



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1975

Introduced 2/6/2025, by Sen. Lakesia Collins

SYNOPSIS AS INTRODUCED:

815 ILCS 5/5	from Ch. 121 1/2, par. 137.5
815 ILCS 5/6	from Ch. 121 1/2, par. 137.6
815 ILCS 5/7	from Ch. 121 1/2, par. 137.7
815 ILCS 5/11	from Ch. 121 1/2, par. 137.11
815 ILCS 5/11c	from Ch. 121 1/2, par. 137.11c
815 ILCS 5/18.1	

Amends the Illinois Securities Law of 1953. Provides that the Secretary of State may provide funds for restitution assistance to victims that were awarded restitution in a final order issued by a court of competent jurisdiction in a legal action initiated by the Secretary of State and who have not received the full amount of restitution ordered one year after the date of the final order. Provides that the Secretary of State may adopt rules to implement this provision, including, but not be limited to, eligibility requirements for a restitution assistance award, applicable deadlines for applying for the award, and caps on the amount of restitution awards available from the Secretary of State. Provides that various additional fees collected by the Secretary of States shall be deposited into the Secretary of State Special Services Fund.

LRB104 10391 SPS 20466 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Securities Law of 1953 is amended
5 by changing Sections 5, 6, 7, 11, 11c, and 18.1 as follows:

6 (815 ILCS 5/5) (from Ch. 121 1/2, par. 137.5)

7 Sec. 5. Registration of Securities. All securities except
8 those set forth under Section 2a of this Act, or those exempt
9 under Section 3 of this Act, or those offered or sold in
10 transactions exempt under Section 4 of this Act, or face
11 amount certificate contracts required to be registered under
12 Section 6 of this Act, or investment fund shares required to be
13 registered under Section 7 of this Act, shall be registered
14 either by coordination or by qualification, as hereinafter in
15 this Section provided, prior to their offer or sale in this
16 State.

17 A. Registration by Coordination.

18 (1) Securities which are being or have been registered
19 under the Federal 1933 Act may be registered by
20 coordination in the manner provided in this subsection A,
21 if the effective date of the registration under the
22 Federal 1933 Act is not more than 30 days before the filing
23 with the Secretary of State.

1 (2) Securities may be registered by coordination by
2 the filing with the Secretary of State by the issuer, by a
3 controlling person or by a registered dealer of:

4 (a) One copy of the registration statement
5 (without exhibits) descriptive of the securities on
6 file with the Securities and Exchange Commission in
7 its most recent form as of the date of the initial
8 filing under this subsection A.;

9 (b) An application, in such form and executed,
10 verified, or authenticated by such person as the
11 Secretary of State shall by rule or regulation
12 prescribe, setting forth the title and the total
13 amount of securities to be offered, the amount of
14 securities and the proposed maximum aggregate price
15 thereof to be offered in this State under this
16 subsection A and, if the applicant is electing the
17 date of effectiveness of a post-effective amendment as
18 its effective date as provided in Section 2.13 of this
19 Act, specifying such date as the effective date for
20 purposes of registration under this subsection A;

21 (c) An undertaking to forward to the Secretary of
22 State, in writing (which may be by electronic or
23 facsimile transmission), any and all subsequent
24 amendments of and supplements to the registration
25 statement not later than the 7th day after the
26 forwarding thereof to the Securities and Exchange

1 Commission, or such longer period as the Secretary of
2 State may permit by rule, regulation or order; and

3 (d) If the applicant is not a registered dealer,
4 the name of at least one registered dealer for the
5 securities being registered under this subsection A
6 (except that, in the case of securities being offered
7 and sold on a delayed or continuous basis pursuant to
8 Rule 415 under the Federal 1933 Act, 17 C.F.R. Section
9 230.415, or any similar or successor rule thereto as
10 may be designated by the Secretary of State by rule or
11 regulation, the name of the registered dealer may be
12 furnished no later than the close of business on the
13 second business day following the commencement of
14 sales of the registered securities in this State) or a
15 written statement setting forth the method of offer
16 and sale in this State of the securities being
17 registered in compliance with Section 8 of this Act.

