

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: EDWARD L. SENSOR

) File No. 0400121
)

NOTICE OF HEARING

TO THE RESPONDENTS: Edward L. Sensor
1908 21st Ave.
Sterling, Illinois 61081

Edward L. Sensor
2404 16th Ave.
Sterling, Illinois 61801

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702, on the 19th day of October, 2005 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order of Prohibition should be entered against Edward L. Sensor (the "Respondent") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I (Violation of Section 12.A and 12.D)

1. That Respondent, Edward L. Sensor, is an individual with last known addresses of 1908 21st Ave., Sterling, Illinois 61081 and 2404 16th Ave., Sterling, Illinois 61801;
2. That on or about March 5, 2001 and September 7, 2001, Respondent Edward L. Sensor, offered and sold to PC, an Illinois Resident, a note in exchange for a total investment of \$90,669; this note stated that Sensor would repay the principal plus 10% interest within one year;

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3. That the aforesaid note is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
5. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act;
7. That at all times relevant hereto, Respondent Edward L. Sensor failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.A and Section 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

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11. That by virtue of the foregoing, Respondent Edward L. Sensor, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count II (Violation of 12.G)

- 1-3. Paragraphs 1-3 of Count I are re-alleged and incorporated as paragraphs 1-3 of this Count II;
4. That at the time of the offer and sale of the aforesaid note, Sensor represented that he would invest said funds in the growth of his business, which included the purported purchase of a building where he purportedly would locate his business and rent out the additional space for income. Sensor also represented that he would make minimum payments of \$3,000 per month which would represent principal and interest;
5. That Respondent Sensor never invested PC's investment in his business or for the purchase of a building for his business, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, PC;
6. That while PC received payments of varying amounts between July 3, 2001 and May 20, 2002, for a total sum of \$19,800, since that time and as of the present date, PC has not received any further payment or return of any kind from Respondent Sensor and has not been able to contact Respondent Sensor in this regard despite numerous attempts on PC's part to do so;
7. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the 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;
8. That at all times relevant hereto, Respondent, Edward L. Sensor, obtained money or property from PC, an Illinois

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resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to PC that he would pay PC the principal plus 10% interest within a year with a minimum monthly payments of \$3,000, and that he would invest said funds in his business, including a purchase of a new building for said business and additional income, where, in fact, Respondent did not invest said funds as he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, PC; furthermore, Respondent has failed to repay PC either the full principal or interest within the agreed time period, and PC has been unable to contact Respondent in this regard despite numerous attempts on PC's part to do so;

9. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.G of the Act;
10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent Edward L. Sensor is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count III (Violation of 12.A and 12.D)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count III;
2. That on or about April 8, 2002, Respondent Edward L. Sensor, offered and sold to ES, an Illinois Resident, an investment

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plan whereby Sensor represented that for an investment of \$10,000 by ES, Sensor would invest said funds in commodities on her behalf and for her benefit;

3. That on or about July 9, 2002, Respondent Edward L. Sensor, offered and sold to ES, an Illinois Resident, an investment plan whereby Sensor represented that for an investment of \$5,000 by ES, Sensor would invest said funds in commodities on her behalf and for her benefit;
4. That on or about September 18, 2002, Respondent Edward L. Sensor, offered and sold to ES, an Illinois Resident, an investment plan whereby Sensor represented that for an investment of \$5,000 by ES, Sensor would invest said funds in commodities on her behalf and for her benefit;
5. That each of the aforesaid investment plans is an investment contract and therefore a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
6. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
7. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
8. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act;
9. That at all times relevant hereto, Respondent Edward L. Sensor failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
10. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.A and Section 12.D of the Act;

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11. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
12. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
13. That by virtue of the foregoing, Respondent Edward L. Sensor, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count IV (Violation of 12.G)

