

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

IN THE MATTER OF:

John Burns, a/k/a John T Burns III
its partners, members, officers, directors,
agents, employees, affiliates, successors
and assigns;

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) **File Number: 1000153**
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ORDER OF PROHIBITION

TO RESPONDENT: John Burns
2211 Sable Oaks Drive
Naperville, Illinois 60564

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on June 15, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

I. FRAUD

1. Respondent John Burns ("Burns") is a natural person with the last known business address of Naperville, Illinois.

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2. Respondent Burns represented himself as the Executive Vice President, Sales person, and investment advisor of USA Retirement Management Services Inc.
3. Beginning in 2008 and continuing to 2010, Respondent gathered financial status information on Investors by offering seminars for a will and trust.
4. Respondent requested additional information and offered to complete Investors income taxes.
5. Respondent used the confidential information received from Investors to recommend alternative investments to these Illinois investors.
6. Respondent directly sold and offered to sell securities in the form of promissory notes and bonds to the general public, including residents and senior citizens of the State of Illinois ("Investors").
7. Respondent offered and sold millions of dollars in promissory notes that promised interest of 12.11% to 6.25% per annum.
8. Respondent encouraged investors to liquidate their existing retirement funds from stock and mutual fund accounts to invest promissory notes and bonds.
9. Respondent represented that the promissory notes would be used to purchase bond, Euro bonds or Turkish Euro bonds; no such bonds were actually purchased.
10. Respondent refused or omitted, to inform Investors that USA Retirement Management Services Inc. was not registered with the Illinois Secretary of State Securities Department.
11. Respondent refused or omitted, to inform Investors that the promissory notes were not registered with the Illinois Secretary of State Securities Department.
12. Respondent refused or omitted, to inform Investors that the Respondent failed to register with the Illinois Secretary of State Securities Department as a sales person/dealer or an investment advisor/ investment advisor representative.
13. Respondent refused or omitted, to inform Investors that he was never registered as a sales person/dealer or investment advisor/ investment advisor representative.
14. The activities described above constitute the offer and sale of a promissory note and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
15. Section 12.F of the Act provides that it shall be a violation of the 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. 815 ILCS 5/12.F

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16. Section 12.G of the Act states that it shall be a violation of the provisions of this Act for any person to, "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." 815 ILCS 5/12.G.
17. Section 12.I of the Act states 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. 815 ILCS 5/12.I.
18. By virtue of this foregoing conduct, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

II. FAILURE TO REGISTER SECURITIES

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. The activities described above constitute the offer and sale of a promissory note and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
16. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
17. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
18. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
19. 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."
20. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

Count III

UNREGISTERED DEALER/SALESPERSON

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.

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15. Through the conduct described in the preceding paragraphs, the respondent acted as a dealer and/or salesperson for the sale of promissory notes to investors.
16. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson unless registered such, where such registration is required under this Act.
17. That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.
18. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.

Count IV

**UNREGISTERED INVESTMENT ADVISOR/
INVESTMENT ADVISOR REPRESENTATIVE**

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. Through the conduct described in the preceding paragraphs, the respondent acted as an investment advisor and/ or investment advisor representative for the offer and sale of promissory notes to investors.
16. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as an investment advisor and/ or investment advisor unless registered such, where such registration is required under this Act.
17. That at all relevant times, the respondent was not registered as an investment advisor and/or investment advisor representative under the Act.
18. That by acting as an investment advisor and/ or investment advisor in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
19. The aforementioned findings are based upon credible evidence.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

Respondent violated Section 12.A, 12.C, 12.D, 12.F, 12.I and 12.G of the Act.

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NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondent John Burns is **shall be and are hereby permanently PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 15th day of July, 2010

Handwritten signature of Jesse White in black ink, with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
Mary A. Lopez
Enforcement Attorney
Illinois Secretary of State Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-3023

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: LINCOLN NATIONAL FINANCIAL)
GROUP its OFFICERS, DIRECTORS, PARTNERS, AGENTS,)
EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS)

FILE NO. 1000176

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS: Lincoln National Financial Group
1455 Lincoln Parkway
Atlanta, Georgia 30346

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Lincoln National Financial Group, ("Respondent"), has a last known address of 1455 Lincoln Parkway, Atlanta, Georgia 30346 as its business address.
2. That on or about February 26, 2010, Respondent, by and through its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, offered to procure loans via the internet at <http://www.Lincolnfnfg.com> (the "Ad") which was viewed by at least one (1) Illinois resident (the "Borrower").
3. That the Borrower responded to the Ad and was then called by a representative of the Respondent on March 2, 2010, who told Borrower that due to his bad credit an advance collateral payment of Eight Hundred Eighty Twenty (\$820.00) Dollars was required and then Borrower would receive a personal loan of Twelve Thousand (\$5,000.00) Dollars.
4. That on March 3, 2010 Borrower remitted the sum of Eight Hundred Twenty (\$820.00) Dollars via Western Union money transfer to the Respondent's representative.
5. That around 2:00 PM that same day Respondent's representative called the borrower and stated that her loan was re-assessed and there was a problem. For insurance collateral they would need another Eight Hundred Twenty (\$820.00) Dollars.

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6. That Borrower later on the day of March 3, 2010 remitted another sum of Eight Hundred Twenty (\$820.00) Dollars via Western Union money transfer to the Respondent's representative.
7. That Borrower never received a loan or the return her advance collateral payment and advance insurance collateral payment to the Respondent.
8. That the above-referenced Respondent is a loan broker as that term is defined pursuant to Section 15-5.15. of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Act").
9. That Section 15-10 of the Act provides, inter alia, that it shall be unlawful for any person to engage in the business of loan brokering unless registered under the Act.
10. That Section 15-85(b) of the Act provides, inter alia, at (1) That it is prohibited under the Act for a loan broker to either directly or indirectly act as a loan broker without registration under the Act unless exempt under the Act; and at (2) That a loan broker shall not fail to file any application, report or document required to be filed under the provisions of the Act.
11. That at all times relevant hereto, Respondent, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration as a loan broker with the Secretary of State prior to the aforementioned loan offer from the State of Illinois.
12. That by virtue of the foregoing, Respondent its Officers, Directors, Partners Employees, Affiliates, Successors, Agents, Assigns, have violated Section 15-10 and/or 15-85(b)(1) and (b)(2) of the Act.
13. That Section 15-55(c) of the Act provides, inter alia, that 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 prohibit or suspend such person from acting as a loan broker.
14. That Section 15-55(d) of the Act provides, inter alia, that if the Secretary of State shall find any person is acting or has acted as a loan broker as defined in Section 15-5.15 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of the Act, the Secretary of State may by written order prohibit such person from acting as a loan broker in the State.
15. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order

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pursuant to the authority granted under Section 15-55(c) and Section 15-55(d) of the Act which prohibits Respondent, its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents, Assigns from acting as a loan broker in the State of Illinois.

16. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 15-55(c) and Section 15-55(d) of the Act, LINCOLN NATIONAL FINANCIAL GROUP its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, are hereby PROHIBITED from engaging in the business of loan brokering in the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60601. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 23rd day of July 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3988