18 (3) Registration of securities by coordination shall
19 take effect automatically as of the effective date of the
20 registration statement (or post-effective amendment) filed
21 under the Federal 1933 Act, provided that on the effective
22 date, the information required by sub-paragraphs (a), (b),
23 and (d) and the undertaking required by sub-paragraph (c)
24 of paragraph (2) of this subsection A have been on file
25 with the Secretary of State for at least 10 business days,
26 or such shorter period as the Secretary of State may

1 permit by rule, regulation or order. If, however, the time
2 period referred to in the preceding sentence shall not
3 have expired on the effective date of the registration
4 statement (or post-effective amendment) filed under the
5 Federal 1933 Act, registration of such securities by
6 coordination shall, upon the expiration of such time
7 period, take effect automatically as of the effective date
8 of the registration statement (or post-effective
9 amendment) filed under the Federal 1933 Act.

10 (4) If the information required by sub-paragraphs (a),
11 (b), and (d) and the undertaking required by sub-paragraph
12 (c) of paragraph (2) of this subsection A are not filed
13 with the Secretary of State prior to the effective date of
14 the registration statement (or post-effective amendment)
15 filed under the Federal 1933 Act, any registration of
16 securities by coordination under this subsection A shall
17 take effect automatically as soon as all of the following
18 conditions have been satisfied:

19 (a) the information required by sub-paragraphs
20 (a), (b), and (d) and the undertaking required by
21 sub-paragraph (c) of paragraph (2) of this subsection
22 A have been on file with the Secretary of State for 10
23 business days, or for such shorter period as the
24 Secretary of State may permit by rule, regulation or
25 order;

26 (b) the registration statement or post-effective

1 amendment filed under the Federal 1933 Act is then in
2 effect; and

3 (c) the prospectus then on file with the Secretary
4 of State satisfies the requirements of Section
5 10(a)(3) of the Federal 1933 Act.

6 (5) The applicant shall furnish to the Secretary of
7 State written notice (which may be by electronic or
8 facsimile transmission) confirming the date of
9 effectiveness and the title of the securities registered
10 under the Federal 1933 Act, final pricing information, the
11 total amount of securities registered under the Federal
12 1933 Act, and the amount registered in this State if
13 different than the amounts then on file with the Secretary
14 of State, no later than the close of business on the second
15 business day following the date on which the registration
16 statement becomes effective under the Federal 1933 Act.

17 (6) No action by the Secretary of State shall be
18 necessary to evidence the effectiveness of the
19 registration by coordination under this subsection A. The
20 Secretary of State may, at his or her discretion, provide
21 a statement attesting to such registration, which
22 statement shall be in such form as the Secretary of State
23 may deem appropriate.

24 (7) Notwithstanding the foregoing, the issuer,
25 controlling person or registered dealer who filed the
26 application set forth in subparagraph (b) of paragraph (2)

1 of this subsection A may request, in writing (which may be
2 by electronic or facsimile transmission) prior to or upon
3 notice of effectiveness under the Federal 1933 Act, a
4 waiver of automatic effectiveness of the registration of
5 securities and the Secretary of State may, at his or her
6 discretion, grant such waiver of automatic effectiveness.
7 Upon the grant by the Secretary of State of the request of
8 waiver of automatic effectiveness, such registration of
9 securities shall become effective automatically on the
10 date that the issuer, controlling person or registered
11 dealer who filed the application set forth in subparagraph
12 (b) of paragraph (2) of this subsection A notifies the
13 Secretary of State in writing.

14 B. Registration by Qualification. Securities may be
15 registered by qualification in the manner provided in this
16 subsection B.

17 (1) An application for registration by qualification
18 shall be made by the issuer, by a controlling person or by
19 a registered dealer together with the examination fee
20 established pursuant to Section 11a of this Act, which is
21 not returnable in any event. Such application shall be
22 executed, verified, or authenticated by the applicant and
23 filed with the Secretary of State. The application shall
24 set forth:

25 (a) The name and address of the issuer;

26 (b) The title and total amount of the securities

1 to be offered;

2 (c) The amount of the securities to be offered in
3 this State;

4 (d) The price at which the securities are to be
5 offered, or the method by which such price is to be
6 determined, provided that such price or method may be
7 furnished by written notice (which may be by
8 electronic or facsimile transmission) to the Secretary
9 of State subsequent to the filing of the application
10 but prior to registration of the securities under this
11 Law; and

12 (e) The aggregate underwriting commissions,
13 remuneration or discount.

