, P, Q, R or
S of Section 4 of this Act; provided that such salesperson
need not be registered when effecting transactions in this
State limited to those transactions described in Section
15(h)(2) of the Federal 1934 Act or engaging in the offer or
sale of securities in respect of which he or she has
beneficial ownership and is a controlling person. The
Secretary of State may, by rule, regulation or order and
subject to such terms, conditions, and as fees as may be
prescribed in such rule, regulation or order, exempt from the
registration requirements of this Section 8 any investment
adviser, if the Secretary of State shall find that such
registration is not necessary in the public interest by
reason of the small number of clients or otherwise limited
B. An application for registration as a dealer or limited Canadian dealer, executed, verified, or authenticated by or on behalf of the applicant, shall be filed with the Secretary of State, in such form as the Secretary of State may by rule, regulation or order prescribe, setting forth or accompanied by:

(1) The name and address of the applicant, the location of its principal business office and all branch offices, if any, and the date of its organization;

(2) A statement of any other Federal or state licenses or registrations which have been granted the applicant and whether any such licenses or registrations have ever been refused, cancelled, suspended, revoked or withdrawn;

(3) The assets and all liabilities, including contingent liabilities of the applicant, as of a date not more than 60 days prior to the filing of the application;

(4) (a) A brief description of any civil or criminal proceeding of which fraud is an essential element pending against the applicant and whether the applicant has ever been convicted of a felony, or of any misdemeanor of which fraud is an essential element;

(b) A list setting forth the name, residence and business address and a 10 year occupational statement of each principal of the applicant and a statement describing briefly any civil or criminal proceedings of which fraud is an essential element pending against any such principal and the facts concerning any conviction of any such principal of a felony, or of any misdemeanor of which fraud is an essential element;

(5) If the applicant is a corporation: a list of its officers and directors setting forth the residence and business address of each; a 10-year occupational
statement of each such officer or director; and a statement describing briefly any civil or criminal proceedings of which fraud is an essential element pending against each such officer or director and the facts concerning any conviction of any officer or director of a felony, or of any misdemeanor of which fraud is an essential element;

(6) If the applicant is a sole proprietorship, a partnership, limited liability company, an unincorporated association or any similar form of business organization: the name, residence and business address of the proprietor or of each partner, member, officer, director, trustee or manager; the limitations, if any, of the liability of each such individual; a 10-year occupational statement of each such individual; a statement describing briefly any civil or criminal proceedings of which fraud is an essential element pending against each such individual and the facts concerning any conviction of any such individual of a felony, or of any misdemeanor of which fraud is an essential element;

(7) Such additional information as the Secretary of State may by rule or regulation prescribe as necessary to determine the applicant's financial responsibility, business repute and qualification to act as a dealer.

(8) (a) No applicant shall be registered or re-registered as a dealer or limited Canadian dealer under this Section unless and until each principal of the dealer has passed an examination conducted by the Secretary of State or a self-regulatory organization of securities dealers or similar person, which examination has been designated by the Secretary of State by rule, regulation or order to be satisfactory for purposes of determining whether the applicant has sufficient knowledge of the securities business and laws relating
thereto to act as a registered dealer. Any dealer who was
registered on September 30, 1963, and has continued to be
so registered; and any principal of any registered
dealer, who was acting in such capacity on and
continuously since September 30, 1963; and any individual
who has previously passed a securities dealer examination
administered by the Secretary of State or any examination
designated by the Secretary of State to be satisfactory
for purposes of determining whether the applicant has
sufficient knowledge of the securities business and laws
relating thereto to act as a registered dealer by rule,
regulation or order, shall not be required to pass an
examination in order to continue to act in such capacity.
The Secretary of State may by order waive the examination
requirement for any principal of an applicant for
registration under this subsection B who has had such
experience or education relating to the securities
business as may be determined by the Secretary of State
to be the equivalent of such examination. Any request
for such a waiver shall be filed with the Secretary of
State in such form as may be prescribed by rule or
regulation.

(b) Unless an applicant is a member of the body
corporate known as the Securities Investor Protection
Corporation established pursuant to the Act of Congress
of the United States known as the Securities Investor
Protection Act of 1970, as amended, a member of an
association of dealers registered as a national
securities association pursuant to Section 15A of the
Federal 1934 Act, or a member of a self-regulatory
organization or stock exchange in Canada which the
Secretary of State has designated by rule or order, an
applicant shall not be registered or re-registered unless
and until there is filed with the Secretary of State
evidence that such applicant has in effect insurance or other equivalent protection for each client’s cash or securities held by such applicant, and an undertaking that such applicant will continually maintain such insurance or other protection during the period of registration or re-registration. Such insurance or other protection shall be in a form and amount reasonably prescribed by the Secretary of State by rule or regulation.

(9) The application for the registration of a dealer or limited Canadian dealer shall be accompanied by a filing fee and a fee for each branch office in this State, in each case in the amount established pursuant to Section 11a of this Act, which fees shall not be returnable in any event.

(10) The Secretary of State shall notify the dealer or limited Canadian dealer by written notice (which may be by electronic or facsimile transmission) of the effectiveness of the registration as a dealer in this State.

(11) Any change which renders no longer accurate any information contained in any application for registration or re-registration of a dealer or limited Canadian dealer shall be reported to the Secretary of State within 10 business days after the occurrence of such change; but in respect to assets and liabilities only materially adverse changes need be reported.

C. Any registered dealer, limited Canadian dealer, issuer, or controlling person desiring to register a salesperson shall file an application with the Secretary of State, in such form as the Secretary of State may by rule or regulation prescribe, which the salesperson is required by this Section to provide to the dealer, issuer, or controlling person, executed, verified, or authenticated by the
salesperson setting forth or accompanied by:

(1) the name, residence and business address of the salesperson;

(2) whether any federal or State license or registration as dealer, limited Canadian dealer, or salesperson has ever been refused the salesperson or cancelled, suspended, revoked, or withdrawn, barred, limited, or otherwise adversely affected in any similar manner or whether the salesperson has ever been censured or expelled;

(3) the nature of employment with, and names and addresses of, employers of the salesperson for the 10 years immediately preceding the date of application;

(4) a brief description of any civil or criminal proceedings of which fraud is an essential element pending against the salesperson, and whether the salesperson has ever been convicted of a felony, or of any misdemeanor of which fraud is an essential element;

(5) such additional information as the Secretary of State may by rule, regulation or order prescribe as necessary to determine the salesperson's business repute and qualification to act as a salesperson; and

(6) no individual shall be registered or re-registered as a salesperson under this Section unless and until such individual has passed an examination conducted by the Secretary of State or a self-regulatory organization of securities dealers or similar person, which examination has been designated by the Secretary of State by rule, regulation or order to be satisfactory for purposes of determining whether the applicant has sufficient knowledge of the securities business and laws relating thereto to act as a registered salesperson.

Any salesperson who was registered prior to September 30, 1963, and has continued to be so
registered, and any individual who has passed a
securities salesperson examination administered by the
Secretary of State or an examination designated by the
Secretary of State by rule, regulation or order to be
satisfactory for purposes of determining whether the
applicant has sufficient knowledge of the securities
business and laws relating thereto to act as a registered
salesperson, shall not be required to pass an examination
in order to continue to act as a salesperson. The
Secretary of State may by order waive the examination
requirement for any applicant for registration under this
subsection C who has had such experience or education
relating to the securities business as may be determined
by the Secretary of State to be the equivalent of such
examination. Any request for such a waiver shall be
filed with the Secretary of State in such form as may be
prescribed by rule, regulation or order.

(7) The application for registration of a
salesperson shall be accompanied by a filing fee and a
Securities Audit and Enforcement Fund fee, each in the
amount established pursuant to Section 11a of this Act,
which shall not be returnable in any event.

(8) Any change which renders no longer accurate any
information contained in any application for registration
or re-registration as a salesperson shall be reported to
the Secretary of State within 10 business days after the
occurrence of such change. If the activities are
terminated which rendered an individual a salesperson for
the dealer, issuer or controlling person, the dealer,
issuer or controlling person, as the case may be, shall
notify the Secretary of State, in writing, within 30 days
of the salesperson's cessation of activities, using the
appropriate termination notice form.

(9) A registered salesperson may transfer his or
her registration under this Section 8 for the unexpired
term thereof from one registered dealer or limited
Canadian dealer to another by the giving of notice of the
transfer by the new registered dealer or limited Canadian
dealer to the Secretary of State in such form and subject
to such conditions as the Secretary of State shall by
rule or regulation prescribe. The new registered dealer
or limited Canadian dealer shall promptly file an
application for registration of such salesperson as
provided in this subsection C, accompanied by the filing
fee prescribed by paragraph (7) of this subsection C.

C-5. Except with respect to federal covered investment
advisers whose only clients are investment companies as
defined in the Federal 1940 Act, other investment advisers,
federal covered investment advisers, or any similar person
which the Secretary of State may prescribe by rule or order,
a federal covered investment adviser shall file with the
Secretary of State, prior to acting as a federal covered
investment adviser in this State, such documents as have been
filed with the Securities and Exchange Commission as the
Secretary of State by rule or order may prescribe. The
notification of a federal covered investment adviser shall be
accompanied by a notification filing fee established pursuant
to Section 11a of this Act, which shall not be returnable in
any event. Every person acting as a federal covered
investment adviser in this State shall file a notification
filing and pay an annual notification filing fee established
pursuant to Section 11a of this Act, which is not returnable
in any event. The failure to file any such notification
shall constitute a violation of subsection D of Section 12 of
this Act, subject to the penalties enumerated in Section 14
of this Act. Until October 10, 1999 or other date as may be
legally permissible, a federal covered investment adviser who
fails to file the notification or refuses to pay the fees as
required by this subsection shall register as an investment adviser with the Secretary of State under Section 8 of this Act. The civil remedies provided for in subsection A of Section 13 of this Act and the civil remedies of rescission and appointment of receiver, conservator, ancillary receiver, or ancillary conservator provided for in subsection F of Section 13 of this Act shall not be available against any person by reason of the failure to file any such notification or to pay the notification fee or on account of the contents of any such notification.

D. An application for registration as an investment adviser, executed, verified, or authenticated by or on behalf of the applicant, shall be filed with the Secretary of State, in such form as the Secretary of State may by rule or regulation prescribe, setting forth or accompanied by:

(1) The name and form of organization under which the investment adviser engages or intends to engage in business; the state or country and date of its organization; the location of the adviser's principal business office and branch offices, if any; the names and addresses of the adviser's principal, partners, officers, directors, and persons performing similar functions or, if the investment adviser is an individual, of the individual; and the number of the adviser's employees who perform investment advisory functions;

(2) The education, the business affiliations for the past 10 years, and the present business affiliations of the investment adviser and of the adviser's principal, partners, officers, directors, and persons performing similar functions and of any person controlling the investment adviser;

(3) The nature of the business of the investment adviser, including the manner of giving advice and rendering analyses or reports;
(4) The nature and scope of the authority of the investment adviser with respect to clients' funds and accounts;

(5) The basis or bases upon which the investment adviser is compensated;

(6) Whether the investment adviser or any principal, partner, officer, director, person performing similar functions or person controlling the investment adviser (i) within 10 years of the filing of the application has been convicted of a felony, or of any misdemeanor of which fraud is an essential element, or (ii) is permanently or temporarily enjoined by order or judgment from acting as an investment adviser, underwriter, dealer, principal or salesperson, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security, and in each case the facts relating to the conviction, order or judgment;

(7) (a) A statement as to whether the investment adviser is engaged or is to engage primarily in the business of rendering investment supervisory services; and

(b) A statement that the investment adviser will furnish his, her, or its clients with such information as the Secretary of State deems necessary in the form prescribed by the Secretary of State by rule or regulation;

(8) Such additional information as the Secretary of State may, by rule, regulation or order prescribe as necessary to determine the applicant's financial responsibility, business repute and qualification to act as an investment adviser.

(9) No applicant shall be registered or re-registered as an investment adviser under this Section
unless and until each principal of the applicant who is actively engaged in the conduct and management of the applicant's advisory business in this State has passed an examination or completed an educational program conducted by the Secretary of State or an association of investment advisers or similar person, which examination or educational program has been designated by the Secretary of State by rule, regulation or order to be satisfactory for purposes of determining whether the applicant has sufficient knowledge of the securities business and laws relating thereto to conduct the business of a registered investment adviser.

