

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

IN THE MATTER OF: **JAMES CRIGLER and FLO CRIGLER**
AND AMERICAN PALLET LEASING, INC.
and their partners, officers and directors, agents, employees,
affiliates, successors and assigns.

)
)
) **Case No. 0800489**
)
)
)

ORDER OF PROHIBITION

TO RESPONDENTS: James Crigler
9263 Dimmick Drive
Sanibel, Florida 33957

And

Flo Crigler
9263 Dimmick Drive
Sanibel, Florida 33957

And

American Pallet Leasing, Inc.
950 North Milwaukee Avenue
Suite 328
Glenview, Illinois 60025

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on September 17, 2010 which prohibited James Crigler, Flo Crigler and American Pallet Leasing, Inc. and their partners, officers and directors, agents, employees, affiliates, successors and assigns ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

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 the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

Order of Prohibition

-2-

WHEREAS, the Respondents have 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 Temporary Order;

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

1. Respondent James Crigler (hereinafter at times "JC" or together with Flo Crigler and American Pallet Leasing, Inc. "Respondents") has a last known address of 9263 Dimmick Drive, Sanibel, Florida, 33957.
2. Respondent Flo Crigler (hereinafter at times "FC" or together with James Crigler and American Pallet Leasing, Inc. "Respondents") has a last known address of 9263 Dimmick Drive, Sanibel, Florida, 33957.
3. Respondent American Pallet Leasing, Inc., Inc. (hereinafter at times "AP" or together with JC and FC "Respondents") was, at all relevant herein a Delaware corporation with a last known address of 950 North Milwaukee Avenue, Suite 328, Glenview, Illinois 60025.
4. At all times relevant Respondent JC was the Chief Executive Officer, and Respondent FC was an Officer of AP.
5. Between April 2004 and October 2005 Respondents solicited at least nine individuals ("Investors") to loan money to Respondents through promissory notes ("Notes") totaling approximately \$355,000.00.
6. The Respondents promised that the Notes were "merely bridge loans" to assist Respondent AP until their new type of pallet was developed and patented.
7. The Respondents promised that the Notes would pay 8% annual interest and were "redeemable in 12 months."
8. Between April 2004 and October 5, 2005 the Investors transferred the \$363,000.00 to the Respondents, and in exchange each received a document entitled "**PROMISSORY NOTE**".
9. The Notes provided, *inter alia*, that the principal was due approximately one year from the dates of issuance, and that JC would issue AP stock to Investors AP in quantities depending on the amount invested.

FAILURE TO REGISTER SECURITIES

10. Respondents never registered the Notes with the Illinois Securities Department.
11. The activities in paragraphs 4, 5, 6 and 7, 8 and 9 constitute the offer and sale of promissory notes and are therefore a security as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Act of 1953 [815 ILCS 5] (the “Act”).
12. Section 5 of the Act provides, *inter alia*, that “all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered ...prior to their offer or sale in this State.”
13. Respondents failed to file an application with the Secretary of State to register the stock as required by the Act, and as a result the Notes were not registered as such prior to their offer or sale in the State of Illinois.
14. 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.
15. 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.”
16. By virtue of the foregoing Respondents violated Sections 12.A and 12.D of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents James Crigler, Flo Crigler and American Pallet Leasing, Inc., and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

Order of Prohibition

-4-

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 (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 28th day of October 2010.

A handwritten signature in black ink, appearing to read "Jesse White", with a stylized flourish extending to the right.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
James J. Tierney
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-9650