14 (2) If the issuer, dealer, or controlling person has
15 not filed a registration statement that is then in effect
16 under the Federal 1933 Act, there shall be filed with the
17 application:

18 (a) (Blank);

19 (b) (Blank);

20 (c) A copy of the indenture or other instrument,
21 if any, under which the securities are to be or have
22 been issued;

23 (d) A specimen copy of the securities or a copy of
24 the form of the instrument to evidence the securities;

25 (e) An opinion of counsel as to the legality of the
26 securities;

1 (f) A copy of the underwriting and selling
2 agreements, if any;

3 (g) An undertaking to file promptly (no later than
4 2 business days after the occurrence of any event
5 which requires a material change in the prospectus)
6 with the Secretary of State all amendments of and
7 supplements to the prospectus as theretofore filed
8 under this subsection B, together with any additional
9 information, document or undertaking which the
10 Secretary of State, at his or her discretion, deems
11 material, accompanied by the amendment filing fee
12 established pursuant to Section 11a of this Act or, in
13 lieu thereof, a notification in writing that all
14 offers and sales of the securities have been suspended
15 pending the filing with the Secretary of State of such
16 amendment of or supplement to the prospectus; and

17 (h) A written statement setting forth the name of
18 at least one registered dealer for the securities
19 being registered under this subsection B, or an
20 application for registration of a salesperson or a
21 written statement setting forth the method of offer
22 and sale in this State of the securities being
23 registered in compliance with Section 8 of this Act.

24 (3) In addition, there shall be filed with the
25 application such additional information and material in
26 such form as the Secretary of State may by rule,

1 regulation or order prescribe and a prospectus which
2 contains but is not limited to the following:

3 (a) The date and form of organization of the
4 issuer;

5 (b) A brief description of the business conducted
6 and intended to be conducted by the issuer and by its
7 subsidiaries and the general development of such
8 business during the past 5 years or such shorter
9 period as the issuer and such subsidiaries may have
10 been in existence;

11 (c) The location and general character of the
12 physical properties of the issuer and of its
13 subsidiaries;

14 (d) The authorized and issued capitalization of
15 the issuer and a description of the securities being
16 registered and of all authorized securities;

17 (e) The proposed method of sale of the securities,
18 the price thereof to the public or the method by which
19 such price is to be computed, and the underwriting and
20 selling discounts and commissions;

21 (f) The intended use by the issuer of the proceeds
22 of the securities;

23 (g) The names and addresses of all of the issuer's
24 officers and directors, or persons performing similar
25 functions, their business experience during the
26 preceding 5 years and the remuneration paid to each by

1 the issuer and its subsidiaries during the fiscal year
2 last past and proposed to be paid for the then current
3 fiscal year;

4 (h) The names and addresses of all persons owning
5 of record, and of all persons owning beneficially, to
6 the extent known to the applicant, 10% or more of any
7 class of equity securities of the issuer, and the
8 percentage owned by each;

9 (i) A brief description of any pending material
10 legal proceeding, and of any material legal proceeding
11 known to be contemplated by governmental authorities,
12 involving the issuer or its subsidiaries;

13 (j) The following financial statements of the
14 issuer:

15 (i) A balance sheet as of a date within
16 135 days prior to the date of submitting the
17 application. If such balance sheet is not
18 certified by an independent certified public
19 accountant, the prospectus shall also contain
20 a balance sheet certified by an independent
21 certified public accountant as of the close of
22 the issuer's last fiscal year, unless such
23 fiscal year ended within 135 days prior to the
24 time of filing the application, in which case
25 the certified balance sheet may be as of the
26 end of the preceding fiscal year.

1 (ii) An income statement for each of the
2 issuer's 3 fiscal years (or for the period of
3 existence of the issuer if less than 3 years)
4 next preceding the date of the certified
5 balance sheet and for the period, if any,
6 between the date of the certified balance
7 sheet and the date of the most recent balance
8 sheet. Such statement shall be certified by an
9 independent certified public accountant for
10 the periods ending with the date of the
11 certified balance sheet.

12 (iii) An analysis of each surplus account
13 of the issuer for each period for which an
14 income statement is filed, certified by an
15 independent certified public accountant for
16 the periods for which certified income
17 statements are filed.