Any person who was a registered investment adviser prior to September 30, 1963, and has continued to be so registered, and any individual who has passed an investment adviser examination administered by the Secretary of State, or passed an examination or completed an educational program designated by the Secretary of State by rule, regulation or order to be satisfactory for purposes of determining whether the applicant has sufficient knowledge of the securities business and laws relating thereto to conduct the business of a registered investment adviser, shall not be required to pass an examination or complete an educational program in order to continue to act as an investment adviser. The Secretary of State may by order waive the examination or educational program requirement for any applicant for registration under this subsection D if the principal of the applicant who is actively engaged in the conduct and management of the applicant's advisory business in this State has had such experience or education relating to the securities business as may be determined by the Secretary of State to be the equivalent of the examination or educational program. Any request for a
waiver shall be filed with the Secretary of State in such form as may be prescribed by rule or regulation.

(10) No applicant shall be registered or re-registered as an investment adviser under this Section 8 unless the application for registration or re-registration is accompanied by an application for registration or re-registration for each person acting as an investment adviser representative on behalf of the adviser and a Securities Audit and Enforcement Fund fee that shall not be returnable in any event is paid with respect to each investment adviser representative.

(11) The application for registration of an investment adviser shall be accompanied by a filing fee and a fee for each branch office in this State, in each case in the amount established pursuant to Section 11a of this Act, which fees shall not be returnable in any event.

(12) The Secretary of State shall notify the investment adviser by written notice (which may be by electronic or facsimile transmission) of the effectiveness of the registration as an investment adviser in this State.

(13) Any change which renders no longer accurate any information contained in any application for registration or re-registration of an investment adviser shall be reported to the Secretary of State within 10 business days after the occurrence of the change. In respect to assets and liabilities of an investment adviser that retains custody of clients' cash or securities or accepts pre-payment of fees in excess of $500 per client and 6 or more months in advance only materially adverse changes need be reported by written notice (which may be by electronic or facsimile transmission) no later than the close of business on the
second business day following the discovery thereof.

(14) Each application for registration as an investment adviser shall become effective automatically on the 45th day following the filing of the application, required documents or information, and payment of the required fee unless (i) the Secretary of State has registered the investment adviser prior to that date or (ii) an action with respect to the applicant is pending under Section 11 of this Act.

D-5. A registered investment adviser or federal covered investment adviser desiring to register an investment adviser representative shall file an application with the Secretary of State, in the form as the Secretary of State may by rule or order prescribe, which the investment adviser representative is required by this Section to provide to the investment adviser, executed, verified, or authenticated by the investment adviser representative and setting forth or accompanied by:

(1) The name, residence, and business address of the investment adviser representative;

(2) A statement whether any federal or state license or registration as a dealer, salesperson, investment adviser, or investment adviser representative has ever been refused, canceled, suspended, revoked or withdrawn;

(3) The nature of employment with, and names and addresses of, employers of the investment adviser representative for the 10 years immediately preceding the date of application;

(4) A brief description of any civil or criminal proceedings, of which fraud is an essential element, pending against the investment adviser representative and whether the investment adviser representative has ever been convicted of a felony or of any misdemeanor of which
(5) Such additional information as the Secretary of State may by rule or order prescribe as necessary to determine the investment adviser representative's business repute or qualification to act as an investment adviser representative;

(6) Documentation that the individual has passed an examination conducted by the Secretary of State, an organization of investment advisers, or similar person, which examination has been designated by the Secretary of State by rule or order to be satisfactory for purposes of determining whether the applicant has sufficient knowledge of the investment advisory or securities business and laws relating to that business to act as a registered investment adviser representative; and

(7) A Securities Audit and Enforcement Fund fee established under Section 11a of this Act, which shall not be returnable in any event.

The Secretary of State may by order waive the examination requirement for an applicant for registration under this subsection D-5 who has had the experience or education relating to the investment advisory or securities business as may be determined by the Secretary of State to be the equivalent of the examination. A request for a waiver shall be filed with the Secretary of State in the form as may be prescribed by rule or order.

A change that renders no longer accurate any information contained in any application for registration or re-registration as an investment adviser representative must be reported to the Secretary of State within 10 business days after the occurrence of the change. If the activities that rendered an individual an investment adviser representative for the investment adviser are terminated, the investment adviser shall notify the Secretary of State in writing (which
may be by electronic or facsimile transmission), within 30
days of the investment adviser representative's termination,
using the appropriate termination notice form as the
Secretary of State may prescribe by rule or order.

A registered investment adviser representative may
transfer his or her registration under this Section 8 for the
unexpired term of the registration from one registered
investment adviser to another by the giving of notice of the
transfer by the new investment adviser to the Secretary of
State in the form and subject to the conditions as the
Secretary of State shall prescribe. The new registered
investment adviser shall promptly file an application for
registration of the investment adviser representative as
provided in this subsection, accompanied by the Securities
Audit and Enforcement Fund fee prescribed by paragraph (7) of
this subsection D-5.

E. (1) Subject to the provisions of subsection F of
Section 11 of this Act, the registration of a dealer, limited
Canadian dealer, salesperson, investment adviser, or
investment adviser representative may be denied, suspended or
revoked if the Secretary of State finds that the dealer,
limited Canadian dealer, salesperson, investment adviser, or
investment adviser representative or any principal officer,
director, partner, member, trustee, manager or any person who
performs a similar function of the dealer, limited Canadian
dealer, or investment adviser:

(a) has been convicted of any felony during the 10
year period preceding the date of filing of any
application for registration or at any time thereafter,
or of any misdemeanor of which fraud is an essential
element;

(b) has engaged in any unethical practice in the
offer or sale of securities or in any fraudulent business
practice;
(c) has failed to account for any money or property, or has failed to deliver any security, to any person entitled thereto when due or within a reasonable time thereafter;

(d) in the case of a dealer, limited Canadian dealer, or investment adviser, is insolvent;

(e) in the case of a dealer, limited Canadian dealer, salesperson, or registered principal of a dealer or limited Canadian dealer (i) has failed reasonably to supervise the securities activities of any of its salespersons and the failure has permitted or facilitated a violation of Section 12 of this Act or (ii) is offering or selling or has offered or sold securities in this State through a salesperson other than a registered salesperson, or, in the case of a salesperson, is selling or has sold securities in this State for a dealer, limited Canadian dealer, issuer or controlling person with knowledge that the dealer, limited Canadian dealer, issuer or controlling person has not complied with the provisions of this Act or (iii) has failed reasonably to supervise the implementation of compliance measures following notice by the Secretary of State of noncompliance with the Act or with the regulations promulgated thereunder or both or (iv) has failed to maintain and enforce written procedures to supervise the types of business in which it engages and to supervise the activities of its salespersons that are reasonably designed to achieve compliance with applicable securities laws and regulations;

(f) in the case of an investment adviser, has failed reasonably to supervise the advisory activities of any of its investment adviser representatives or employees and the failure has permitted or facilitated a violation of Section 12 of this Act;
(g) has violated any of the provisions of this Act;
(h) has made any material misrepresentation to the
Secretary of State in connection with any information
deemed necessary by the Secretary of State to determine a
dealer's, limited Canadian dealer's, or investment
adviser's financial responsibility or a dealer's, limited
Canadian dealer's, investment adviser's, salesperson's,
or investment adviser representative's business repute or
qualifications, or has refused to furnish any such
information requested by the Secretary of State;
(i) has had a license or registration under any
Federal or State law regulating the offer or sale of
securities or commodity futures contracts, refused,
cancelled, suspended, or withdrawn, revoked, or otherwise
adversely affected in a similar manner;
(j) has been-suspended-or-expelled-from-or-refused
had membership in or association with or-limited--in--any
capacity--by any self-regulatory organization registered
under the Federal 1934 Act or the Federal 1974 Act
suspended, revoked, refused, expelled, cancelled, barred,
limited in any capacity, or otherwise adversely affected
in a similar manner arising from any fraudulent or
deceptive act or a practice in violation of any rule,
regulation or standard duly promulgated by the
self-regulatory organization;
(k) has had any order entered against it after
notice and opportunity for hearing by a securities agency
of any state, any foreign government or agency thereof,
the Securities and Exchange Commission, or the Federal
Commodities Futures Trading Commission arising from any
fraudulent or deceptive act or a practice in violation of
any statute, rule or regulation administered or
promulgated by the agency or commission;
(l) in the case of a dealer or limited Canadian
dealer, fails to maintain a minimum net capital in an amount which the Secretary of State may by rule or regulation require;

(m) has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of the dealer, limited Canadian dealer, salesperson, investment adviser, or investment adviser representative;

(n) has had, after notice and opportunity for hearing, any injunction or order entered against it or license or registration refused, cancelled, suspended, revoked, withdrawn, or limited, or otherwise adversely affected in a similar manner by any state or federal body, agency or commission regulating banking, insurance, finance or small loan companies, real estate or mortgage brokers or companies, if the action resulted from any act found by the body, agency or commission to be a fraudulent or deceptive act or practice in violation of any statute, rule or regulation administered or promulgated by the body, agency or commission;

(o) has failed to file a return, or to pay the tax, penalty or interest shown in a filed return, or to pay any final assessment of tax, penalty or interest, as required by any tax Act administered by the Illinois Department of Revenue, until such time as the requirements of that tax Act are satisfied;

(p) in the case of a natural person who is a dealer, limited Canadian dealer, salesperson, investment adviser, or investment adviser representative, has defaulted on an educational loan guaranteed by the Illinois Student Assistance Commission, until the natural person has established a satisfactory repayment record as determined by the Illinois Student Assistance Commission;

(q) has failed to maintain the books and records
required under this Act or rules or regulations promulgated under this Act within a reasonable time after receiving notice of any deficiency;

(r) has refused to allow or otherwise impeded designees of the Secretary of State from conducting an audit, examination, inspection, or investigation provided for under Section 8 or 11 of this Act;

(s) has failed to maintain any minimum net capital or bond requirement set forth in this Act or any rule or regulation promulgated under this Act;

(t) has refused the Secretary of State or his or her designee access to any office or location within an office to conduct an investigation, audit, examination, or inspection;

(u) has advised or caused a public pension fund or retirement system established under the Illinois Pension Code to make an investment or engage in a transaction not authorized by that Code;

(v) if a corporation, limited liability company, or limited liability partnership has been suspended, canceled, revoked, or has failed to register as a foreign corporation, limited liability company, or limited liability partnership with the Secretary of State;

(w) is permanently or temporarily enjoined by any court of competent jurisdiction, including any state, federal, or foreign government, from engaging in or continuing any conduct or practice involving any aspect of the securities or commodities business or in any other business where the conduct or practice enjoined involved investments, franchises, insurance, banking, or finance;

(2) If the Secretary of State finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a dealer, limited Canadian dealer, salesperson, investment adviser, or investment
adviser representative, or is subject to an adjudication as a
person under legal disability or to the control of a
guardian, or cannot be located after reasonable search, or
has failed after written notice to pay to the Secretary of
State any additional fee prescribed by this Section or
specified by rule or regulation, or if a natural person, has
defaulted on an educational loan guaranteed by the Illinois
Student Assistance Commission, the Secretary of State may by
order cancel the registration or application.

(3) Withdrawal of an application for registration or
withdrawal from registration as a dealer, limited Canadian
dealer, salesperson, investment adviser, or investment
adviser representative becomes effective 30 days after
receipt of an application to withdraw or within such shorter
period of time as the Secretary of State may determine,
unless any proceeding is pending under Section 11 of this Act
when the application is filed or a proceeding is instituted
within 30 days after the application is filed. If a
proceeding is pending or instituted, withdrawal becomes
effective at such time and upon such conditions as the
Secretary of State by order determines. If no proceeding is
pending or instituted and withdrawal automatically becomes
effective, the Secretary of State may nevertheless institute
a revocation or suspension proceeding within 2 years after
withdrawal became effective and enter a revocation or
suspension order as of the last date on which registration
was effective.

F. The Secretary of State shall make available upon
request the date that each dealer, investment adviser,
salesperson, or investment adviser representative was granted
registration, together with the name and address of the
dealer, limited Canadian dealer, or issuer on whose behalf
the salesperson is registered, and all orders of the
Secretary of State denying or abandoning an application, or
suspending or revoking registration, or censuring the persons. The Secretary of State may designate by rule, regulation or order the statements, information or reports submitted to or filed with him or her pursuant to this Section 8 which the Secretary of State determines are of a sensitive nature and therefore should be exempt from public disclosure. Any such statement, information or report shall be deemed confidential and shall not be disclosed to the public except upon the consent of the person filing or submitting the statement, information or report or by order of court or in court proceedings.

