

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: EMERSON CAPITAL CORP., ITS)
OFFICERS, DIRECTORS, AGENTS, EMPLOYEES,)
AFFILIATES, SUCCESSORS AND ASSIGNS, AND)
ADAMS, INDIVIDUALLY.)

FILE NO. C1200024

CONSENT ORDER OF PROHIBITION AND FINE

TO RESPONDENTS: Emerson Capital Corp.
1030 Forest Avenue
Glencoe, Illinois 60022

Douglas Adams, President
Emerson Capital Corp.
1030 Forest Avenue
Glencoe, Illinois 60022

WHEREAS, Respondents Emerson Capital Corp. and Douglas Adams on the 26th day of June 2014 executed a certain Stipulation to Enter Consent order of Prohibition (the "Stipulation"), which is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents Emerson Capital Corp. and Douglas Adams has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated April 4, 2012, in this proceeding (the "Notice") and has consented to the entry of this Consent Order of Prohibition ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Amended Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That Respondent Douglas Adams, ("Adams" or collectively with Emerson "Respondents"), is an individual with a last known address of 1030 Forest Avenue, Glencoe, Illinois 60022.

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2. That the Respondent Emerson Capital Corp., ("Emerson" or collectively with Adams "Respondents"), is an Illinois corporation with a last known business address of 1030 Forest Avenue, Glencoe, Illinois 60022.
3. That on or about March 2011 through April 2011, Respondents, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, offered at least one (1) Illinois resident (the "Borrower") to procure a loan for them.
4. That Borrower learned of Respondents through the Seller of the business to be purchased.
5. That on April 14, 2011, Borrower remitted the sum of Four Thousand (\$4,000.00) Dollars via check to Respondents as and for the first tranche of Respondents fee of Eleven Thousand (\$11,000.00) Dollars to obtain a Two Hundred Seventy Five Thousand (\$275,000.00) Dollar loan towards the purchase of a business.
6. That the above-referenced Respondents acted as loan brokers pursuant to Section 15-5.15 of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Act").
7. Section 15-5.15(a) of the Act provides inter alia that a "loan broker" is any person who, in return for a fee, commission, or other compensation from any person, promises to procure a loan for any person or assist any person in procuring a loan from any third party, or who promises to consider whether or not to make a loan to any person.
8. That Section 15-10 of the Act provides, inter alia, that it shall be unlawful for any person to engage in the business of loan brokering unless registered under the Act.
9. That Section 15-85 of the Act provides, inter alia, that it is prohibited under the Act for a loan broker to either directly or indirectly act as a loan broker without registration under the Act unless exempt under the Act.
10. That at all times relevant hereto, Respondents, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, failed to file an application for registration as a loan broker with the Secretary of State prior to the aforementioned loan offer from the State of Illinois.
11. That by virtue of the foregoing, Respondents, its Officers, Directors, Employees, Affiliates, Successors, Agents, Assigns, have violated Section 15-10 and/or 15-85(b) of the Act.

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WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the Secretary of State has adopted the following additional Finding of Fact:

12. Section 15-55(a) of the Act provides inter alia, that the Secretary of State, after notice and opportunity for a hearing, that a person has violated this Act, may in addition to all other remedies, impose an administrative fine upon the person in an amount not to exceed \$10,000.00, for each violation of the Act.
13. That Section 15-45(3) of the Act provides, inter alia, that the Secretary of State may charge costs of investigation or examination all reasonable expenses.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- (1) The Respondents have violated of Sections 15-10 and 15-85(a) and (b) of the Illinois Loan Brokers Act of 1995;
- (2) The Respondents are subject to the entry of an order prohibiting them from acting as a Loan Broker in or from the State of Illinois pursuant to the authority provided Section 15-55(c) of the Act; and
- (3) The Respondent Adams is potentially subject to a FINE pursuant to Section 15-55(a) of the Act.

WHEREAS, by means of Stipulation, Respondent has acknowledged and agreed that they shall pay restitution in the amount of Four Thousand Dollars (\$4,000.00). Said amount is to be paid by certified or cashier's check, made payable to AG.

WHEREAS, by means of the Stipulation, Respondent shall, prior to the entry of the aforesaid Consent Order, pay restitution in the amount of Four Thousand Dollars (\$4,000.00). Said payment will be made by certified or cashier's check, payable to AG in the amount specified above, that said check will be mailed or delivered in a timely manner to Felicia H. Simmons-Stovall, Illinois Department of Securities, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602.

WHEREAS, by means of the Stipulation, Respondents acknowledged and agreed that they shall be levied costs as follows: One Thousand Five Hundred dollars (\$1,500.00)

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to cover the cost incurred during the investigation of this matter. Said sum shall be paid in full, within 90 days of the entry of this Consent order, by certified or cashier's check(s), made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation, Respondents have acknowledged and agreed that within 90 days of the entry of the aforesaid Consent Order, they will submit certified or cashier's check in the amount of One Thousand Five Hundred dollars (\$1,500.00) to cover the costs incurred during the investigation of this matter. Said check shall be made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent Emerson Capital Corp. is permanently PROHIBITED from engaging in the business of loan brokering or acting as a Loan Broker in or from the State of Illinois.
2. The Respondent Douglas Adams is permanently PROHIBITED from engaging in the business of loan brokering or acting as a Loan Broker in or from the State of Illinois.
3. The Respondents shall pay restitution in the amount of Four Thousand Dollars (\$4,000.00), payable by certified or cashier's check to AG, and on June 30, 2014 has submitted said payment to Felicia H. Simmons-Stovall, Illinois Department of Securities, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602.
4. The Respondents are LEVIED costs in the amount of One Thousand Five Hundred dollars (\$1,500.00) to cover the costs incurred during the investigation of this matter, payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, within ninety (90) days from the entry of this Consent Order.

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5. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 1st day of July 2014.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Felicia H. Simmons-Stovall
Enforcement Attorney
Office of the Secretary of State
Illinois Securities Department
69 W. Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384