



## Order of Prohibition

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2. That according to its website, Heritage (1) offers "a wide range of safe, secure investment vehicles designed to maximize returns under highly efficient mutual and pooled deposits", to corporate, intermediate and individual investors; (2) always acts, "as a fiduciary for our clients, never acting as a principal or on our own behalf" and (3) "[w]e manage assets for clients including individuals, corporations, unions and pension plans, plus endowments and foundations."
3. That the services as provided to the general public in paragraph two (2) above, constitute the activities of a Dealer and Investment Adviser as those terms are defined at Sections 2.7 and 2.11 of the Act.
4. That the Department has searched its Records and the Department has found no record of Registration for Respondent as a dealer, or an investment adviser in the State of Illinois, in accordance with the registration requirements of the Act.
5. That the Respondent failed to file with the Secretary of State applications for registration as required by the Act:
  - a. failed to file an application for registration as a Dealer pursuant to Section 8.B of the Act.
  - b. failed to file an application for registration as an Investment Adviser pursuant to Section 8.D, or to notice file pursuant to Section 8.C(5) of the Act.
6. That Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
7. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
- 8.. That in failing to file applications to register as a dealer, and as an investment adviser pursuant to Section 8 of the Act, Respondent Heritage violated Sections 12.A and 12.D of the Act.

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9. That Respondent's website contains false and misleading advertising.
  - a. Respondent states the firm has an office in Chicago and offers "a wide range of safe, secure investment vehicles designed to maximize returns under highly efficient mutual and pooled deposits"; and "manages assets for clients including individuals, corporations, unions and pension plans, plus endowments and foundations."
  - b. Respondent omitted to state that the firm was not registered as a dealer or as an investment adviser in the State of Illinois as they are required to be, to engage in the activities in 9.a above.
10. That Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
11. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to provides, obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
12. That Section 12.1 of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
13. That by virtue of the foregoing paragraph 9, Respondent Heritage violated Sections 12 F, G, and I of the Act.
14. That Section 12.,1 of the act provides that when acting as an investment adviser, by any means or instrumentality, directly or indirectly:
  - (1) To employ any device, scheme or artifice to defraud any client or prospective client:
  - (2) To engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or
  - (3) To engage in any act, practice, or course of business which if fraudulent, deceptive or manipulative. The Secretary of State shall for the purposes of this paragraph (3), by rules and regulations, define and prescribe means reasonably designed to prevent such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative.

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15. That by virtue of the foregoing paragraph 9, Respondent Heritage violated 12.J (1),(2), and (3) of the Act.

**NOW IT IS HEREBY ORDERED THAT:** Heritage, Inc .d/b/a Heritage Deposit Brokers is **PROHIBITED** from offering or selling securities, or dealing in securities or acting in the business of rendering investment advice in the State of Illinois.

ENTERED: This 30<sup>th</sup> day of July 2012.



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3 -101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five days from the date a copy of this Order is served upon the party seeking review.

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