G. The registration or re-registration of a dealer or limited Canadian dealer and of all salespersons registered upon application of the dealer or limited Canadian dealer shall expire on the next succeeding anniversary date of the registration or re-registration of the dealer; and the registration or re-registration of an investment adviser and of all investment adviser representatives registered upon application of the investment adviser shall expire on the next succeeding anniversary date of the registration of the investment adviser; provided, that the Secretary of State may by rule or regulation prescribe an alternate date which any dealer registered under the Federal 1934 Act or a member of any self-regulatory association approved pursuant thereto, a member of a self-regulatory organization or stock exchange in Canada, or any investment adviser may elect as the expiration date of its dealer or limited Canadian dealer and salesperson registrations, or the expiration date of its investment adviser registration, as the case may be. A registration of a salesperson registered upon application of an issuer or controlling person shall expire on the next succeeding anniversary date of the registration, or upon termination or expiration of the registration of the securities, if any, designated in the application for his or her registration or
the alternative date as the Secretary may prescribe by rule
or regulation. Subject to paragraph (9) of subsection C of
this Section 8, a salesperson's registration also shall
terminate upon cessation of his or her employment, or
termination of his or her appointment or authorization, in
each case by the person who applied for the salesperson's
registration, provided that the Secretary of State may by
rule or regulation prescribe an alternate date for the
expiration of the registration.

H. Applications for re-registration of dealers, limited
Canadian dealers, salespersons, investment advisers, and
investment adviser representatives shall be filed with the
Secretary of State prior to the expiration of the then
current registration and shall contain such information as
may be required by the Secretary of State upon initial
application with such omission therefrom or addition thereto
as the Secretary of State may authorize or prescribe. Each
application for re-registration of a dealer, limited Canadian
dealer, or investment adviser shall be accompanied by a
filing fee, each application for re-registration as a
salesperson shall be accompanied by a filing fee and a
Securities Audit and Enforcement Fund fee established
pursuant to Section 11a of this Act, and each application for
re-registration as an investment adviser representative shall
be accompanied by a Securities Audit and Enforcement Fund fee
established under Section 11a of this Act, which shall not be
returnable in any event. Notwithstanding the foregoing,
applications for re-registration of dealers, limited Canadian
dealers, and investment advisers may be filed within 30 days
following the expiration of the registration provided that
the applicant pays the annual registration fee together with
an additional amount equal to the annual registration fee and
files any other information or documents that the Secretary
of State may prescribe by rule or regulation or order. Any
application filed within 30 days following the expiration of
the registration shall be automatically effective as of the
time of the earlier expiration provided that the proper fee
has been paid to the Secretary of State.

Each registered dealer, limited Canadian dealer, or
investment adviser shall continue to be registered if the
registrant changes his, her, or its form of organization
provided that the dealer or investment adviser files an
amendment to his, her, or its application not later than 30
days following the occurrence of the change and pays the
Secretary of State a fee in the amount established under
Section 11a of this Act.

I. (1) Every registered dealer, limited Canadian dealer,
and investment adviser shall make and keep for such periods,
such accounts, correspondence, memoranda, papers, books and
records as the Secretary of State may by rule or regulation
prescribe. All records so required shall be preserved for 3
years unless the Secretary of State by rule, regulation or
order prescribes otherwise for particular types of records.

(2) Every registered dealer, limited Canadian dealer,
and investment adviser shall file such financial reports as
the Secretary of State may by rule or regulation prescribe.

(3) All the books and records referred to in paragraph
(1) of this subsection I are subject at any time or from time
to time to such reasonable periodic, special or other audits,
examinations, or inspections by representatives of the
Secretary of State, within or without this State, as the
Secretary of State deems necessary or appropriate in the
public interest or for the protection of investors.

(4) At the time of an audit, examination, or inspection,
the Secretary of State, by his or her designees, may conduct
an interview of any person employed or appointed by or
affiliated with a registered dealer, limited Canadian dealer,
or investment advisor, provided that the dealer, limited
Canadian dealer, or investment advisor shall be given
reasonable notice of the time and place for the interview.
At the option of the dealer, limited Canadian dealer, or
investment advisor, a representative of the dealer or
investment advisor with supervisory responsibility over the
individual being interviewed may be present at the interview.

J. The Secretary of State may require by rule or
regulation the payment of an additional fee for the filing of
information or documents required to be filed by this Section
which have not been filed in a timely manner. The Secretary
of State may also require by rule or regulation the payment
of an examination fee for administering any examination which
it may conduct pursuant to subsection B, C, D, or D-5 of this
Section 8.

K. The Secretary of State may declare any application
for registration or limited registration under this Section 8
abandoned by order if the applicant fails to pay any fee or
file any information or document required under this Section
8 or by rule or regulation for more than 30 days after the
required payment or filing date. The applicant may petition
the Secretary of State for a hearing within 15 days after the
applicant's receipt of the order of abandonment, provided
that the petition sets forth the grounds upon which the
applicant seeks a hearing.

L. Any document being filed pursuant to this Section 8
shall be deemed filed, and any fee being paid pursuant to
this Section 8 shall be deemed paid, upon the date of actual
receipt thereof by the Secretary of State or his or her
designee.

M. The Secretary of State shall provide to the Illinois
Student Assistance Commission annually or at mutually agreed
periodic intervals the names and social security numbers of
natural persons registered under subsections B, C, D, and D-5 of this Section. The Illinois Student Assistance Commission shall determine if any student loan defaulter is registered as a dealer, limited Canadian dealer, salesperson, or investment adviser under this Act and report its determination to the Secretary of State or his or her designee.

(Source: P.A. 90-70, eff. 7-8-97; 90-507, eff. 8-22-97; 90-655, eff. 7-30-98; 91-809, eff. 1-1-01.)

(815 ILCS 5/11) (from Ch. 121 1/2, par. 137.11)

Sec. 11. Duties and powers of the Secretary of State.

A. (1) The administration of this Act is vested in the Secretary of State, who may from time to time make, amend and rescind such rules and regulations as may be necessary to carry out this Act, including rules and regulations governing procedures of registration, statements, applications and reports for various classes of securities, persons and matters within his or her jurisdiction and defining any terms, whether or not used in this Act, insofar as the definitions are not inconsistent with this Act. The rules and regulations adopted by the Secretary of State under this Act shall be effective in the manner provided for in the Illinois Administrative Procedure Act.

(2) Among other things, the Secretary of State shall have authority, for the purposes of this Act, to prescribe the form or forms in which required information shall be set forth, accounting practices, the items or details to be shown in balance sheets and earning statements, and the methods to be followed in the preparation of accounts, in the appraisal or valuation of assets and liabilities, in the determination of depreciation and depletion, in the differentiation of recurring and non-recurring income, in the differentiation of investment and operating income, and in the preparation of
consolidated balance sheets or income accounts of any person, directly or indirectly, controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer.

(3) No provision of this Act imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule or regulation of the Secretary of State under this Act, notwithstanding that the rule or regulation may, after the act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

(4) The Securities Department of the Office of the Secretary of State shall be deemed a criminal justice agency for purposes of all federal and state laws and regulations and, in that capacity, shall be entitled to access to any information available to criminal justice agencies.

(5) The Secretary of State, by rule, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions from any provision of Section 5, 6, 7, 8, 8a, or 9 of this Act or of any rule promulgated under these Sections, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.

B. The Secretary of State may, anything in this Act to the contrary notwithstanding, require financial statements and reports of the issuer, dealer, salesperson, or investment adviser as often as circumstances may warrant. In addition, the Secretary of State may secure information or books and records from or through others and may make or cause to be made investigations respecting the business, affairs, and property of the issuer of securities, any person involved in the sale or offer for sale, purchase or offer to purchase of any mineral investment contract, mineral deferred delivery
contract, or security and of dealers, salespersons, and
investment advisers that are registered or are the subject of
an application for registration under this Act. The costs of
an investigation shall be borne by the registrant or the
applicant, provided that the registrant or applicant shall
not be obligated to pay the costs without his, her or its
consent in advance.

C. Whenever it shall appear to the Secretary of State,
either upon complaint or otherwise, that this Act, or any
rule or regulation prescribed under authority thereof, has
been or is about to be violated, he or she may, in his or her
discretion, do one or both of the following:

(1) require or permit the person to file with the
Secretary of State a statement in writing under oath, or
otherwise, as to all the facts and circumstances
concerning the subject matter which the Secretary of
State believes to be in the public interest to
investigate, audit, examine, or inspect; and

(2) conduct an investigation, audit, examination,
or inspection as necessary or advisable for the
protection of the interests of the public.

D. (1) For the purpose of all investigations, audits,
examinations, or inspections which in the opinion of the
Secretary of State are necessary and proper for the
enforcement of this Act, the Secretary of State or a person
designated by him or her is empowered to administer oaths and
affirmations, subpoena witnesses, take evidence, and require,
by subpoena or other lawful means provided by this Act or the
rules adopted by the Secretary of State, the production of
any books and records, papers, or other documents which the
Secretary of State or a person designated by him or her deems
relevant or material to the inquiry.

(2) The Secretary of State or a person designated by him
or her is further empowered to administer oaths and
affirmations, subpoena witnesses, take evidence, and require
the production of any books and records, papers, or other
documents in this State at the request of a securities agency
of another state, if the activities constituting the alleged
violation for which the information is sought would be in
violation of Section 12 of this Act if the activities had
occurred in this State.

(3) The Circuit Court of any County of this State, upon
application of the Secretary of State or a person designated
by him or her may order the attendance of witnesses, the
production of books and records, papers, accounts and
documents and the giving of testimony before the Secretary of
State or a person designated by him or her; and any failure
to obey the order may be punished by the Circuit Court as a
contempt thereof.

(4) The fees of subpoenaed witnesses under this Act for
attendance and travel shall be the same as fees of witnesses
before the Circuit Courts of this State, to be paid when the
witness is excused from further attendance, provided, the
witness is subpoenaed at the instance of the Secretary of
State; and payment of the fees shall be made and audited in
the same manner as other expenses of the Secretary of State.

(5) Whenever a subpoena is issued at the request of a
complainant or respondent as the case may be, the Secretary
of State may require that the cost of service and the fee of
the witness shall be borne by the party at whose instance the
witness is summoned.

(6) The Secretary of State shall have power at his or
her discretion, to require a deposit to cover the cost of the
service and witness fees and the payment of the legal witness
fee and mileage to the witness served with subpoena.

(7) A subpoena issued under this Act shall be served in
the same manner as a subpoena issued out of a circuit court.

(8) The Secretary of State may in any investigation,
audits, examinations, or inspections cause the taking of
depositions of persons residing within or without this State
in the manner provided in civil actions under the laws of
this State.

E. Anything in this Act to the contrary notwithstanding:

(1) If the Secretary of State shall find that the
offer or sale or proposed offer or sale or method of
offer or sale of any securities by any person, whether
exempt or not, in this State, is fraudulent, or would
work or tend to work a fraud or deceit, or is being
offered or sold in violation of Section 12, or there has
been a failure or refusal to submit any notification
filing or fee required under this Act, the Secretary of
State may by written order prohibit or suspend the offer
or sale of securities by that person or deny or revoke
the registration of the securities or the exemption from
registration for the securities.

(2) If the Secretary of State shall find that any
person has violated subsection C, D, E, F, G, H, I, J, or
K of Section 12 of this Act, the Secretary of State may
by written order temporarily or permanently prohibit or
suspend the person from offering or selling any
securities, any mineral investment contract, or any
mineral deferred delivery contract in this State,
provided that any person who is the subject of an order
of permanent prohibition may petition the Secretary of
State for a hearing to present evidence of rehabilitation
or change in circumstances justifying the amendment or
termination of the order of permanent prohibition.

(3) If the Secretary of State shall find that any
person is engaging or has engaged in the business of
selling or offering for sale securities as a dealer or
salesperson or is acting or has acted as an investment
adviser, investment adviser representative, or federal
covered investment adviser, without prior thereto and at
the time thereof having complied with the registration or
notice filing requirements of this Act, the Secretary of
State may by written order prohibit or suspend the person
from engaging in the business of selling or offering for
sale securities, or acting as an investment adviser,
investment adviser representative, or federal covered
investment adviser, in this State.

