

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

IN THE MATTER OF: SCOTT GOLDSTEIN)
AND EUROPEAN ASSETS, INC.)
_____)

File No. C1200026

FINAL ORDER

TO THE RESPONDENTS: SCOTT D. GOLDSTEIN
847 Bonita Avenue
Elk Grove Village, Illinois 60007

EUROPEAN ASSETS, INC.
Attn: Scott Goldstein
847 Bonita Avenue
Elk Grove Village, Illinois 60007

WHEREAS, the above-captioned matter came to be heard on March 17, 2016, pursuant to the Notice of Hearing dated January 22, 2016, filed by Petitioner Secretary of State, and the record of the matter under the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-15] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, George Georgopoulos, in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer concerning Respondents European Assets, Inc. and Scott D. Goldstein are correct in part and incorrect in part and are hereby adopted as modified as the Findings of Fact of the Secretary of State:

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1. European Assets, Inc. ("Respondent EAI" or collectively with Respondent Scott Goldstein, "Respondents") was an Illinois corporation. Its last known address is 847 Bonita Avenue, Elk Grove Village, Illinois 60007.
2. Scott D. Goldstein ("Respondent Scott" or collectively with Respondent EAI, "Respondents") was the President and CEO of Respondent EAI. His last known address is 847 Bonita Avenue, Elk Grove Village, Illinois 60007.
3. Complainant SC and Complainant WM (or collectively "Complainants") are residents of the State of Illinois.
4. In the summer of 2011, Complainant SC met Respondent Goldstein at the Crystal Lake Golf Club where Respondent Goldstein started talking to people regarding Respondent EAI and its "40 million dollar line of credit."
5. According to Complainant SC, Respondent Goldstein stated that it would take approximately 2 weeks for him to receive a million dollar line of credit for his business.
6. On or about December 5, 2011, Respondent Goldstein on behalf of Respondent EAI entered into an agreement to provide consulting services to Complainant SC's business to "bringing on investor or venture capitalist group to fund the amount of one million dollars."
7. In exchange for Respondents' services, Complainant SC tendered to Respondent Goldstein a check in the amount of \$1,500.00, made payable to Respondent Goldstein for the "upfront fee."
8. In November 2011, Complainant WM met Respondent Goldstein at his business. According to Complainant WM, Respondent Goldstein stated that he had inherited his father's company, Respondent EAI and that Respondent EAI had 35 million dollars in cash that it could loan.
9. According to Complainant WM, Respondent Goldstein stated that it would take approximately 30 days for him to receive a 5 million dollar loan for his business.
10. On or about November 21, 2011, Respondent Goldstein on behalf of Respondent EAI entered into an agreement to provide consulting services to Complainant WM's business to "bringing on investor or venture capitalist group to fund the amount of five million dollars."
11. In exchange for Respondents' services, Complainant WM tendered to Respondent Goldstein a check in the amount of \$3,500.00, made payable to Respondent Goldstein for the "upfront fee."

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WHEREAS, the Secretary of State finds the proposed Conclusions of Law of the Hearing Officer to be correct in part and incorrect in part and are hereby adopted as modified, based on the law and the record in this matter, and adopts them as the Conclusions of Law of the Secretary of State:

1. The Department properly served Respondent EAI with the Notice of Hearing.
2. The Department did not provide evidence that it served Respondent Goldstein with proper notice of the Notice of Hearing.
3. The Notice of Hearing included the information required under Section 130.1102 of 14 Ill. Adm. Code 130, Subpart K (the "Code").
4. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
5. Because of Respondent EAI's failure to file a timely answer, make a special appearance or other responsive pleading in accordance with Section 130.1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondent EAI waived their right to a hearing;
 - (c) Respondent EAI is subject to an Order of Default.
6. Because Respondent EAI failed to appear at the time and place set for hearing, in accordance with Section 130.1109, they:
 - (a) waived its right to present evidence, argue, object or cross-examine witnesses; or
 - (b) otherwise participate at the hearing.
7. The activities described above and in the Proposed Findings of Fact constitute the activities of a loan broker as defined at Section 15-5.15 of the Act."
8. Section 15-10 of the Illinois Loan Brokers Act of 1995, 815 ILCS 175/15-10 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "engage in the business of loan brokering unless registered under this."
9. Section 15-85(b) 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.

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10. Respondent EAI, 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 as required by the Act.
11. Section 145.150 of the Rules of the Act provides, inter alia, that:

No Person shall be registered as a loan unless such person submits a completed application as set forth in this Section.
 - a) Each applicant for registration as a loan broker shall file with the Secretary of State Securities Department a completed and current application on IL LB Form 15-10 and pay to the Securities Department all appropriate fees as specified in Section 145.2110 of this Part.
12. Respondents failed to file a application for registration as a loan broker and to pay the filing fee as specified in Section 145.2110.
13. The Department has searched its Records and the Department has found no record of Registration for Respondents as a loan broker in the State of Illinois, in accordance with the registration requirements of the Act.
14. Section 15-85(a) of the Act provides that it shall be a violation of the Act for a loan broker, in connection with a contract for the services of a loan broker, to either directly or indirectly:
 - (1) Employ any devices, 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; or
 - (3) Engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.
15. By virtue of the foregoing, Respondent EAI violated Sections 15-10 and 15-85(a) of the Act.

WHEREAS, the Hearing Officer recommended that:

1. An Order of Default be entered against Respondent European Assets, Inc. (only) and that the facts alleged in the Notice of Hearing be deemed admitted.

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2. An Order be entered against Respondent European Assets, Inc. in the form of a permanent order of prohibition against European Assets, Inc. prohibiting the firm from engaging in the business of loan brokering in the State of Illinois.
3. An Order be entered against Respondent European Assets, Inc. imposing a fine of \$15,000.00.

WHEREAS, the Hearing Officer found the Respondent European Assets, Inc. in default and recommended that the Secretary of State PROHIBIT Respondent European Assets, Inc. from engaging in the business of loan brokering in the State of Illinois; and the Department accepts the recommendation of the Hearing Officer.

WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer and has determined based upon the Findings of Fact and Conclusions of Law that an Order shall be entered permanently PROHIBITING Respondent European Assets, Inc. from engaging in the business of loan brokering in the State of Illinois.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED THAT:

1. European Assets, Inc. is **PERMANENTLY PROHIBITED** from engaging in the business of loan brokering in the State of Illinois;
2. European Assets, Inc. is **FINED** in the amount of \$15,000.00.
3. The Notice of Hearing entered on January 22, 2016 against Respondent Scott Goldstein (only) in this matter is dismissed.

ENTERED: This 15th day of November 2016.



JESSE WHITE
Secretary of State
State of Illinois

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Date of Mailing: 15th day of November 2016

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (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 this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial 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. 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. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

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