

Order of Prohibition and Fine

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WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. That Respondent Prestige Leasing, (Prestigé), Inc., an Illinois corporation maintained a business address at 88 Dundee Road, Buffalo Grove, Illinois 60089. The corporation was dissolved November 25, 2012.
2. That Respondent Arthur Friedman, (Friedman) was an owner and officer of Prestige Leasing, Inc. and a member and manager of Glenview Development Group, LLC at all relevant times. His last known address is 1840 Central Avenue, Northbrook, Illinois 60062
3. That Respondent Leon Bilis, (Bilis) was an owner and officer of Prestige Leasing, Inc. and a member and manager of Glenview Development Group, LLC at all relevant times. His last known address is 3917 Charlie Court, Glenview, Illinois 60026.
4. That Vladimir Frankfurt ("Investor A") is a senior citizen and a resident of Illinois.
5. That in May of 2007 Weiserman, on behalf of Prestige, Friedman and Bilis approached Investor A for the purpose of selling Investor A a \$100,000.00 loan agreement (Note) issued by Prestige, Friedman, and Bilis.
6. That Investor A did not know Friedman or Bilis but relied on statements from Weiserman that Prestige was in very good financial shape and that Friedman and Bilis were very successful businessmen. Weiserman further represented that he had done business with them for a long time.
7. That in exchange for the \$100,000.00, Investor A would receive principal plus 12%.
8. That Investor A tendered Weiserman a check in the amount of \$100,000 payable to Prestige and a couple of weeks later Weiserman delivered the Note signed by Friedman and Bilis individually and by Friedman on behalf of Prestige
9. That in May, 2008 Investor A agreed to renew the Note for one year after Weiserman represented to Investor A that the previous year had been very good for Prestige and that it was in very good financial shape.

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10. That contrary to Weiserman's representations Prestige had significant cash flow problems.
11. That in June 2009 when the Note reference in paragraph 10 above became due the Respondents offered Investor A a substitute promissory note in the amount of \$100,000 plus interest of 8%
12. That Investor A was not informed that at the time of the offer of the substitute note that Prestige had financial problems and that the note was not registered.
13. That Investor A refused the substituted promissory note and at a meeting with Weiserman and Friedman on or about June 13, 2009 was informed that the Note could not be repaid because Prestige had been on the verge of bankruptcy the last couple years.
14. That Respondents knew or should have known of risks to Respondent's obligation to repay Investor A the promised return not later than May 31, 2009 or earlier pursuant to the acceleration clause, but failed and refused to disclose such risks to Investor A, and to the contrary indicated that Prestige was in good financial condition.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondents.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondents' failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondents waived their right to a hearing;
 - (c) Respondents are subject to an Order of Default.

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5. Because the Respondents failed to appear at the time and place set for hearing, in accordance with Section 1109, they
 - (a) Waived their right to present evidence, argue, object or cross-examine witnesses; or
 - (b) Otherwise participate at the hearing
6. That the activities described in the above Findings of Fact 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").
7. 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.
8. 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 or sale in the State of Illinois
9. 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.
10. 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
11. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12 D of the Act.
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer and sale of any securities in this State is in violation of Section 12 of the Act, the Secretary of State may by written order prohibit the offer or sale of such securities.
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that the any person has violated subsection C, D, E, F, G, H, I, J, or K offer and sale of any securities in this State is in violation of Section 12 of this Act, the Secretary of State may by written order prohibit the offer or sale of such securities

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14. That by virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents, its agents, affiliates and employees are subject to an Order prohibiting them from offering or selling in the State of Illinois.
15. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, 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 against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.
16. That by virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents are subject to an order of public censure and a fine not to exceed \$10,000 for each violation.
17. 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.
18. 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
19. That by virtue of the foregoing, Respondents have violated Sections 12.F and 12.G of the Act
20. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer and sale of any securities in this State is in violation of Section 12 of the Act, the Secretary of State may by written order prohibit the offer or sale of such securities.
21. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that the any person has violated subsection C, D, E, F, G, H, I, J, or K offer and sale of any securities in this State is in violation of Section 12 of this Act, the Secretary of State may by written order prohibit the offer or sale of such securities.
22. That by virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents and their agents, affiliates and employees are subject to an Order prohibiting them from offering or selling in the State of Illinois
23. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine

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as provided by rule, regulation or order against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.

24. That by virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents are subject to an order of public censure and a fine not to exceed \$10,000 for each violation.

WHEREAS, the Hearing Officer recommended that:

1. A Permanent Order of Prohibition be entered against each Respondent, Arthur Friedman, Leon Bilis and Prestige Leasing, Inc.
2. A fine be ordered against Respondent Arthur Friedman in the amount of \$1,000.00.
3. A fine be ordered against Respondent Leon Bilis in the amount of \$1,000 00

WHEREAS, the Secretary of State adopts in its entirety the Recommendations made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That a Permanent Order of Prohibition from selling or offering for sale securities in the State of Illinois is hereby entered against Respondent Leon Billis;
2. That a Permanent Order of Prohibition from selling or offering for sale securities in the State of Illinois is hereby entered against Respondent Arthur Friedman,
3. That a Permanent Order of Prohibition from selling or offering for sale securities in the State of Illinois is hereby entered against Respondent Prestige Leasing, Inc.;
4. A fine is imposed upon Respondent Leon Billis in the amount of \$1000.00.
5. A fine is imposed upon Respondent Arthur Friedman in the amount of \$1000 00.

ENTERED This 13th day of February 2014

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A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style with a large, stylized "J" and "W".

JESSE WHITE
Secretary of State
State of Illinois

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 for each offence.

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.

Attorney for the Secretary of State:

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