(4) In addition to any other sanction or remedy
contained in this subsection E, the Secretary of State,
after finding that any provision of this Act has been
violated, may impose a fine as provided by rule,
regulation or order not to exceed $10,000 for each
violation of this Act, and may issue an order of public
censure against the violator, and may charge as costs of
investigation all reasonable expenses, including
attorney's fees and witness fees.

F. (1) The Secretary of State shall not deny, suspend or
revoke the registration of securities, suspend or revoke the
registration of a dealer, salesperson or investment adviser,
prohibit or suspend the offer or sale of any securities,
prohibit or suspend any person from offering or selling any
securities in this State, prohibit or suspend a dealer or
salesperson from engaging in the business of selling or
offering for sale securities, prohibit or suspend a person
from acting as an investment adviser or federal covered
investment adviser, impose any fine for violation of this
Act, issue an order of public censure, or enter into an
agreed settlement except after an opportunity for hearing
upon not less than 10 days notice given by personal service
or registered mail or certified mail, return receipt
requested, to the person or persons concerned. Such notice
shall state the date and time and place of the hearing and
shall contain a brief statement of the proposed action of the
Secretary of State and the grounds for the proposed action.
A failure to appear at the hearing or otherwise respond to
the allegations set forth in the notice of hearing shall
constitute an admission of any facts alleged therein and
shall constitute sufficient basis to enter an order.

(2) Anything herein contained to the contrary
notwithstanding, the Secretary of State may temporarily
prohibit or suspend, for a maximum period of 90 days, by an
order effective immediately, the offer or sale or
registration of securities, the registration of a dealer,
salesperson, investment adviser, or investment adviser
representative, or the offer or sale of securities by any
person, or the business of rendering investment advice,
without the notice and prior hearing in this subsection
prescribed, if the Secretary of State shall in his or her
opinion, based on credible evidence, deem it necessary to
prevent an imminent violation of this Act or to prevent
losses to investors which the Secretary of State reasonably
believes will occur as a result of a prior violation of this
Act. Immediately after taking action without such notice and
hearing, the Secretary of State shall deliver a copy of the
temporary order to the respondent named therein by personal
service or registered mail or certified mail, return receipt
requested. The temporary order shall set forth the grounds
for the action and shall advise that the respondent may
request a hearing as-soon-as-reasonably-practicable, that the
request for a hearing will not stop the effectiveness of the
temporary order and that respondent's failure to request a
hearing within 30 days after the date of the entry of the
temporary order shall constitute an admission of any facts
alleged therein and shall constitute sufficient basis to make
the temporary order final. Any provision of this paragraph
(2) to the contrary notwithstanding, the Secretary of State
may not pursuant to the provisions of this paragraph (2)
suspend the registration of a dealer, limited Canadian
dealer, salesperson, investment adviser, or investment
adviser representative based upon sub-paragraph (n) of
paragraph (l) of subsection E of Section 8 of this Act or
revoke the registration of securities or revoke the
registration of any dealer, salesperson, investment adviser
representative, or investment adviser.

(3) The Secretary of State may issue a temporary order
suspending or delaying the effectiveness of any registration
of securities under subsection A or B of Section 5, 6 or 7 of
this Act subsequent to and upon the basis of the issuance of
any stop, suspension or similar order by the Securities and
Exchange Commission with respect to the securities which are
the subject of the registration under subsection A or B of
Section 5, 6 or 7 of this Act, and the order shall become
effective as of the date and time of effectiveness of the
Securities and Exchange Commission order and shall be vacated
automatically at such time as the order of the Securities and
Exchange Commission is no longer in effect.

(4) When the Secretary of State finds that an
application for registration as a dealer, salesperson or
investment adviser should be denied, the Secretary of State
may enter an order denying the registration. Immediately
after taking such action, the Secretary of State shall
deliver a copy of the order to the respondent named therein
by personal service or registered mail or certified mail,
return receipt requested. The order shall state the grounds
for the action and that the matter will be set for hearing
upon written request filed with the Secretary of State within
30 days after the receipt of the request by the respondent.
The respondent's failure to request a hearing within 30 days
after receipt of the order shall constitute an admission of
any facts alleged therein and shall make the order final. If
a hearing is held, the Secretary of State shall affirm,
vacate, or modify the order.

(5) The findings and decision of the Secretary of State upon the conclusion of each final hearing held pursuant to this subsection shall be set forth in a written order signed on behalf of the Secretary of State by his or her designee and shall be filed as a public record. All hearings shall be held before a person designated by the Secretary of State, and appropriate records thereof shall be kept.

(6) Notwithstanding the foregoing, the Secretary of State, after notice and opportunity for hearing, may at his or her discretion enter into an agreed settlement, stipulation or consent order with a respondent in accordance with the provisions of the Illinois Administrative Procedure Act. The provisions of the agreed settlement, stipulation or consent order shall have the full force and effect of an order issued by the Secretary of State.

(7) Anything in this Act to the contrary notwithstanding, whenever the Secretary of State finds that a person is currently expelled from, refused membership in or association with, or limited in any material capacity by a self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act because of a fraudulent or deceptive act or a practice in violation of a rule, regulation, or standard duly promulgated by the self-regulatory organization, the Secretary of State may, at his or her discretion, enter a Summary Order of Prohibition, which shall prohibit the offer or sale of any securities, mineral investment contract, or mineral deferred delivery contract by the person in this State. The order shall take effect immediately upon its entry. Immediately after taking the action the Secretary of State shall deliver a copy of the order to the named Respondent by personal service or registered mail or certified mail, return receipt requested. A person who is the subject of an Order of Prohibition may
petition the Secretary of State for a hearing to present
evidence of rehabilitation or change in circumstances
justifying the amendment or termination of the Order of
Prohibition.

G. No administrative action shall be brought by the
Secretary of State for relief under this Act or upon or
because of any of the matters for which relief is granted by
this Act after the earlier to occur of (i) 3 years from the
date upon which the Secretary of State had notice of facts
which in the exercise of reasonable diligence would lead to
actual knowledge of the alleged violation of the Act, or (ii)
5 years from the date on which the alleged violation
occurred.

H. The action of the Secretary of State in denying,
suspending, or revoking the registration of a dealer, limited
Canadian dealer, salesperson, investment adviser, or
investment adviser representative, in prohibiting any person
from engaging in the business of offering or selling
securities as a dealer, limited Canadian dealer, or
salesperson, in prohibiting or suspending the offer or sale
of securities by any person, in prohibiting a person from
acting as an investment adviser, federal covered investment
adviser, or investment adviser representative, in denying,
suspending, or revoking the registration of securities, in
prohibiting or suspending the offer or sale or proposed offer
or sale of securities, in imposing any fine for violation of
this Act, or in issuing any order shall be subject to
judicial review in the Circuit Court of Cook or
Sangamon any Counties county in this State. The
Administrative Review Law shall apply to and govern every
action for the judicial review of final actions or decisions
of the Secretary of State under this Act.

I. Notwithstanding any other provisions of this Act to
the contrary, whenever it shall appear to the Secretary of
State that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of this Act or of any rule or regulation prescribed under authority of this Act, the Secretary of State may at his or her discretion, through the Attorney General:

(1) file a complaint and apply for a temporary restraining order without notice, and upon a proper showing the court may enter a temporary restraining order without bond, to enforce this Act; and

(2) file a complaint and apply for a preliminary or permanent injunction, and, after notice and a hearing and upon a proper showing, the court may grant a preliminary or permanent injunction and may order the defendant to make an offer of rescission with respect to any sales or purchases of securities, mineral investment contracts, or mineral deferred delivery contracts determined by the court to be unlawful under this Act.

The court shall further have jurisdiction and authority, in addition to the penalties and other remedies in this Act provided, to enter an order for the appointment of the court or a person as a receiver, conservator, ancillary receiver or ancillary conservator for the defendant or the defendant's assets located in this State, or to require restitution, damages or disgorgement of profits on behalf of the person or persons injured by the act or practice constituting the subject matter of the action, and may assess costs against the defendant for the use of the State; provided, however, that the civil remedies of rescission and appointment of a receiver, conservator, ancillary receiver or ancillary conservator shall not be available against any person by reason of the failure to file with the Secretary of State, or on account of the contents of, any report of sale provided for in subsection G or P of Section 4, paragraph (2) of subsection D of Sections 5 and 6, or paragraph (2) of
subsection F of Section 7 of this Act. Appeals may be taken as in other civil cases.

J. In no case shall the Secretary of State, or any of his or her employees or agents, in the administration of this Act, incur any official or personal liability by instituting an injunction or other proceeding or by denying, suspending or revoking the registration of a dealer or salesperson, or by denying, suspending or revoking the registration of securities or prohibiting the offer or sale of securities, or by suspending or prohibiting any person from acting as a dealer, limited Canadian dealer, salesperson, investment adviser, or investment adviser representative or from offering or selling securities.

K. No provision of this Act shall be construed to require or to authorize the Secretary of State to require any investment adviser or federal covered investment adviser engaged in rendering investment supervisory services to disclose the identity, investments, or affairs of any client of the investment adviser or federal covered investment adviser, except insofar as the disclosure may be necessary or appropriate in a particular proceeding or investigation having as its object the enforcement of this Act.

L. Whenever, after an examination, investigation or hearing, the Secretary of State deems it of public interest or advantage, he or she may certify a record to the State's Attorney of the county in which the act complained of, examined or investigated occurred. The State's Attorney of that county within 90 days after receipt of the record shall file a written statement at the Office of the Secretary of State, which statement shall set forth the action taken upon the record, or if no action has been taken upon the record that fact, together with the reasons therefor, shall be stated.

M. The Secretary of State may initiate, take, pursue, or
prosecute any action authorized or permitted under Section 6d of the Federal 1974 Act.

N. (1) Notwithstanding any provision of this Act to the contrary, to encourage uniform interpretation, administration, and enforcement of the provisions of this Act, the Secretary of State may cooperate with the securities agencies or administrators of one or more states, Canadian provinces or territories, or another country, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Securities Investor Protection Corporation, any self-regulatory organization, and any governmental law enforcement or regulatory agency.

(2) The cooperation authorized by paragraph (1) of this subsection includes, but is not limited to, the following:

(a) establishing or participating in a central depository or depositories for registration under this Act and for documents or records required under this Act;
(b) making a joint audit, inspection, examination, or investigation;
(c) holding a joint administrative hearing;
(d) filing and prosecuting a joint civil or criminal proceeding;
(e) sharing and exchanging personnel;
(f) sharing and exchanging information and documents; or
(g) issuing any joint statement or policy.

(Source: P.A. 90-70, eff. 7-8-97; 91-809, eff. 1-1-01.)

(815 ILCS 5/14) (from Ch. 121 1/2, par. 137.14)

Sec. 14. Sentence.

A. Any person who violates any of the provisions of subsection A, B, C, or D of Section 12 or paragraph (3) of subsection K of Section 12 of this Act shall be guilty of a Class 4 felony, A-misdemeanor; provided that if such person
commits-such-offense-with-knowledge-of-the-existence,--meaning
or-application-of-the-respective-subsection--as--provided--in
Section--4-3(c)--of-the-Criminal-Code-of-1961,--or,--in-the-case
of-a-failure-to-comply-with-the-terms-of--any--order--of--the
Secretary--of-State-as-provided-under-subsection-B-of-Section
12-of-this-Act,--with--knowledge--of--the--existence--of--such
order,--such-person-shall-be-guilty-of-a-Class-4-felony:

B. Any person who violates any of the provisions of
subsection E, F, G, H, I, or J, or paragraph (1) or (2) of
subsection K of Section 12 of this Act shall be guilty of a
Class 3 felony.

B-5. A person who violates a provision of subsection E,
F, G, H, I, or J or paragraph (1) or (2) of subsection K of
Section 12 of this Act by use of a plan, program, or campaign
that is conducted using one or more telephones for the
purpose of inducing the purchase or sale of securities is
guilty of a Class 2 felony.

B-10. A person who in the course of violating a
provision of subsection E, F, G, H, I, or J or paragraph (1)
or (2) of subsection K of Section 12 of this Act induces a
person 60 years of age or older to purchase or sell
securities is guilty of a Class 2 felony.