18 (iv) An analysis (which need not be
19 certified to by independent certified public
20 accountants and which may be in narrative form
21 if desired by the applicant) of all surplus
22 accounts of the issuer for a period beginning
23 on a date not less than 8 years prior to the
24 date of the certified balance sheet required
25 by the above sub-division (i) of this
26 sub-paragraph (j), or from the date of the

1 organization of the issuer, whichever is
2 later, and ending on the day before the first
3 day of the earliest period covered by the
4 analysis of surplus accounts furnished
5 pursuant to the above sub-division (iii) of
6 this sub-paragraph (j); and

7 (k) If the issuer owns more than 50% of the voting
8 securities of one or more entities, there shall also
9 be included in the prospectus either (i) like
10 financial statements for each such entity, or (ii)
11 like consolidated financial statements for the issuer
12 and such entities;

13 (l) Anything in sub-paragraphs (j) and (k) of this
14 paragraph (3) to the contrary notwithstanding, the
15 financial statements contained in the prospectus need
16 not be certified by an independent certified public
17 accountant if the securities being registered under
18 this subsection B are covered by a Notification under
19 Regulation A or an Offering Sheet under Regulation D
20 adopted pursuant to the Federal 1933 Act or any other
21 regulation so adopted which the Secretary of State may
22 by rule or regulation or by order determine to have
23 filing or disclosure requirements substantially
24 similar to such Regulation A or Regulation D unless
25 the financial statements furnished pursuant to any
26 such Federal regulation are required to be or are

1 certified by an independent certified public
2 accountant.

3 (4) If the securities being registered under this
4 subsection B are certificates of deposit, voting trust
5 certificates, collateral-trust certificates, certificates
6 of interest, fractional interests in oil, gas or other
7 mineral rights of unincorporated issuers or like
8 securities, the prospectus may omit such of the foregoing
9 items in sub-paragraphs (a) through (k) of paragraph (3)
10 of this subsection B, but shall include such pertinent
11 information, as the Secretary of State may by rule,
12 regulation or order prescribe; such prospectus shall
13 contain a description of the properties and businesses
14 from which such certificates, shares or interests derive
15 value.

16 (5) The Secretary of State may, upon written request
17 by the applicant and where consistent with the protection
18 of investors, permit the omission of one or more of the
19 financial statements required by this subsection B or the
20 filing in substitution therefor of appropriate financial
21 statements of comparable character or permit the omission
22 of any of the information required by this subsection B.
23 The Secretary of State may also by written notice require
24 the filing of other financial statements or information in
25 addition to, or in substitution for, the financial
26 statements or information required by this subsection B in

1 any case where such additional financial statements or
2 information is necessary or appropriate for an adequate
3 presentation of the financial condition of any issuer or
4 otherwise required for fair disclosure respecting the
5 business and property of any issuer.

6 (6) The Secretary of State shall within a reasonable
7 time examine the application and documents filed with him
8 or her, and unless the Secretary of State makes a
9 determination that the application and documents so filed
10 do not conform to the requirements of this subsection B,
11 or there is a proceeding pending under Section 11 of this
12 Act, shall register the securities for offer and sale in
13 this State under this subsection B. If the securities
14 registered shall not have been sold and distributed at the
15 expiration of a period of 6 months following the date of
16 registration, the Secretary of State may require the
17 filing of such current information concerning the
18 securities and the issuer thereof as he or she may by rule,
19 regulation or order prescribe.

20 (7) The Secretary of State is granted authority to
21 create by rule or regulation a limited offering
22 registration provision that furthers the objectives of
23 compatibility with federal exemptions and uniformity among
24 the states. The Secretary of State shall prescribe by rule
25 or regulation the amount of the fees for examining and
26 filing any documents required under this subparagraph, but

1 each fee shall not be less than the minimum amount nor more
2 than the maximum amount established under Section 11a of
3 this Act and shall not be returnable in any event.

4 C. Pending Application, Filing Fee and Oversales of
5 Securities.

6 (1) No application shall be deemed to be filed or
7 pending and no securities covered by such application
8 shall be deemed to be registered under subsection A of
9 this Section 5 unless a filing fee has been paid. No
10 application shall be deemed to be filed or pending and no
11 securities covered by such application shall be deemed to
12 be registered under subsection B of this Section 5 unless
13 the examination fee and filing fee have been paid. The
14 filing fee payable under the provisions of subsections A
15 and B of this Section 5 shall be established by rule or
16 regulation, but in no event shall the fee be less than the
17 minimum amount nor more than the maximum amount of filing
18 fee established pursuant to Section 11a of this Act, and
19 in no case shall such fee be returnable. The "maximum
20 aggregate price" as used in subsection A of this Section 5
21 and in this subsection C shall be the applicant's bona
22 fide estimate thereof, determined in the manner prescribed
23 by the Secretary of State by rule or regulation.