- 1-5. Paragraphs 1-5 of Count III are re-alleged and incorporated as paragraphs 1-5 of this Count IV;
6. That Respondent Sensor never invested ES's PC's aforesaid funds in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, ES;
7. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the 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;
8. That at all times relevant hereto, Respondent, Edward L. Sensor, obtained money or property from ES, an Illinois

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resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to ES that he would invest her funds in commodities on her behalf and for her benefit, where in fact, Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, ES;

9. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.G of the Act;
10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent Edward L. Sensor is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count V (Violation of Section 12.A and 12.D)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count V;
2. That on or about August 19, 2002, Respondent Edward L. Sensor, offered and sold to CW and BW, Illinois Residents, an investment plan whereby Sensor represented that for a total investment of \$19,928.27 by CW and BW, Sensor would invest said funds in commodities on their behalf and for their benefit;

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3. That the aforesaid investment plan is an investment contract and therefore a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
5. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act;
7. That at all times relevant hereto, Respondent Edward L. Sensor failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.A and Section 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

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11. That by virtue of the foregoing, Respondent, Edward L. Sensor, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count VI (Violation of 12.G)

- 1-3. Paragraphs 1-3 of Count V are re-alleged and incorporated as paragraphs 1-3 of this Count VI;
4. That Respondent Sensor never invested CW and BW's aforesaid funds in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CW and BW; furthermore, as of this date, CW and BW never received any return from their investment and have not been able to contact Respondent Sensor in this regard, despite repeated attempts on their part to do so.
5. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the 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;
6. That at all times relevant hereto, Respondent, Edward L. Sensor, obtained money or property from CW and BW, Illinois residents, by means of an untrue statement of material fact or an omission to state a material fact by representing to CW and BW that he would invest their funds in commodities on their behalf and for their benefit, where in fact, Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CW and BW; furthermore, as of this date, CW and BW never received any return from their investment and have not been able to contact Respondent Sensor in this regard, despite repeated attempts on their part to do so;

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7. That by virtue of the foregoing, Respondent, Edward L. Sensor has violated Sections 12.G of the Act;
8. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
9. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
10. That by virtue of the foregoing, the Respondent Edward L. Sensor is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count VII (Violation of 12.A and 12.D)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count VII;
2. That on or about October 31, 2001, Respondent Edward L. Sensor, offered and sold to CG, an Illinois Resident, an investment plan whereby Sensor represented that for an investment of \$11,300 by CG, Sensor would invest said funds in commodities on her behalf and for her benefit;
3. That the aforesaid investment plan is an investment contract and therefore a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
4. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;

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5. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
6. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act;
7. That at all times relevant hereto, Respondent Edward L. Sensor failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.A and Section 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
11. That by virtue of the foregoing, Respondent Edward L. Sensor, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count VIII (Violation of 12.G)

- 1-3. Paragraphs 1-3 of Count VII are re-alleged and incorporated as paragraphs 1-3 of this Count VIII;

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4. That Respondent Sensor never invested CG's aforesaid funds in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CG; furthermore, as of this date, CG never received any return from her investment and have not been able to contact Respondent Sensor in this regard, despite repeated attempts on her part to do so.
5. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the 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;
6. That at all times relevant hereto, Respondent, Edward L. Sensor, obtained money or property from CG, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to CG that he would invest her funds in commodities on her behalf and for her benefit, where in fact, Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CG; furthermore, as of this date, CG never received any return from her investment and has not been able to contact Respondent Sensor in this regard, despite repeated attempts on her part to do so;
7. That by virtue of the foregoing, Respondent Edward L. Sensor has violated Sections 12.G of the Act;
8. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
9. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided

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by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

10. That by virtue of the foregoing, the Respondent Edward L. Sensor is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 22nd day of *August*, 2005.

Jesse White 

Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Johan Schripsema
Illinois Securities Department
Jefferson Terrace, Suite 300A
300 West Jefferson Street
Springfield, Illinois 62702

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Hearing Officer:
Jon K. Ellis
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Springfield, Illinois 62704
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