C. No prosecution for violation of any provision of this
Act shall bar or be barred by any prosecution for the
violation of any other provision of this Act or of any other
statute; but all prosecutions under this Act or based upon
any provision of this Act must be commenced within 3 years
after the violation upon which such prosecution is based;
provided however, that if the accused has intentionally
concealed evidence of a violation of subsection E, F, G, H,
I, J, or K of Section 12 of this Act, the period of
limitation prescribed herein shall be extended up to an
additional 2 years after the proper prosecuting officer
becomes aware of the offense but in no such event shall the
period of limitation so extended be more than 2 years beyond
the expiration of the period otherwise applicable.

D. For the purposes of this Act all persons who shall
sell or offer for sale, or who shall purchase or offer to
purchase, securities in violation of the provisions of this
Act, or who shall in any manner knowingly authorize, aid or
assist in any unlawful sale or offering for sale or unlawful
purchase or offer to purchase shall be deemed equally guilty,
and may be tried and punished in the county in which said
unlawful sale or offering for sale or unlawful purchase or
offer to purchase was made, or in the county in which the
securities so sold or offered for sale or so purchased or
offered to be purchased were delivered or proposed to be
delivered to the purchaser thereof or by the seller thereof,
as the case may be.

E. Any person who shall be convicted of a second or any
subsequent offense specified in subsection A, B, C, D, or
paragraph (3) of subsection K of Section 12 of this Act shall
be guilty of a Class 3 felony, and any person who shall be
convicted of a second or any subsequent offense specified in
subsection E, F, G, H, I, J, or paragraph (1) or (2) of
subsection K of Section 12 of this Act shall be guilty of a
Class 2 felony.

F. If any person referred to in this Section is not a
natural person, it may upon conviction of a first offense be
fined up to $25,000, and if convicted of a second and
subsequent offense, may be fined up to $50,000, in addition
to any other sentence authorized by law.

G. This Act shall not be construed to repeal or affect
any law now in force relating to the organization of
corporations in this State or the admission of any foreign
corporation to do business in this State.

H. For the purposes of this Act, all persons who sell or
offer for sale, or who purchase or offer to purchase any
mineral investment contract or mineral deferred delivery contract in violation of the provisions of this Act or who, in any manner, knowingly authorize, aid, or assist in any unlawful sale or offer for sale or unlawful purchase or offer to purchase any mineral investment contract or mineral deferred delivery contract shall be deemed equally guilty and may be tried and punished in the county in which the unlawful sale or offer for sale or unlawful purchase or offer to purchase any mineral investment contract or mineral deferred delivery contract was made or in the county in which the contract so sold or offered for sale or so purchased or offered to be purchased was delivered or proposed to be delivered to the purchaser thereof or by the seller thereof, as the case may be, or in Sangamon County.

(Source: P.A. 90-667, eff. 7-30-98.)

Section 10. The Illinois Loan Brokers Act of 1995 is amended by changing Sections 15-5.15, 15-5.20, 15-20, 15-25, 15-45, 15-50, 15-85 and by adding Section 15-95 as follows:

(815 ILCS 175/15-5.15)

Sec. 15-5.15. Loan broker.

(a) "Loan Broker" means any person who, in return for a fee, commission, or other compensation from any person, promises to procure a loan for any person or assist any person in procuring a loan from any third party, or who promises to consider whether or not to make a loan to any person.

(b) Loan broker does not include any of the following:

(1) Any bank, savings bank, trust company, savings and loan association, credit union or any other financial institution regulated by any agency of the United States or authorized to do business in this State.
(2) Any person authorized to sell and service loans for the federal National Mortgage Association or the federal Home Loan Mortgage Corporation, issue securities backed by the Government National Mortgage Association, make loans insured by the federal Department of Housing and Urban Development, make loans guaranteed by the federal Veterans Administration, or act as a correspondent of loans insured by the federal Department of Housing and Urban Development or guaranteed by the federal Veterans Administration.

(3) Any insurance producer or company authorized to do business in this State.

(4) Any person arranging financing for the sale of the person's product.


(6) Any person authorized to do business in this State and regulated by the Department of Financial Institutions or the Office of Banks and Real Estate.

(Source: P.A. 89-209, eff. 1-1-96; 89-508, eff. 7-3-96.)

(815 ILCS 175/15-5.20)

Sec. 15-5.20. Person. "Person" means an individual, a corporation, trust, limited liability company, partnership, a joint stock company, limited liability partnership, incorporated or unincorporated association, or any other entity.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 175/15-20)

Sec. 15-20. Renewal of registration.

(a) A loan broker may not continue engaging in the business of loan brokering unless the broker's registration is renewed annually. A loan broker shall renew the
registration by filing with the Secretary of State, at least
30 days before the expiration of the registration, an
application containing any information the Secretary of State
may require by rule or regulation or order to indicate any
material change from the information contained in the
applicant's original application or any previous application.

(b) An application for renewal must be accompanied by a
filing fee in the amount specified in subsection (a) of
Section 15-25 of this Act. The application and fee is not
returnable in any event.

(c) Notwithstanding the foregoing, applications for
renewal of registration of loan brokers may be filed within
30 days following the expiration of the registration
provided that the applicant pays the annual registration fee
together with an additional amount equal to the annual
registration fee and files any other information or
documents that the Secretary of State may prescribe by
rule or order. Any application filed within 30 days
following the expiration of the registration shall be
automatically effective as of the time of the earlier
expiration provided that the proper fee has been paid to the
Secretary of State.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 175/15-25)

Sec. 15-25. Fees and funds; accounting and deposit in
Securities Audit and Enforcement Fund.

(a) the Secretary of State shall by rule or regulation
impose and shall collect fees necessary for the
administration of this Act including, but not limited to,
fees for the following purposes:

(1) filing an application pursuant to Section 15-15
of this Act;

(2) examining an application pursuant to Section
15-15 or Section 15-20 of this Act;

(3) registering a loan broker pursuant to Section 15-15 of this Act;

(4) renewing registration of a loan broker pursuant to Section 15-20 of this Act; or

(5) failure to file or file timely any document or information required under this Act;

(6) acceptance of service of process pursuant to Section 15-95;

(7) issuance of certification pursuant to Section 15-50; or

(8) late registration fee pursuant to Section 15-20(c),

(b) The Secretary of State may, by rule or regulation, raise or lower any fee imposed by this Act, and which he or she is authorized by law to collect under this Act.

(c) All fees and funds accruing for the administration of this Act shall be accounted for by the Secretary of State and shall be deposited with the State Treasurer who shall deposit them in the Securities Audit and Enforcement Fund.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 175/15-45)

Sec. 15-45. Powers of Secretary of State; privilege against self-incrimination; admissibility into evidence.

(a) The Secretary of State may do the following:

(1) Adopt rules and regulations to implement this Act.

(2) Make investigations and examinations:

(A) in connection with any application for registration of any loan broker or any registration already granted; or

(B) whenever it appears to the Secretary of State, upon the basis of a complaint or information,
that reasonable grounds exist for the belief that an
investigation or examination is necessary or
advisable for the more complete protection of the
interests of the public.

(3) Charge as costs of investigation or examination
all reasonable expenses, including a per diem prorated
upon the salary of any employee and actual traveling and
hotel expenses. All reasonable expenses are to be paid
by the party or parties under investigation or
examination.

(4) Issue notices and orders, including cease and
desist notices and orders, after making an investigation
or examination under item (2) of subsection (a) of this
Section. The Secretary of State may also bring an action
to prohibit a person from violating this Act. The
Secretary of State shall notify the person that an order
or notice has been issued, the reasons for it and that a
hearing will be set in accordance with the provisions of
the Illinois Administrative Procedure Act after the
Secretary of State receives a written request from the
person requesting a hearing.

(5) Sign all orders, official certifications,
documents or papers issued under this Act or delegate the
authority to sign any of those items to his or her
desigee.

(6) Hold and conduct hearings.

(7) Hear evidence.

(8) Conduct inquiries with or without hearings.
Inquiries shall include oral and written requests for
information. A failure to respond to a written request
for information may be deemed a violation of this Act
and the Secretary of State may issue notices and orders,
including cease and desist notices and orders, against
the violators.
(9) Receive reports of investigators or other officers or employees of the State of Illinois or any municipal corporation or governmental subdivision within the State.

(10) (Blank), Administer oaths or cause them to be administered.

(11) (Blank), Subpoena witnesses and compel them to attend and testify.

(12) (Blank), Compel the production of books, records and other documents.

(13) Order depositions to be taken of any witness residing within or without the State. The depositions shall be taken in the manner prescribed by law for depositions in civil actions and made returnable to the Secretary of State.

(14) For the purpose of all investigations, audits, examinations, or inspections that, in the opinion of the Secretary of State are necessary and proper for the enforcement of this Act, the Secretary of State or a person designated by him or her is empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require by subpoena or other lawful means provided by this Act or the rules adopted by the Secretary of State the production of any books and records, papers, or other documents that the Secretary of State or a person designated by him or her deems relevant or material to the inquiry.

(b) If any person refuses to obey a subpoena issued under this Act, the Secretary of State may make application to any court of competent jurisdiction to order the person to appear before the Secretary of State and produce documentary evidence or give evidence as directed in the subpoena. The failure to obey the order of the court shall be subject to punishment by the court as contempt of court.
(c) No person shall be excused from complying with a subpoena on the ground that the testimony or evidence required may tend to incriminate the person or subject the person to a penalty or forfeiture. No individual may be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter or thing which the individual is compelled to testify or produce evidence, after claiming the privilege against self-incrimination. However, the individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(d) In any prosecution, action, suit or proceeding based upon or arising out of this Act, the Secretary of State may sign a certificate showing compliance or non-compliance with this Act by any loan broker. This shall constitute prima facie evidence of compliance or non-compliance with this Act and shall be admissible in evidence in any court.

(e) Whenever it shall appear to the Secretary of State that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of this Act, or of any rule or regulation prescribed under authority of this Act, the Secretary of State may at his or her discretion, through the Attorney General:

(1) File a complaint and apply for a temporary restraining order without notice, and upon a proper showing the court may enter a temporary restraining order without a bond, to enforce this Act.

(2) File a complaint and apply for a preliminary or permanent injunction, and, after notice and hearing and upon a proper showing, the court may grant a preliminary or permanent injunction and may order the defendant to make an offer of rescission with respect to any contract for loan brokerage services determined by the court to be unlawful under this Act.
(f) The court shall further have jurisdiction and authority, in addition to the penalties and other remedies in this Act provided, to enter an order for the appointment of the court or a person as a receiver, conservator, ancillary receiver or ancillary conservator for the defendant or the defendant's assets located in this State, or to require restitution, damages or disgorgement of profits on behalf of the person or persons injured by the act or practice constituting the subject matter of the action, and may assess costs and attorneys fees against the defendant for the use of the State.

(Source: P.A. 90-70, eff. 7-8-97; 91-357, eff. 7-29-99.)

(815 ILCS 175/15-50)

Sec. 15-50. Evidentiary matters.

(a) Certified copies of documents or records admissible in actions or proceedings under this Act. Copies of any statement or document filed with the Secretary of State, and copies of any records of the Secretary of State, certified to by the Secretary of State are admissible in any prosecution, action, suit or proceeding based upon, or arising out of or under, the provisions of this Act to the same effect as the original of the statement, document or record would be if actually produced.

(b) In any action, administrative, civil, or criminal, a certificate under the seal of the State of Illinois, signed by the Secretary of State, attesting to the filing of or the absence of the filing of any document or record with the Secretary of State under this Act, shall constitute prima facie evidence of the filing or of the absence of the filing, and shall be admissible in evidence in any administrative, criminal, or civil action.

(c) Any certificate pursuant to subsection (a) or (b) of this Section shall be furnished by the Secretary of State
upon application therefor in the form and in the manner prescribed by the Secretary of State by rule, and shall be accompanied by payment of a non-refundable certification fee in the amount specified by rule or order of the Secretary of State.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 175/15-85)
Sec. 15-85. Fraudulent and prohibited acts.
(a) A loan broker shall not, in connection with a contract for the services of a loan broker, either directly or indirectly, do any of the following:

(1) Employ any device, scheme or article to defraud.

(2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not misleading.

(3) Engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.

