

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

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

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) **Case No.0500028**  
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**TEMPORARY 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

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 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.
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.

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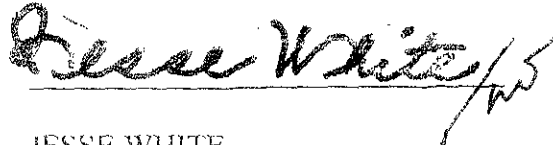
15. That Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
16. That notwithstanding Respondents promises that the 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.
18. That the aforementioned findings are based upon credible evidence.
19. That Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
20. That the entry of this Temporary Order prohibiting Respondents Richard La Croix and R.L. Richards & Co., LLC., from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.
21. That the entry of this Temporary Order prohibiting Respondents Richard La Croix and R.L. Richards & Co., LLC., from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Richard La Croix and R.L. Richards & Co., LLC., his/their managers, officers and directors, agents, employees, affiliates, representatives, successors and assigns are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

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

ENTERED : This 15<sup>th</sup> day of January 2008.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

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