

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: HILTON MAYERS )  
AND WATERLOO CAFÉ, LLC. )

File No. 1500307

CONSENT ORDER OF PROHIBITION

TO THE RESPONDENTS:

Hilton Mayers  
Waterloo Café, LLC  
c/o Michael P. Tomlinson  
Tomlinson & Shapiro, P.C.  
8501 W. Higgins Road  
Suite 420  
Chicago, Illinois 60631

TO THE HEARING OFFICER:

James L. Kopecky  
jkopecky@ksrpc.com

WHEREAS, Respondents Hilton Mayers ("Respondent Mayers") and Waterloo Café, LLC, ("Respondent Waterloo Café") (collectively "Respondents"), by and through their duly authorized representative, on the 24th day of July, 2019 executed a certain Stipulation to Enter Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents have admitted to the jurisdiction of the Illinois Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated July 25, 2018, 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, Respondents have acknowledged that the following Findings of Fact and Conclusions of Law are intended to be a final determination of the issues in this case and agree that they shall be estopped from making arguments contrary to the Findings of Fact and Conclusions of Law in any other legal proceeding(s).

WHEREAS, by means of the Stipulation, Respondents have acknowledged that the following shall be adopted as the Secretary of State's Findings of Fact, and admits to the truth thereof.

- a. Hilton Mayers ("Respondent") was the founder and an owner of Waterloo Café, LLC, ("Waterloo Café") at all relevant times herein. Respondent's last known address is 2838 Harrison Street, Glenview, Illinois 60025.

- b. Waterloo Café was an Illinois limited liability company. Its last known address is 340 Ridge Road, Suite B, Wilmette, Illinois 60091.
- c. Investor RL is a resident of the State of California.
- d. Investor RL met Respondent and JB in the Fall of 2013 in Chicago, Illinois.
- e. In the Fall of 2013 Respondent spoke with Investor RL via telephone for an investment in Waterloo Café, a coffee shop, with both Respondent and JB, and asked Investor RL to invest in whatever she thought was fair in his business venture.
- f. On or around October 28, 2013, Investor RL deposited \$10,000 via a cashier's check to Waterloo Café's Chase bank account. Respondent provided a written confirmation on November 14, 2013 stating that Investor RL "will receive 10% annual (sic) from Waterloo Café LLC."
- g. On or around December 20, 2013, Investor RL deposited another \$5,000 via a cashier's check to Waterloo Café's Chase bank account. Respondent provided a written confirmation stating that "[t]he terms of [Investor RL's] investment into Waterloo Café state that 1% of all Profit will begin on the birthday of the second year to be discontinued after a Period of six months."
- h. The activities set forth in paragraphs 1-9 above constitute the offer and sale of investment contracts and are therefore securities, as those terms are defined and used in §§ 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq* (the "Act")
- i. §12(A) of the Act states that it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
- j. §5 of the Act states, *inter alia*, that all securities except those sold in transactions exempt under §4 of this act, shall be registered.
- k. §12(D) states, *inter alia*, that it shall be a violation of the Act 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.

l. Respondent failed to file an application of registration for the above-referenced securities with the Secretary of State and did not file for an exemption under §4. As a result, the securities were not registered pursuant to §5 of the Act prior to their offer and sale in the State of Illinois.

m. By virtue of the foregoing, Respondent violated §§12(A) and (D) of the Act.

WHEREAS, by means of the Stipulation, Respondents have acknowledged that the following shall be adopted as the Secretary of State's Conclusions of Law, and admits to the truth thereof:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. Respondent admits that he violated §§12(A) and (D) of the Act;
3. The Illinois Securities Department finds the following relief appropriate and in the public interest.

WHEREAS, by means of the Stipulation, Respondents have admitted to the personal jurisdiction and subject matter jurisdiction of the Secretary of State, Securities Department, and have consented to the entry of this Consent Order.

WHEREAS, by means of the Stipulation, Respondents acknowledge and agree that they are prohibited for 5 years from engaging in the business of offering and/or selling securities in or from the state of Illinois.

WHEREAS, by means of the Stipulation, Respondents acknowledge and agree that they are prohibited for 5 years from engaging in the business of offering investment advice for compensation, directly or indirectly, regarding the advisability of investing in, purchasing or selling securities in or from the state of Illinois.


WHEREAS, by means of the Stipulation, Respondents acknowledge and agree that they are prohibited for 5 years from securing any position of employment, management, or control (either directly or indirectly) from any entity engaged in the business of an Investment Adviser or Broker-Dealer.

WHEREAS, by means of the Stipulation, Respondents acknowledge and agree that Respondent Hilton Mayers will pay a total of \$8,000.00 to Investor RL identified above, with \$133.33 due on or before July 1, 2019, and payments of \$133.33 on or before the 1st of every month thereafter continuing until payment is complete.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Respondents are **prohibited for 5 years** from engaging in the business of offering and/or selling securities in or from the state of Illinois.
2. Respondents are **prohibited for 5 years** from engaging in the business of offering investment advice for compensation, directly or indirectly, regarding the advisability of investing in, purchasing or selling securities in or from the state of Illinois.
3. Respondents are **prohibited for 5 years** from securing any position of employment, management, or control (either directly or indirectly) from any entity engaged in the business of an Investment Adviser or Broker-Dealer.
4. Respondent Hilton Mayers shall pay a total of \$8,000.00 to Investor RL identified above. The amount of \$133.33 shall be due on or before July 1, 2019, and payments of \$133.33 on or before the 1st of every month thereafter shall continue until payment is completed.
5. The Notice of Hearing dated July 25<sup>th</sup>, 2018, as it relates to Respondents will be dismissed without further proceedings upon full satisfaction of all obligations set forth in this Consent Order.
6. The entry of this Order ends the Secretary of State Securities Department's formal hearing of this matter.

Entered: This 26th day of July 2019

  
JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of §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.

Attorney for the Secretary of State:  
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