(b) A loan broker shall not either directly or indirectly do any of the following:

(1) act as a loan broker without registration under this Act unless exempt under the Act;

(2) fail to file with the Secretary of State any application, report, document, or answer required to be filed under the provisions of this Act or any rule made by the Secretary of State pursuant to this Act, or fail to comply with the terms of any order issued pursuant to this Act or any rules made by the Secretary of State;

(3) fail to keep or maintain any records as required under the provisions of this Act or any rule made by the Secretary of State pursuant to this Act.
(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 175/15-95 new)

Sec. 15-95. Service of process.

(a) A person acting as a loan broker, unless exempt from registration under this Act, shall constitute an appointment of the Secretary of State, or his or her successors in Office, by the person to be the true and lawful attorney for the person upon whom may be served all lawful process in any action or proceeding against the person, arising out of his or her activities as a loan broker.

(b) Service of process under this Section shall be made by serving a copy upon the Secretary of State or any employee in his or her Office designated by the Secretary of State to accept such service for him or her, provided notice and a copy of the process are, within 10 days of receipt, sent by registered mail or certified mail, return receipt requested, by the plaintiff to the defendant, at the last known address of the defendant. The filing fee for service of process under this Section is non-refundable and is the amount established in Section 15-25 of this Act. The Secretary of State shall keep a record of all such processes that shall show the day of the service.

Section 15. The Illinois Business Brokers Act of 1995 is amended by changing Sections 10-5.20, 10-20, 10-25, 10-40, 10-45, 10-50, 10-55, 10-85 and by adding Section 10-125 as follows:

(815 ILCS 307/10-5.20)

Sec. 10-5.20. Person. "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a limited liability company, a limited liability partnership, a trust, or any unincorporated organization, or
any other entity.
(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 307/10-20)
Sec. 10-20. Renewal of registration.
(a) A business broker may not continue engaging in the business of business brokering unless the broker's registration is renewed annually. A business broker shall renew the registration by filing with the Secretary of State, at least 30 days before the expiration of the registration, an application containing any information the Secretary of State may require to indicate any material change from the information contained in the applicant's original application or any previous application.
(b) An application for renewal must be accompanied by a filing fee in the amount specified in subsection (a) of Section 10-25 of this Act, and shall not be returnable in any event.
(c) Notwithstanding the foregoing, applications for renewal of registration of business brokers may be filed within 30 days following the expiration of the registration provided that the applicant pays the annual registration fee together with an additional amount equal to the annual registration fee and files any other information or documents that the Secretary of State may prescribe by rule or order. Any application filed within 30 days following the expiration of the registration shall be automatically effective as of the time of the earlier expiration provided that the proper fee has been paid to the Secretary of State.
(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 307/10-25)
Sec. 10-25. Fees and funds. All fees and funds accruing
for the administration of this Act shall be accounted for by
the Secretary of State and shall be deposited with the State
Treasurer who shall deposit them in the Securities Audit and
Enforcement Fund.

(a) The Secretary of State shall, by rule or regulation,
impose and collect fees necessary for the administration of
this Act, including but not limited to, fees for the
following purposes:

(1) filing an application pursuant to Section 10-10
of this Act;

(2) examining an application pursuant to Sections
10-10 and 10-20 of this Act;

(3) registering a business broker under Section
10-10 of this Act;

(4) renewing registration of a business broker
pursuant to Section 10-20 of this Act;

(5) failure to file or file timely any document or
information required under this Act;

(6) (Blank)

(7) acceptance of service of process pursuant to
Section 10-125;

(8) issuance of certification pursuant to Section
10-50; and

(9) late registration fee pursuant to Section
10-20(c).

(b) The Secretary of State may, by rule or regulation,
raise or lower any fee imposed by, and which he or she is
authorized by law to collect under, this Act.
(Source: P.A. 90-70, eff. 7-8-97; 91-194, eff. 7-20-99;
91-534, eff. 1-1-00; 91-809, eff. 1-1-01.)

(815 ILCS 307/10-40)
Sec. 10-40. Denial, suspension or revocation of
registration; orders and hearing.
(a) The Secretary of State may deny, suspend or revoke
the registration of a business broker if the business broker:

(1) Is insolvent.

(2) Has violated any provision of this Act.

(3) Has filed with the Secretary of State any
document or statement containing any false representation
of a material fact or omitting to state a material fact.

(4) Has been convicted, within 10 years before the
date of the application, renewal or review, of any crime
involving fraud or deceit.

(5) Has been found by any court or agency, within
10 years before the date of the application, renewal, or
review, to have engaged in any activity involving fraud
or deceit.

(b) The Secretary of State may not enter a final order
denying, suspending, or revoking the registration of a
business broker without prior notice to all interested
parties, opportunity for a hearing and written findings of
fact and conclusions of law. The Secretary of State may by
summary order deny, suspend, or revoke a registration pending
final determination of any proceeding under this Section.

Upon the entry of a summary order, the Secretary of State
shall promptly notify all interested parties that it has been
entered, of the reasons for the summary order and, that upon
receipt by the Secretary of State of a written request from a
party, the matter will be set for hearing which shall be
conducted in accordance with the provisions of the Illinois
Administrative Procedure Act. If no hearing is requested
within 30 days of the date of entry of the order and none is
ordered by the Secretary of State, the respondent's failure
to request a hearing shall constitute an admission of any
facts alleged therein and shall constitute a sufficient basis
to make the order final and it shall remain in effect
until it is modified or vacated by the Secretary of State.
If a hearing is requested or ordered, the Secretary of State, after notice of the hearing has been given to all interested persons and the hearing has been held, may modify or vacate the order or extend it until final determination.

(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 307/10-45)

Sec. 10-45. Powers of Secretary of State; privilege against self-incrimination; admissibility into evidence.

(a) The Secretary of State may do the following:

(1) Adopt rules and regulations to implement this Act.

(2) Conduct investigations and examinations:

(A) In connection with any application for registration of any business broker or any registration already granted; or

(B) Whenever it appears to the Secretary of State, upon the basis of a complaint or information, that reasonable grounds exist for the belief that an investigation or examination is necessary or advisable for the more complete protection of the interests of the public.

(3) Charge as costs of investigation or examination all reasonable expenses, including a per diem prorated upon the salary of any employee and actual traveling and hotel expenses. All reasonable expenses are to be paid by the party or parties under investigation or examination.

(4) Issue notices and orders, including cease and desist notices and orders, after making an investigation or examination under paragraph (2) of subsection (a) of this Section. The Secretary of State may also bring an action to prohibit a person from violating this Act. The Secretary of State shall notify the person that an order
or notice has been issued, the reasons for it and that a hearing will be set in accordance with the provisions of the Illinois Administrative Procedure Act after the Secretary of State receives a written request from the person requesting a hearing.

(5) Sign all orders, official certifications, documents or papers issued under this Act or delegate the authority to sign any of those items to his or her designee.

(6) Hold and conduct hearings.

(7) Hear evidence.

(8) Conduct inquiries with or without hearings.

(9) Receive reports of investigators or other officers or employees of the State of Illinois or any municipal corporation or governmental subdivision within the State.

(10) (Blank), Administer-oaths-or-cause-them-to-be administered:

(11) (Blank), Subpoena-witnesses-and-compel-them-to attend-and-testify.

(12) (Blank), Compel-the-production-of-books, records-and-other-documents.

(13) Order depositions to be taken of any witness residing within or without the State. The depositions shall be taken in the manner prescribed by law for depositions in civil actions and made returnable to the Secretary of State.

(14) For the purposes of all investigations, audits, examinations, or inspections which in the opinion of the Secretary of State are necessary and proper for the enforcement of this Act, the Secretary of State or a person designated by him or her is empowered to administer oaths and affirmations, subpoena witnesses, take evidence, and require by subpoena or other lawful
means provided by this law or such rules and regulations adopted by the Secretary of State the production of any books and records, papers, or other documents that the Secretary of State or a person designated by him or her deems relevant or material to the injury.

(b) If any person refuses to obey a subpoena issued under this Act, the Secretary of State may make application to any court of competent jurisdiction to order the person to appear before the Secretary of State and produce documentary evidence or give evidence as directed in the subpoena. The failure to obey the order of the court shall be subject to punishment by the court as contempt of court.

(c) No person shall be excused from complying with a subpoena on the ground that the testimony or evidence required may tend to incriminate the person or subject the person to a penalty or forfeiture. No individual may be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter or thing which the individual is compelled to testify or produce evidence, after claiming the privilege against self-incrimination. However, the individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

(d) In any prosecution, action, suit or proceeding based upon or arising out of this Act, the Secretary of State may sign a certificate showing compliance or non-compliance with this Act by any business broker. This shall constitute prima facie evidence of compliance or non-compliance with this Act and shall be admissible in evidence in any court to enforce this Act.

(e) Whenever it shall appear to the Secretary of State that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of this Act, or of any rule or regulation prescribed under
authority of this Act, the Secretary of State may at his or
her discretion, through the Attorney General:

(1) File a complaint and apply for a temporary
restraining order without notice, and upon a proper
showing the court may enter a temporary restraining order
without a bond, to enforce this Act.

(2) File a complaint and apply for a preliminary or
permanent injunction, and, after notice and hearing and
upon a proper showing, the court may grant a preliminary
or permanent injunction and may order the defendant to
make an offer of rescission with respect to any contract
for business brokerage services determined by the court
to be unlawful under this Act.

(f) The court shall further have jurisdiction and
authority, in addition to the penalties and other remedies in
this Act provided, to enter an order for the appointment of
the court or a person as a receiver, conservator, ancillary
receiver or ancillary conservator for the defendant or the
defendant's assets located in this State, or to require
restitution or damages on behalf of the person or persons
injured by the act or practice constituting the subject
matter of the action, and may assess costs against the
defendant for the use of the State.

(g) No provision of this Act imposing liability shall
apply to any act done or omitted in good faith in conformity
with any rule of the Secretary of State under this Act,
notwithstanding that such rule may, after such act or
omission, be amended or rescinded or be determined by
judicial or other authority to be invalid for any reason.
(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 307/10-50)

Sec. 10-50. Certified copies of documents or records
admissible in actions or proceedings under this Act.
(a) Copies of any statement or document filed with the Secretary of State, and copies of any records of the Secretary of State, certified to by the Secretary of State are admissible in any prosecution, action, suit or proceeding based upon, or arising out of or under, the provisions of this Act to the same effect as the original of the statement, document or record would be if actually produced.

(b) In any action, administrative, civil, or criminal, a certificate under the seal of the State of Illinois, signed by the Secretary of State, attesting to the filing of or the absence of any filing of any document or record with the Secretary of State under this Act, shall constitute prima facie evidence of such filing or of the absence of the filing, and shall be admissible in evidence in any administrative, criminal, or civil action.

(c) Any certificate pursuant to subsection (a) or (b) of this Section shall be furnished by the Secretary of State upon an application therefor in the form and manner prescribed by the Secretary of State by rule, and shall be accompanied by payment of a non-refundable certification fee in the amount specified by rule or by order of the Secretary of State.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 307/10-55)

Sec. 10-55. Violations; administrative fines; enforcement.

(a) If the Secretary of State determines, after notice and opportunity for a hearing, that a person has violated this Act, the Secretary of State may in addition to all other remedies, impose an administrative fine upon the person in an amount not to exceed $10,000 for each violation.

(b) The Secretary of State may bring an action in the circuit court of Sangamon or Cook county to enforce payment
of fines imposed under this Section.

(c) If the Secretary of State shall find that any person has violated any provision of this Act, the Secretary of State may, by written order temporarily or permanently prohibit or suspend such person from acting as a business broker.

(d) If the Secretary of State shall find, after notice and opportunity for hearing, that any person is acting or has acted as a business broker as defined in Section 10-5.10 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of this Act, the Secretary of State may by written order prohibit or suspend such person from acting as a business broker in this State.

(e) Anything herein contained to the contrary notwithstanding, the Secretary of State may temporarily prohibit or suspend, for a maximum period of 90 days, by an order effective immediately, the registration of a business broker or the business of providing business brokerage services, without notice and prior hearing, if the Secretary of State shall in his or her opinion, based upon credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to clients which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act. Immediately after taking action without such notice and hearing, the Secretary of State shall deliver a copy of the temporary order to the respondent named therein by personal service or registered mail or certified mail, return receipt requested. The temporary order shall set forth the grounds for the action and shall advise that the respondent may request a hearing as soon as reasonably practicable, that the request for a hearing will not stop the effectiveness of the temporary order and that respondent's failure to request a hearing within 30 days after the date of the entry of the temporary
order, shall constitute an admission of any facts alleged therein and shall make the temporary order final. A business broker whose registration has been suspended pursuant to this Section may request the Secretary of State permission to continue to receive payment for any executory contracts at the time of any suspension and to continue to perform its obligation thereunder. The decision to grant or deny permission to receive payment for any executory contracts or perform any obligation thereunder shall be at the sole discretion of the Secretary of State and shall not be subject to review under the Administrative Review Law.

