

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

IN THE MATTER OF:

TURNKEY BUSINESS BROKERS, INC.,

its managers, officers, affiliates, subsidiaries,
representatives, successors, and assigns, and;

US3, LLC, its managers, officers, affiliates,
subsidiaries, representatives, successors, and
assigns, and;

SITUS BUSINESS BROKERS, its managers,
officers, affiliates, subsidiaries, representatives,
successors, and assigns, and;

TERRENCE DONATI, an individual.

File No. 1400149

NOTICE OF HEARING

TO THE RESPONDENTS:

**Turnkey Business Brokers, Inc.
450 Shepard Drive, Suite 1
Elgin, IL 60123**

**US3, LLC
450 Shepard Drive, Suite 1
Elgin, IL 60123**

**Situs Business Brokers
450 Shepard Drive, Suite 1
Elgin, IL 60123**

**Terrence Donati, a/k/a Terry Donati
933 Willow Lane
Sleepy Hollow, IL 60118**

**Turnkey Business Brokers, Inc., US3, LLC
Situs Business Brokers, Terrence Donati
Care of:
Donald Rosen
96 N. Kennedy Drive, Suite 203
Carpentersville, IL 60110**

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You are hereby notified that pursuant to Section 10-55 of the Illinois Business Brokers Act of 1995 [815 ILCS 307/10-1 et. Seq.] (The "Act") and Ill. Adim. Code 140, Subpart C, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 13th day of November, 2014, at the hour of 10:00 AM, or as soon as possible thereafter, before George Berbas or such duly designated Hearing Officer of the Secretary of State.

Said Hearing will be held to determine whether an Order shall be entered pursuant to Section 10-55 of the Act prohibiting Respondents from acting as a business broker in the State of Illinois and/or 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 10-55(a) of the Act, payable within ten (10) business days of the order.

INTRODUCTION

The grounds for such proposed actions are as follows:

1. Respondent Turnkey Business Brokers, Inc., ("Turnkey") is an Illinois Corporation, incorporated on 3/13/2013 and has the last known business address of 450 Shepard Drive, Suite 1, Elgin, IL, 60123.
2. Respondent US3, LLC, hereafter ("US3"), was an Illinois limited liability company which was involuntarily dissolved on February 14, 2014, in the State of Illinois and has a last known business address of 450 Shepard Drive, Suite 1, Elgin, IL, 60123.
3. Respondent Situs Business Brokers, hereafter ("Situs"), holds itself out as a provider of business brokerage services as well as providing services in the sale of commercial real estate. Respondent Situs has never been registered as an LLC or incorporated in the State of Illinois, and has a last known business address of Shepard Drive, Suite 1, Elgin, IL, 60123.
4. Respondent Terrence Donati a/k/a Terry Donati, hereafter ("Donati"), is a citizen of the State of Illinois with the last known residential address of 933 Willow Lane, Sleepy Hollow, IL, 60118. Donati is the founder of Respondents US3, LLC and Situs Business Brokers, and acts as Respondent US3, LLC's agent and President and acts as the principal and Chief Business Broker of Respondent Situs Business Broker. Respondent Donati is also listed as the President and senior Business Broker of Respondent Turnkey.

COUNT I

FRAUD IN PROVIDING BUSINESS BROKER SERVICES

5. Section 10-45(a)(2)(B) of the Act states *inter alia* that the Secretary of State may conduct investigations and examinations whenever it appears to the Secretary of State, upon the

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basis of a complaint or information, that reasonable grounds exist for the belief that an investigation or examination is necessary or advisable for the more complete protection of the interests of the public. Pursuant to Section 10-45(a)(2)(B), an investigation was conducted by the Department into the brokerage services conducted by Respondents.

6. During the course of the investigation, it was discovered that from at least January 1, 2014 to present, Respondents Turnkey *et al* were, and currently are, advertising and providing business brokerage services within the meaning of Section 10-5.10 of the Act.
7. On at least two known separate occasions, Respondents Donati and Turnkey responded to Illinois residents who inquired about businesses being listed for sale on the website <http://www.bizbuysell.com>.
8. Respondent Donati represented himself as a representative of Respondent Turnkey and stated that he provided business broker services and would broker the sale of the businesses inquired about on the website.
9. On or around January 22, 2014, the first Illinois resident contracted with Respondent Donati and Turnkey and made a check payable to Respondent US3 in the amount of \$5000 representing the conditional deposit to be held in escrow until the sale was finalized. This Illinois resident never received a signed copy of the agreement from Respondents. The sale of the business ultimately did not occur, and it took at least 3 months for Respondent Donati and Turnkey to return the \$5000.
10. On or around April 2, 2014, the second Illinois resident contracted with Respondent Donati and Turnkey and made two separate checks payable to Respondent US3 in the amounts of \$5000. The second Illinois resident was informed by Respondents Donati and Turnkey that one check would be deposited into escrow while the other would not be. However, both checks were cashed by Respondents Donati and Turnkey.
11. The funds of both Illinois residents were endorsed by Respondent US3 and placed into an account held by Respondent US3 which is a Business Statement Savings account at Parkway Bank and Trust. It was opened by Respondent Donati on December 11, 2012, and does not list that it is an escrow account for the benefit of Respondent Turnkey.
12. In fact, this account appears to be the normal business account for Respondents US3 and Turnkey. Moreover, there are various cash withdrawals drawn from this account by Respondent Donati.
13. Section 10-85(a) of the Act states *inter alia* that a business broker shall not, in connection with a contract for the services of a business broker, either directly or indirectly, do any of the following: (1) Employ any device, scheme or article to defraud; (2) Make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, unless the statement is made in reasonable reliance on information provided

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by the client; (3) Engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.

COUNT II

FAILURE TO REGISTER

14. Paragraphs 1 through 13 are herein incorporated by reference.
15. Section 10-10 of the Act states *inter alia* that every person engaging in the business of business brokering shall be registered with the Office of the Secretary of State pursuant to the provisions of this Act.
16. Respondents Turnkey *et al* are currently not registered with the Office of the Secretary of State to engage in the business of providing business brokerage services. In fact, Respondent Donati has not been registered with the Office of the Secretary of State since December 31, 2012. Moreover, Respondents Turnkey, US3, and Situs, have never been registered with the State of Illinois as Business Brokers.
17. Section 10-85(b)(1) of the Act states *inter alia* that a business broker shall not directly or indirectly engage in the business of acting as a business broker without registration under this Act unless exempt under the Act.
18. Section 10-55(c) of the Act states *inter alia* that if the Secretary of State shall find that any person has violated any provision of this Act, the Secretary of State may, by written order temporarily or permanently prohibit or suspend such person from acting as a business broker.

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

Dated: This 2nd day of September, 2014.



JESSE WHITE
Secretary of State
State of Illinois

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You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of receipt of this notice. Your failure to do this 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 appear shall constitute default by you.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website:

<http://www.cyberdriveillinois.com/departments/securities/abtil.html>

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