

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: AMERICAN FUND INC.,  
ITS OFFICERS AND DIRECTORS, AGENTS,  
EMPLOYEES, AFFILIATES, SUCCESSORS AND  
ASSIGNS, AND FABIAN C HARRIS

FILE NO. C0800354

ORDER OF PROHIBITION

TO RESPONDENTS:

American Fund, Inc.  
900 East 162<sup>nd</sup> Street, Suite213  
South Holland, Illinois 60473

American Fund Inc.  
c/o Fabian C. Harris, its President  
2727 Molitor Road  
Aurora, Illinois 60502

American Fund Inc.  
c/o Fabian C. Harris, its President  
1352 Normantown RD  
Naperville, Illinois 60564

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on August 19, 2008 which prohibited American Fund Inc. ("Respondent") 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 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;

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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 American Fund, Inc. an Illinois corporation ("American"), maintained business address at 900 East 162<sup>nd</sup> Street, Suite 213, South Holland, Illinois 60473.
2. That Respondent Fabian C. Harris, its President, ("Harris") maintained a residence address at 2727 Molitor Road, Aurora, Illinois 60602.
3. That on or about February 3, 2008, or thereabouts, Harris a representative of approached an Illinois resident ("Investor") and pursued a relationship with him for the purpose of selling the Investor a promissory note ("Note") at the price of \$3,000 (the "Offering").
4. That in exchange for the \$3,000.00, Harris offered the investor the principal back plus interest of ten per cent per annum ninety days from February 3, 2008.
5. That subsequent to the foregoing solicitation, the Investor purchased the Offering with the expectation that he would receive a return of ten per cent (10%) per annum payable at the end of the term of ninety days, along with repayment of the principal.
6. That from May 3, 2008 through the present the Investor requested payment via emails and left cell phone messages, which were not returned. Respondent has since vacated the business address and the residence address.
7. That the activities described in paragraphs 2 through 5 above constitute the offer and sale of a 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] (the "Act").
8. That 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.
9. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.

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10. That 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.
11. 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.
12. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act, and Respondents will violate the Act again if they make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.
13. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.
14. That Pursuant to Section 12.G of the Act, it is a violation of the Act 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 the light of the circumstances under which they were made, not misleading.
15. That Harris knew or should have known of short-term risks to the Corporation's obligation to repay the Investor the promised return in ninety days, but failed and refused to disclose such risks to Investor.
16. That by virtue of the foregoing, Respondents have violated Sections 12.F and 12.G of the Act, and Respondents will violate the Act again if they make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.

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, Crescent Financial Services, 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.


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**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 15-65 of the ACT. Any person who will fully 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 6<sup>th</sup> day of October, 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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