24 (2) If after an offering of securities is registered
25 under this Section 5 (except for securities registered
26 under subsection B of this Section 5 wherein the entire

1 offering of securities was registered), the offeror sells
2 or determines that it will sell, prior to the expiration
3 of the period during which the offeror intends the
4 registration of the securities together with any renewals
5 thereof to remain in effect in this State, an amount of
6 that offering in excess of the amount registered, the
7 applicant may amend the registration and register the
8 excess securities by filing an amended application and
9 paying a filing fee equal to the difference between the
10 initial filing fee paid and the filing fee which would
11 have been paid under paragraph (1) of this subsection C
12 for the entire amount registered together with an
13 additional fee established pursuant to Section 11a of this
14 Act. The fees shall not be returnable in any event. With
15 respect to the excess securities being registered, the
16 "maximum aggregate price" shall be the actual sales price
17 of such securities. Upon receipt of such amended
18 application, filing fee, and additional fee by the
19 Secretary of State, registration of the excess securities
20 shall become effective retroactively to the date of the
21 initial registration.

22 D. Effective Period and Sales Reports.

23 (1) A registration effected under Section 5 of this
24 Act shall continue effective for a period of one year from
25 the date of registration or renewal of registration unless
26 sooner terminated by (1) suspension or revocation by the

1 Secretary of State; or (2) the applicant filing with the
2 Secretary of State an affidavit evidencing either that (a)
3 the securities have been fully sold and distributed to the
4 public or (b) that it is no longer desired to offer such
5 securities in this State or (c) that such securities have
6 become exempt from the registration requirements under
7 Section 3 or paragraph (1) of subsection F of Section 4 of
8 this Act.

9 (2) The Secretary of State may, at his or her
10 discretion, require each issuer, controlling person or
11 registered dealer on whose behalf a registration of
12 securities is effected under this Section 5 to file a
13 report, in such form and of such content and for such time
14 period as the Secretary of State may by rule or regulation
15 prescribe, stating the aggregate dollar amount of
16 securities sold to Illinois residents. The civil remedies
17 provided for in subsection A of Section 13 of this Act and
18 the civil remedies of rescission and appointment of a
19 receiver, conservator, ancillary receiver or ancillary
20 conservator provided for in subsection I of Section 11 and
21 in subsection F and G of Section 13 of this Act and the
22 civil remedies of restitution, damages and disgorgement of
23 profits provided for in subsection I of Section 11 of this
24 Act shall not be available against any person by reason of
25 the failure to file any such report or on account of the
26 contents of any such report.

1 E. Renewal of Registration. A registration of securities
2 in effect under subsection A of this Section 5 or subsection B
3 of this Section 5 if a registration statement or
4 post-effective amendment is then in effect under the Federal
5 1933 Act may be renewed for the amount of securities which
6 remain unsold under such registration as then in effect, by
7 the issuer, by a controlling person or by a registered dealer
8 by filing an application for renewal with the Secretary of
9 State no later than 10 business days prior to the date (or such
10 lesser period as the Secretary of State may prescribe by rule
11 or regulation) upon which such registration would otherwise
12 expire, in such form and executed, verified, or authenticated
13 by such person as the Secretary of State shall prescribe by
14 rule or regulation. Such application shall be accompanied by a
15 prospectus in its most current form together with a renewal
16 fee equal in amount to a registration fee calculated in
17 accordance with paragraph (1) of subsection C of this Section
18 5 and based upon the amount of securities initially registered
19 for sale in this State but which remain unsold; except that the
20 "maximum aggregate price" of such securities shall be the
21 applicant's bona fide estimate thereof at the time the
22 application for renewal of registration is filed with the
23 Secretary of State pursuant to this subsection E. A renewal of
24 registration of securities shall take effect as of the date
25 and time that the prior registration under subsection A of
26 this Section 5 or prior renewal under this subsection E would

1 otherwise have expired and thereafter shall be deemed to be a
2 new registration of the amount of unsold securities specified
3 in the application for renewal. The Secretary of State may by
4 rule or regulation prescribe an additional fee for the failure
5 to file timely an application for renewal and limit the number
6 of times that a registration may be renewed.