(f) The Secretary of State may issue a temporary order suspending or delaying the effectiveness of any registration of a business broker under this Act subsequent to and upon the basis of the issuance of any stop, suspension or similar order by any agency of the United States regulating business brokers or any state or federal courts with respect to the person who is the subject of the registration under this Act, and such order shall become effective as of the date and time of effectiveness of the agency or court order and shall be vacated automatically at such time as the order of the agency or court order is no longer in effect.

(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 307/10-85)

Sec. 10-85. Fraudulent and prohibited acts.

(a) A business broker shall not, in connection with a contract for the services of a business broker, either directly or indirectly, do any of the following:

(1) Employ any device, scheme or article to defraud.

(2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances
under which they are made, not misleading, unless the
statement is made in reasonable reliance on information
provided by the client.
(3) Engage in any act, practice or course of
business that operates or would operate as a fraud or
deceit upon any person.
(b) A business broker shall not either directly or
indirectly do the following:
(1) Engage in the business of acting as a business
broker without registration under this Act unless exempt
under the Act.
(2) Fail to file with the Secretary of State any
application, report, document, or answer required to be
filed under the provisions of this Act or any rule made
by the Secretary of State pursuant to this Act or fail to
comply with the terms of any order issued pursuant to
this Act or rule made by the Secretary of State.
(3) Fail to maintain any records as required under
the provisions of this Act or any rule made by Secretary
of State pursuant to this Act.
(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 307/10-125 new)
Sec. 10-125. Service of process.
(a) Any person acting as a business broker, unless
exempt from registration under this Act, shall constitute an
appointment of the Secretary of State, or his or her
successors in Office, by the person to be the true and
lawful attorney for the person upon whom may be served all
lawful process in any action or proceeding against the
person, arising out of his or her activities as a business
broker.
(b) Service of process under this Section shall be made
by serving a copy upon the Secretary of State or any employee
in his or her Office designated by the Secretary of State to accept such service for him or her, provided notice of such and a copy of the process are, within 10 days of receipt, sent by registered mail or certified mail, return receipt requested, by the plaintiff to the defendant, at the last known address of the defendant. The filing fee for service of process under this Section is non-refundable and is the amount established in Section 10-25 of this Act. The Secretary of State shall keep a record of all such processes that shall show the day of the service.

Section 20. The Business Opportunity Sales Law of 1995 is amended by changing Sections 5-5.05, 5-5.10, 5-5.15, 5-5.30, 5-20, 5-30, 5-35, 5-60, 5-65, 5-95, and by adding Section 5-145 as follows:

(815 ILCS 602/5-5.05)
Sec. 5-5.05. Advertising. "Advertising" means any circular, prospectus, advertisement or other material or any electronic communication including, but not limited to, by radio, television, pictures or similar means used in connection with an offer or sale of any business opportunity. (Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 602/5-5.10)
Sec. 5-5.10. Business opportunity.
(a) "Business opportunity" means a contract or agreement, between a seller and purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business when the purchaser is required to make a payment to the seller or a person recommended by the seller and the seller represents directly
(1) the seller or a person recommended by the seller will provide or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases or other similar devices, on premises neither owned nor leased by the purchaser or seller;

(2) the seller or a person recommended by the seller will provide or assist the purchaser in finding outlets or accounts for the purchaser's products or services;

(3) the seller or a person specified by the seller will purchase any or all products made, produced, fabricated, grown, bred or modified by the purchaser;

(4) the seller guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller;

(5) the seller will refund all or part of the price paid to the seller, or repurchase any of the products, equipment or supplies provided by the seller or a person recommended by the seller, if the purchaser is dissatisfied with the business; or

(6) the seller will provide a marketing plan, provided that this Law shall not apply to the sale of a marketing plan made in conjunction with the licensing of a federally registered trademark or federally registered service mark.

(b) "Business opportunity" does not include:

(1) any offer or sale of an ongoing business operated by the seller and to be sold in its entirety;

(2) any offer or sale of a business opportunity to an ongoing business where the seller will provide products, equipment, supplies or services which are
substantially similar to the products, equipment, supplies or services sold by the purchaser in connection with the purchaser's ongoing business;

(3) any offer or sale of a business opportunity which is a franchise as defined by the Franchise Disclosure Act of 1987;

(4) any offer or sale of a business opportunity which is registered pursuant to the Illinois Securities Law of 1953;

(5) (blank);

(6) any offer or sale of a business opportunity by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian or conservator or a judicial offer or sale, of a business opportunity; or

(7) cash payments made by a purchaser not exceeding $500 and the payment is made for the not-for-profit sale of sales demonstration equipment, material or samples, or the payment is made for product inventory sold to the purchaser at a bona fide wholesale price.

(Source: P.A. 90-70, eff. 7-8-97; 91-357, eff. 7-29-99; 91-809, eff. 1-1-01.)

(815 ILCS 602/5-5.15)

Sec. 5-5.15. Marketing plan. "Marketing plan" means advice or training, provided to the purchaser by the seller or a person recommended by the seller, pertaining specifically to the sale of any enterprise, product, equipment, supplies or services and the advice or training includes, without limitation but is not limited to, preparing or providing:

(1) Promotional literature, brochures, pamphlets, or advertising materials;

(2) Training, regarding the promotion, operation or management of the business opportunity; or
(3) Operational, managerial, technical or financial guidelines or assistance or continuing technical support.
(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 602/5-30)
Sec. 5-30. Person. "Person" means an individual, corporation, trust, partnership, a joint stock company, limited liability partnership, limited liability company, incorporated or unincorporated association or any other entity.
(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 602/5-20)
Sec. 5-20. Burden of proof and evidentiary matters.
(a) In any administrative, civil, or criminal proceeding related to this Law, the burden of proving an exemption, an exception from a definition or an exclusion from this Law is upon the person claiming it.

(b) In any action, administrative, civil, or criminal, a certificate under the seal of the State of Illinois, signed by the Secretary of State, attesting to the filing of or the absence of any filing of any document or record with the Secretary of State under this Act, shall constitute prima facie evidence of such filing or of the absence of the filing, and shall be admissible in evidence in any administrative, criminal, or civil action.

(c) In any administrative, civil, or criminal action, the Secretary of State may issue a certificate under the seal of the State of Illinois, signed by the Secretary of State, showing that any document or record is a true and exact copy, photocopy or otherwise, of the record or document on file with the Secretary of State under this Act; and such certified document or record shall be admissible in evidence with the same effect as the original document or record would
have if actually produced.

(d) Any certificate pursuant to subsection (b) or (c) of this Section shall be furnished by the Secretary of State upon an application therefor in the form and manner prescribed by the Secretary of State by rule, and shall be accompanied by payment of a non-refundable certification fee in the amount specified by rule or by order of the Secretary of State.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 602/5-30)

Sec. 5-30. Registration.

(a) In order to register a business opportunity, the seller shall file with the Secretary of State one of the following disclosure documents with the appropriate cover sheet as required by subsection (b) of Section 5-35 of this Law, a consent to service of process as specified in subsection (b) of this Section, and the appropriate fee as required by subsection (c) of this Section which is not returnable in any event:

(1) The Franchise Offering Circular which the Secretary of State may prescribe by rule or regulation; or

(2) A disclosure document prepared pursuant to the Federal Trade Commission rule entitled Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venture, 16 C.F.R. Sec. 436 (1979). The Secretary of State may by rule or regulation adopt any amendment to the disclosure document prepared pursuant to 16 C.F.R. Sec. 436 (1979), that has been adopted by the Federal Trade Commission; or

(3) A disclosure document prepared pursuant to subsection (b) of Section 5-35 of this Law.

(b) Every seller shall file, in the form as the
Secretary of State may prescribe, an irrevocable consent
appointing the Secretary of State or the successor in office
to be the seller's attorney to receive service of any lawful
process in any noncriminal suit, action or proceeding against
the seller or the seller's successor, executor or
administrator which arises under this Law after the consent
has been filed, with the same force and validity as if served
personally on the person filing the consent. Service may be
made by delivering a copy of the process in the office of the
Secretary of State, but is not effective unless the
plaintiff or petitioner in a suit, action or proceeding,
forthwith sends notice of the service and a copy of the
process by registered or certified mail, return receipt
requested, to the defendant's or respondent's most current
address on file with the Secretary of State, and the
plaintiff's affidavit of compliance with this subsection is
filed in the case on or before the return date of the
process, if any, or within such further time as the court
allows.

(c)(1) The Secretary of State shall by rule or
regulation impose and shall collect fees necessary for
the administration of this Law including, but not limited
to, fees for the following purposes:

(A) filing a disclosure document and renewal
fee;

(B) interpretive opinion fee;

(C) acceptance of service of process pursuant
to subsection (b) of Section 5-145;

(D) issuance of certification pursuant to
Section 5-20; or

(E) late registration fee pursuant to Section
5-30(g).

(2) The Secretary of State may, by rule or
regulation, raise or lower any fee imposed by, and which
he or she is authorized by law to collect under this Law.

(d) A registration automatically becomes effective upon
the expiration of the 10th full business day after a complete
filing, provided that no order has been issued or proceeding
pending under Section 5-45 of this Law. The Secretary of
State may by order waive or reduce the time period prior to
effectiveness, provided that a complete filing has been made.
The Secretary of State may by order defer the effective date
until the expiration of the 10th full business day after the
filing of any amendment.

(e) The registration is effective for one year
commencing on the date of effectiveness and may be renewed
annually upon the filing of a current disclosure document
accompanied by any documents or information that the
Secretary of State may by rule or regulation or order
require. The annual renewal fee shall be in the same amount
as the initial registration fee as established under
subsection (c) of Section 5-30 of this Law which shall not be
returnable in any event. Failure to renew upon the close of
the one year period of effectiveness will result in
expiration of the registration. The Secretary of State may by
rule or regulation or order require the filing of a sales
report.

(f) The Secretary of State may by rule or regulation or
order require the filing of all proposed literature or
advertising prior to its use.

(g) Notwithstanding the foregoing, applications for
renewal of registration of business opportunities may be
filed within 30 days following the expiration of the
registration provided that the applicant pays the annual
registration fee together with an additional amount equal to
the annual registration fee and files any other information
or documents that the Secretary of State may prescribe by
rule or order. Any application filed within 30 days
following the expiration of the registration shall be automatically effective as of the time of the earlier expiration provided that the proper fee has been paid to the Secretary of State.

(Source: P.A. 89-209, eff. 1-1-96.)

(815 ILCS 602/5-35)

Sec. 5-35. Disclosure requirements.

(a) It shall be unlawful for any person to offer or, sell any business opportunity required to be registered under this Law unless a written disclosure document as filed under subsection (a) of Section 5-30 of this Law is delivered to each purchaser at least 10 business days prior to the execution by a purchaser of any contract or agreement imposing a binding legal obligation on the purchaser or the payment by a purchaser of any consideration in connection with the offer or sale of the business opportunity.

(b) The disclosure document shall have a cover sheet which is entitled, in at least 10-point bold type, "DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS." Under the title shall appear the statement in at least 10-point bold type that "THE REGISTRATION OF THIS BUSINESS OPPORTUNITY DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE STATE OF ILLINOIS. THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT HAS NOT BEEN VERIFIED BY THIS STATE. IF YOU HAVE ANY QUESTIONS OR CONCERNS ABOUT THIS INVESTMENT, SEEK PROFESSIONAL ADVICE BEFORE YOU SIGN A CONTRACT OR MAKE ANY PAYMENT. YOU ARE TO BE PROVIDED 10 BUSINESS DAYS TO REVIEW THIS DOCUMENT BEFORE SIGNING ANY CONTRACT OR AGREEMENT OR MAKING ANY PAYMENT TO THE SELLER OR THE SELLER'S REPRESENTATIVE". The seller's name and principal business address, along with the date of the disclosure document shall also be provided on the cover sheet. No other information shall appear on the cover sheet. The disclosure document
shall contain the following information unless the seller uses a disclosure document as provided in paragraph (1) or (2) of subsection (a) of Section 5-30 of this Law:

(1) The names and residential addresses of those salespersons who will engage in the offer or sale of the business opportunity in this State.

