

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: CITY STATE FINANCIAL , ITS)
OFFICERS, DIRECTORS, PARTNERS, AGENTS,)
EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS)

FILE NO. 1000079

ORDER OF PROHIBITION

TO RESPONDENTS: City State Financial
 704 King Street, Suite 504
 Wilmington, DE 19801

WHEREAS, a Amended Temporary Order of Prohibition was issued by the Secretary of State on March 17, 2010 which prohibited City State Financial("Respondent") from engaging in the business of loan brokering in the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 15-55(e) Illinois Loan Brokers Act of 1955 [815 ILCS 175/15-1] (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;

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 Respondent is 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. That Respondent, City State Financial, ("Respondent"), has a last known address of 704 King Street, Suite 504, Wilmington, DE 19801 as its business address.
2. That during October and November, 2009, Respondent, by and through its Officers, Directors, Partners, Employees, Affiliates, Successors, Agents and Assigns, offered to procure loans by placing an AD in the *Thrifty Nickel*, a free newspaper of general circulation in Southern, Illinois (the"Ad").

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3. That the Ad read as follows: 'NEED CASH fast? Bad credit OK! Even bankruptcy! Personal and business loans up to 500k, No fees! Licensed Lenders, 1-800-908-1229'
4. That the Illinois resident ("Borrower") responded to the Ad and was then called by a representative of the Respondent who told Borrower that an advance payment of Three Hundred Seventy-Five Dollars (\$375.00) was required for insurance which would be refunded to Borrower in three months and then Borrower would receive a personal loan of Five Thousand Dollars (\$5,000.00).
5. That on November 13, 2009 Borrower remitted the sum of Three Hundred Seventy-Five Dollars (\$375.00) via *Moneygram* to the Respondent.
6. That Borrower never received a loan or the return his advance insurance payment from the Respondent.
7. 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").
8. 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.
9. That Section 15-85. of the Act provides, inter alia, 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.
10. 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.
11. That by virtue of the foregoing, Respondent its Officers, Directors, Partners Employees, Affiliates, Successors, Agents, Assigns, has violated Section 15-10 and/or 15-85(b) of the Act.
12. 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.

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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, City State Financial, its Officers, Directors, Employees, Affiliates, Successors, Agents Partners 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: Failure to comply with the terms of this Order shall be a violation of Section 15-65 of the ACT. Any person who willfully this act commits 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 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.

ENTERED: This 19th day of April, 2010.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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