

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: RICHARD M. LA CROIX;  
and R.L.RICHARDS & CO., LLC.

Case No.0500028

ORDER OF PROHIBITION

**TO RESPONDENT:** Richard M. La Croix  
2101 S. Meacham  
Palatine, Illinois 60067-7459

R.L. Richards & Co., LLC  
675 Third Avenue  
New York, NY 10017

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on January 15, 2008, which prohibited Richard M. La Croix and R.L. Richards & Co., LLC. (Respondent "La Croix" or, collectively with Respondent R.L. Richards, "Respondents") from offering or selling securities in or from the State of Illinois, until further order from 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 facts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, 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;

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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 Findings of Fact as follows:

1. That Richard M. La Croix (Respondent "La Croix" or, collectively with Respondent R.L. Richards, "Respondents") is an individual whose last known address is 2101 S. Meacham, Palatine, Illinois 60067-7459.
2. That R.L. Richards & Co (Respondent R.L. Richards or, collectively with Respondent La Croix, "Respondents") is a New York business entity whose last known address is 675 Third Avenue, New York, NY 10017. R.L. Richards is a member of Commerce Club of Illinois, LLC.
3. That Commerce Club of Illinois, LLC. is or was a Delaware Limited Liability Company (the "Commerce Club"), and at all relevant times herein, a private dinner club in the process of formation.
4. That in around 2003 and 2004, Respondent La Croix pursued casual relationships with a number of Illinois residents for the purpose of seeking investors in the Commerce Club.
5. That Respondent told prospective investors that the Commerce would be an exclusive dining club and would sell private memberships. In particular, he told them he expected to sell memberships to persons in the Japanese-American community. The Investors would share in the profits of the Commerce Club.
6. That between about November 2003 and August 2004, Respondents offered and sold Units of the Commerce Club to one or more Illinois resident Investors.
7. That a Unit of an LLC is, an "interest or instrument commonly known as a 'security,' as defined in Section 2.1 of the Act.
8. That the activities describes at paragraphs three through five constitute the offer and sale of a security as defined in Sections 2.1, 2.5 and 2.5a of the Act.


**VIOLATIONS**

9. That Section 12.A of the Act provides it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
10. That Section 12.D of the Act provides that it shall be a violation of the provision so of this Act 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 this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
11. That Respondents failed to file with the Secretary of State an application for registration of the securities 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.
12. That by virtue of the foregoing, Respondents La Croix and R.L. Richards violated Sections 12.A and 12.D of the Act.
13. 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.
14. That Section 12.G of the Act provides 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 the light of the circumstances under which they were made, not misleading.
15. That Section 12.I 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.
16. That notwithstanding Respondents promises that the Investors' funds would be invested in the Commerce Club, Respondent La Croix diverted the funds and used them for his own benefit.

17. That by virtue of the foregoing, Respondent La Croix violated Sections 12.F, G, and I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Richard M. La Croix and R.L. Richards & Co., LLC. are **PROHIBITED** from offering or selling securities in or from this State.

ENTERED: This 12<sup>th</sup> day of March, 2008.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Jason Chronopoulos  
Enforcement Attorney  
69 West Washington Street  
Suite 1220  
Chicago, Illinois 60602

**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.**

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, 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.