(2) The name of the seller, whether the seller is doing business as an individual, partnership or corporation; the names under which the seller has conducted, is conducting or intends to conduct business; and the name of any parent or affiliated company that will engage in business transactions with purchasers or which will take responsibility for statements made by the seller.

(3) The names, addresses and titles of the seller's officers, directors, trustees, general managers, principal executives, agents, and any other persons charged with responsibility for the seller's business activities relating to the sale of the business opportunity.

(4) Prior business experience of the seller relating to business opportunities including:

(A) The name, address, and a description of any business opportunity previously offered by the seller;

(B) The length of time the seller has offered each such business opportunity; and

(C) The length of time the seller has conducted the business opportunity currently being offered to the purchaser.

(5) With respect to persons identified in item (3) of this subsection:

(A) A description of the persons' business experience for the 10 year period preceding the
filing date of this disclosure document. The
description of business experience shall list
principal occupations and employers; and

(B) A listing of the persons' educational and
professional backgrounds including, the names of
schools attended and degrees received, and any other
information that will demonstrate sufficient
knowledge and experience to perform the services
proposed.

(6) Whether the seller or any person identified in
item (3) of this subsection:

(A) Has been convicted of any felony, or
pleaded nolo contendere to a felony charge, or has
been the subject of any criminal, civil or
administrative proceedings alleging the violation of
any business opportunity law, securities law,
commodities law, franchise law, fraud or deceit,
embezzlement, fraudulent conversion, restraint of
trade, unfair or deceptive practices,
 misappropriation of property or comparable
 allegations;

(B) Has filed in bankruptcy, been adjudged
bankrupt, been reorganized due to insolvency, or was
an owner, principal officer or general partner or
any other person that has so filed or was so
adjudged or reorganized during or within the last 7
years.

(7) The name of the person identified in item (6)
of this subsection, nature of and parties to the action
or proceeding, court or other forum, date of the
institution of the action, docket references to the
action, current status of the action or proceeding, terms
and conditions or any order or decree, the penalties or
damages assessed and terms of settlement.
(8) The initial payment required, or when the exact amount cannot be determined, a detailed estimate of the amount of the initial payment to be made to the seller.

(9) A detailed description of the actual services the seller agrees to perform for the purchaser.

(10) A detailed description of any training the seller agrees to provide for the purchaser.

(11) A detailed description of services the seller agrees to perform in connection with the placement of equipment, products or supplies at a location, as well as any agreement necessary in order to locate or operate equipment, products or supplies on a premises neither owned nor leased by the purchaser or seller.

(12) A detailed description of any license or permit that will be necessary in order for the purchaser to engage in or operate the business opportunity.

(13) The business opportunity seller that is required to secure a bond under Section 5-50 of this Law, shall state in the disclosure document "As required by the State of Illinois, the seller has secured a bond issued by (insert name and address of surety company), a surety company, authorized to do business in this State. Before signing a contract or agreement to purchase this business opportunity, you should check with the surety company to determine the bond's current status."

(14) Any representations made by the seller to the purchaser concerning sales or earnings that may be made from this business opportunity, including, but not limited to:

(A) The bases or assumptions for any actual, average, projected or forecasted sales, profits, income or earnings;

(B) The total number of purchasers who, within a period of 3 years of the date of the disclosure
document, purchased a business opportunity involving
the product, equipment, supplies or services being
offered to the purchaser; and

(C) The total number of purchasers who, within
3 years of the date of the disclosure document,
purchased a business opportunity involving the
product, equipment, supplies or services being
offered to the purchaser who, to the seller's
knowledge, have actually received earnings in the
amount or range specified.

(15) Any seller who makes a guarantee to a
purchaser shall give a detailed description of the
elements of the guarantee. Such description shall
include, but shall not be limited to, the duration,
terms, scope, conditions and limitations of the
guarantee.

(16) A statement of:

(A) The total number of business opportunities
that are the same or similar in nature to those that
have been sold or organized by the seller;

(B) The names and addresses of purchasers who
have requested a refund or rescission from the
seller within the last 12 months and the number of
those who have received the refund or rescission;
and

(C) The total number of business opportunities
the seller intends to sell in this State within the
next 12 months.

(17) A statement describing any contractual
restrictions, prohibitions or limitations on the
purchaser's conduct. Attach a copy of all business
opportunity and other contracts or agreements proposed
for use or in use in this State including, without
limitation, all lease agreements, option agreements, and
purchase agreements.

(18) The rights and obligations of the seller and
the purchaser regarding termination of the business
opportunity contract or agreement.

(19) A statement accurately describing the grounds
upon which the purchaser may initiate legal action to
terminate the business opportunity contract or agreement.

(20) A copy of the most recent audited financial
statement of the seller, prepared within 13 months of the
first offer in this State, together with a statement of
any material changes in the financial condition of the
seller from that date. The Secretary of State may accept
the filing of a reviewed financial statement in lieu of
an audited financial statement allow-the-seller-to-submit
a-limited-review-in-order-to-satisfy-the-requirements--of
this-subsection.

(21) A list of the states in which this business
opportunity is registered.

(22) A list of the states in which this disclosure
document is on file.

(23) A list of the states which have denied,
suspended or revoked the registration of this business
opportunity.

(24) A section entitled "Risk Factors" containing a
series of short concise statements summarizing the
principal factors which make this business opportunity a
high risk or one of a speculative nature. Each statement
shall include a cross-reference to the page on which
further information regarding that risk factor can be
found in the disclosure document.

(25) Any additional information as the Secretary of
State may require by rule, regulation, or order.

(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)
Sec. 5-60. Investigations and subpoenas.

(a) The Secretary of State:

(1) may make such public or private investigations within or outside of this State as the Secretary of State deems necessary to determine whether any person has violated or is about to violate any provision of this Law or any rule, regulation, or order under this Law, or to aid in the enforcement of this Law or in the prescribing of rules and forms under this Law;

(2) may require or permit any person to file a statement, under oath or otherwise as the Secretary of State determines, as to all the facts and circumstances concerning the matter to be investigated; and

(3) may publish information concerning any violation of this Law or any rule, regulation, or order under this Law.

(b) For the purpose of any investigation or proceeding under this Law, the Secretary of State or his or her designee may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence and require, by subpoena or other lawful means provided by this Act or the rules adopted by the Secretary of State, the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the Secretary of State deems relevant or material to the inquiry.

(c) In case of contumacy by, or refusal to obey a subpoena issued to any person, through the Office of the Attorney General may bring an appropriate action in any circuit court of the State of Illinois for the purpose of enforcing the subpoena.

(d) It shall be a violation of the provisions of this Law for any person to fail to file with the Secretary of State any report, document, or statement required to be filed
under the provisions of this Section or to fail to comply
with the terms of any order of the Secretary of State issued
pursuant to this Law.
(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 602/5-65)
Sec. 5-65. Remedies. Whenever it appears to the Secretary
of State that any person has engaged in or is about to engage
in any act or practice constituting a violation of any
provision of this Law or any rule, regulation, or order under
this Law, the Secretary of State may:

(1) Issue an order, anything contained in this Law
to the contrary notwithstanding, directing the person to
cease and desist from continuing the act or practice. Any
person named in a cease and desist order issued by the
Secretary of State may, within 30 days after the date of
the entry of the order, file a written request for a
hearing with the Secretary of State. If the Secretary of
State does not receive a written request for a hearing
within the time specified, the cease and desist order
will be permanent and the person named in the order will
be deemed to have waived all rights to a hearing. If a
hearing is requested, the order will remain in force
until it is modified, vacated, rescinded or expunged by
the Secretary of State.

(1.5) Prohibit or suspend the offer or sale of any
business opportunity, prohibit or suspend any person
from offering or selling any business opportunities,
impose any fine for violation of this Law, issue an order
of public censure, or enter into an agreed settlement or
stipulation. No such order may be entered without
appropriate prior notice to all interested parties,
opportunity for hearing, and written findings of fact and
conclusions of law.
(2) Bring an action in the circuit court of any county to enjoin the acts or practices and to enforce compliance with this Law or any rule, regulation, or order under this Law. Upon a proper showing a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets or the court may order rescission, which shall include restitution plus the legal interest rate, for any sales of business opportunities determined to be unlawful under this Law or any rule, regulation, or order under this Law. The court shall not require the Secretary of State to post a bond.

(3) The Secretary of State may refer such evidence as may be available concerning violations of this Law or any rule, regulation, or order under this Law to the Attorney General or the appropriate State's Attorney, who may, with or without such a reference, institute the appropriate proceedings under this Section.

(4) In addition to any other sanction or remedy contained in this Section, the Secretary of State, after finding that any provision of this Law has been violated, may impose a fine as provided by rule or order against the violator not to exceed $10,000 per violation, and may issue an order of public censure against the violator, and charge as costs of the investigation all reasonable expenses, including attorney's fees and witness fees.

(5) Notwithstanding the foregoing, the Secretary of State, after notice and opportunity for hearing, may at his or her discretion enter into an agreed settlement, stipulation, or consent order with a respondent in accordance with the provisions of the Illinois Administrative Procedure Act. The provisions of the
agreed settlement, stipulation, or consent order shall have the full force and effect of an order issued by the Secretary of State.

(6) The action of the Secretary of State in denying, suspending, or revoking the registration of a business opportunity, in prohibiting or suspending a person from offering or selling business opportunities, in prohibiting or suspending the offer or sale of business opportunities, in imposing any fine for violation of this Law, or in issuing any order shall be subject to judicial review under the Administrative Review Law which shall apply to and govern every action for the judicial review of final actions or decisions of the Secretary of State under this Law.

(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 602/5-95)

Sec. 5-95. Fraudulent and prohibited practices.

(a) It is unlawful for any person, in connection with the offer or sale of any business opportunity in this State or any offer or sale pursuant to the exemptions granted under subdivisions 5-10(a), (c), (d), or (h), directly or indirectly:

(1) To employ any device, scheme or artifice to defraud;

(2) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;

or

(3) To engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

(b) No person shall, either directly or indirectly, do
any of the following:

(1) offer or sell any business opportunity without 
registration under this Act unless the person offering or 
selling the opportunity is exempt under the Act;

(2) fail to file with the Secretary of State any 
application, report, document, or answer required to be 
filed under the provisions of this Act or any rule made 
by the Secretary of State pursuant to this Act or fail to 
comply with the terms of any order issued pursuant to 
this Act or any rules adopted by the Secretary of State; 
or

(3) fail to keep or maintain any records as is 
required under the provisions of this Act or any rule 
adopted by the Secretary of State pursuant to this Act.

(Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

(815 ILCS 602/5-145 new)
Sec. 5-145. Service of process.

(a) The offer or sale of business opportunities in this 
State by any person, unless exempt from registration under 
this Act, shall constitute an appointment of the Secretary of 
State, or his or her successors in office, by the person to 
be the true and lawful attorney for the person upon whom may 
be served all lawful process in any action or proceeding 
against the person, arising out of the offer or sale of the 
securities.

(b) Service of process under this Section shall be made 
by serving a copy upon the Secretary of State or any employee 
in his or her office designated by the Secretary of State to 
accept such service for him or her, provided notice and a 
copy of the process are, within 10 days after receiving the 
notice and process, sent by registered mail or certified 
mail, return receipt requested, by the plaintiff to the 
defendant, at the last known address of the defendant. The
filing fee for service of process under this Section shall be as established pursuant to Section 5-30 of this Act, and shall not be returnable in any event. The Secretary of State shall keep a record of all processes each of which shall show the day of the service.
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Statutes amended in order of appearance

3  815 ILCS 5/2.1  from Ch. 121 1/2, par. 137.2-1
4  815 ILCS 5/8   from Ch. 121 1/2, par. 137.8
5  815 ILCS 5/11  from Ch. 121 1/2, par. 137.11
6  815 ILCS 5/14  from Ch. 121 1/2, par. 137.14
7  815 ILCS 175/15-5.15
8  815 ILCS 175/15-5.20
9  815 ILCS 175/15-20
10 815 ILCS 175/15-25
11 815 ILCS 175/15-45
12 815 ILCS 175/15-50
13 815 ILCS 175/15-85
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