

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: )  
TIMOTHY JAMES FERGUS, an individual. ) File No. 1500256  
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CONSENT ORDER

TO THE RESPONDENT:

Timothy James Fergus  
6611 N. Olmstead Avenue  
Chicago, IL 60631

Timothy James Fergus  
Care of:  
Vanasco Genelly & Miller  
Attention: David Genelly  
Adam Goldman  
33 North LaSalle Street, Suite 2200  
Chicago, IL 60602

WHEREAS, Timothy James Fergus on the 24th day of March, 2016 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent Timothy James Fergus submits to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the stipulation, Respondent Timothy James Fergus neither admits nor denies the Findings of Facts contained in this Order:

The grounds for such proposed actions are as follows:

1. Respondent Timothy James Fergus ("Fergus") is a resident of the State of Illinois with a last known address of 6611 N. Olmstead Avenue, Chicago, IL 60631. Respondent Fergus was last registered to offer and sell securities in or from the State of Illinois in 2003.

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2. On or around May 2007, Respondent Fergus met with Investor A, a senior citizen, to determine whether he was interested in giving Respondent Fergus money so that he could start "self trading." Respondent Fergus stated that he would give Investor A 20% interest on any money given by Investor A. Investor A had previous dealings with Respondent Fergus, as Respondent Fergus was Investor A's insurance agent.
3. On May 15, 2007, Respondent Fergus and Investor A entered into a promissory note whereby for value received (\$50,000), Respondent Fergus promised to pay Investor A the sum of \$50,000 together with interest accruing at the rate of 20% per annum (\$10,000) 1 year from May 15, 2007.
4. Investor A issued a check made payable to Respondent Fergus in the amount of \$50,000 dated May 18, 2007. The \$50,000 check was endorsed by Respondent Fergus and deposited into an account he controlled.
5. In or around April 2008, Respondent Fergus contacted Investor A informing him that "things were going good" and "it might behoove Investor A to give him more money."
6. On April 2, 2008, Respondent Fergus and Investor A entered into another promissory note whereby for value received (\$50,000), Respondent Fergus promised to pay Investor A the sum of \$50,000 together with interest accruing at the rate of 20% per annum (\$10,000) 1 year from April 2, 2008.
7. Respondent Fergus did not make any payments on the original principal of \$50,000 and still owed the interest accrued of \$10,000. The \$10,000 was applied to the 2008 note. Therefore, the principal was \$100,000 accruing interest at 20% for the two notes.
8. Investor A issued a check made payable to Respondent Fergus in the amount of \$40,000 dated April 2, 2008. The \$40,000 check was endorsed by Respondent Fergus and deposited into an account he controlled.
9. On January 19, 2009 Respondent Fergus met with Investor B, an individual Respondent Fergus had known for around 15 years as he was her insurance agent. Respondent Fergus informed Investor B that he was "day trading" and was doing "very well." Respondent Fergus stated that he would give Investor B 20% interest on any money given by Investor B, and that she could expect a payment of \$6,000 by December 2009.
10. On or around January 19, 2009 Respondent Fergus and Investor B entered into a promissory note. Investor B issued two separate checks made payable to Respondent Fergus in the amounts of \$4,000 and \$24,580 both dated January 19, 2009. Both checks were deposited into an account controlled by Respondent Fergus.
11. In or around May 2009, Respondent Fergus again approached Investor A and informed him that he had two fixed annuities, which "were not making much money." Respondent

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Fergus instructed Investor A to cash out the fixed annuities and invest the money with Respondent Fergus.

12. Investor A received two checks from Axa Equitable Life Insurance Company, both dated May 26, 2009 and both in the amounts of \$12,965.91 for a total of \$25,931.82. These checks were deposited into Investor A's bank account.
13. Investor A issued a check made payable to Respondent Fergus in the amount of \$25,900 dated May 28, 2009. The \$25,900 check was endorsed by Respondent Fergus and deposited into an account he controlled.
14. Since 2009, Investor A has not received any interest payments nor the return of any of the \$115,900 in principal from Respondent Fergus.
15. Since 2009, Investor B has not received any interest payments nor the return of any of the \$28,580.
16. To date, Respondent Fergus has failed to provide any accounting of the invested funds to Investor A or Investor B.
17. In addition to the promissory notes offered to Investors A and B, Respondent Fergus offered promissory notes to two additional Illinois residents and one Ohio resident.
18. The Promissory Notes with a maturity date of more than 9 months entered into by Respondent Fergus constitute an offer or sale of 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 5/1 *et. seq.*] (the "Act").

**CONCLUSIONS OF LAW**

By means of Stipulation, Respondent Fergus, neither admits nor denies the facts alleged that this Consent Order is a settlement of a disputed action brought by the Secretary of State, Securities Department. Nothing herein shall constitute an admission of fact or law by any party. Respondent Fergus submits to the jurisdiction of the Secretary of State, Securities Department for purposes of this Consent Order and Stipulation only, and acknowledges that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Respondent Fergus has violated Section 12.A of the Act.

**UNDERTAKINGS**

WHEREAS; by means of the Stipulation, Respondent Fergus has acknowledged and agreed to the following:

1. Respondent Fergus shall voluntarily withdraw any registration he may currently hold permitting him to offer or sell securities in or from the State of Illinois;

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2. Respondent Fergus shall voluntarily withdraw any registration he may currently hold permitting him to engage in the business of investment adviser and provide investment advice in or from the State of Illinois;
3. Respondents Fergus shall not seek re-registration as an investment adviser, investment adviser representative, or salesperson in the State of Illinois; and agrees to never offer or sell securities, never engage in the business of investment adviser, and never provide investment advice in or from the State of Illinois;

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

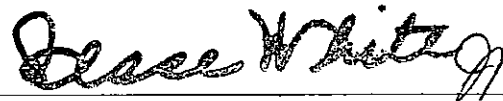
1. **Respondent Fergus** shall voluntarily withdraw any registration he may currently hold permitting him to offer or sell securities in or from the State of Illinois effective March 25, 2016.
2. **Respondent Fergus** shall voluntarily withdraw any registration he may currently hold permitting him to engage in the business of investment adviser and provide investment advice in or from the State of Illinois effective March 25, 2016.
3. **Respondents Fergus** shall not seek re-registration as an investment adviser, investment adviser representative, or salesperson in the State of Illinois; and agrees to never offer or sell securities, never engage in the business of investment adviser, and never provide investment advice in or from the State of Illinois effective March 25, 2016.

The Amended Notice of Hearing dated March 25, 2016, will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Order.

The entry of this Consent Order ends the Secretary of State, Securities Department's formal hearing of this matter.

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

Date of Mailing: This 25<sup>th</sup> day of March, 2016.



JESSE WHITE  
Secretary of State  
State of Illinois

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**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 who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order shall be guilty of a Class 4 Felony.

**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 (14 111. Admin. Code, Ch. I, 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.**

Attorneys for the Secretary of State:  
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