7 F. The applicant or registrant shall notify the Secretary
8 of State, by written notice (which may be by electronic or
9 facsimile transmission), within 2 business days after its
10 receipt of any stop order, denial, order to show cause,
11 suspension or revocation order, injunction or restraining
12 order, or similar order entered or issued by any state,
13 federal or other regulatory authority or by any court,
14 concerning the securities which are being or have been
15 registered in this State or any other securities of the issuer
16 currently being or proposed to be offered to the public, if the
17 matter which is the subject of, or the failure to disclose the
18 existence of, such order would in this State constitute a
19 violation of subsection E, F, G, H, I or J of Section 12 of
20 this Act. The obligation contained in this subsection F shall
21 continue until such time as offers and sales of the securities
22 registered under this Section 5 are no longer being made in
23 this State by the applicant or registrant.

24 G. Any document being filed pursuant to this Section 5
25 shall be deemed filed, and any fee being paid pursuant to this
26 Section 5 shall be deemed paid, upon the date of actual receipt

1 thereof by the Secretary of State.

2 H. The Secretary of State may require by rule or
3 regulation the payment of an additional fee for the filing of
4 information or documents required to be filed by this Section
5 which have not been filed in a timely manner. Such fees shall
6 be deposited into the Secretary of State Special Services Fund
7 ~~Securities Investors Education Fund, a special fund hereby~~
8 ~~created in the State treasury. The amounts deposited into such~~
9 ~~Fund shall be used to promote public awareness of the dangers~~
10 ~~of securities fraud.~~

11 (Source: P.A. 89-209, eff. 1-1-96; 89-626, eff. 8-9-96; 90-70,
12 eff. 7-8-97.)

13 (815 ILCS 5/6) (from Ch. 121 1/2, par. 137.6)

14 Sec. 6. Registration of Face Amount Certificate Contracts.
15 All face amount certificate contracts except those set forth
16 under Section 2a of this Act, or those exempt under Section 3
17 of this Act, or those offered or sold in transactions exempt
18 under Section 4 of this Act, shall be registered either by
19 coordination or by qualification, as hereinafter in this
20 Section provided, prior to their offer or sale in this State.

21 A. Registration of Face Amount Certificate Contracts by
22 Coordination.

23 (1) Face amount certificate contracts which are being
24 or have been registered under the Federal 1933 Act may be
25 registered by coordination in the manner provided in this

1 subsection A, if the effective date of the registration
2 under the Federal 1933 Act is not more than 30 days before
3 the filing with the Secretary of State.

4 (2) Face amount certificate contracts may be
5 registered by coordination by the filing with the
6 Secretary of State by the issuer, by a controlling person
7 or by a registered dealer of:

8 (a) One copy of the registration statement
9 (without exhibits) descriptive of the face amount
10 certificate contracts on file with the Securities and
11 Exchange Commission in its most recent form as of the
12 date of the initial filing under this subsection A;

13 (b) An application, in such form and executed,
14 verified, or authenticated by such person as the
15 Secretary of State shall by rule or regulation
16 prescribe, setting forth the title of every series,
17 type or class of face amount certificate contracts to
18 be offered in this State under this subsection A and,
19 if the applicant is electing the date of effectiveness
20 of a post-effective amendment as its effective date as
21 provided in Section 2.13 of this Act, specifying such
22 date as the effective date for purposes of
23 registration under this subsection A;

24 (c) An undertaking to forward to the Secretary of
25 State, in writing (which may be by electronic or
26 facsimile transmission), any and all subsequent

1 amendments of and supplements to the registration
2 statement not later than the 7th day after the
3 forwarding thereof to the Securities and Exchange
4 Commission, or such longer period as the Secretary of
5 State may permit by rule, regulation or order; and

6 (d) If the applicant is not a registered dealer,
7 the name of at least one registered dealer for the face
8 amount certificate contracts being registered under
9 this subsection A or a written statement setting forth
10 the method of offer and sale in this State of the face
11 amount certificate contracts being registered in
12 compliance with Section 8 of this Act.

13 (3) Registration of face amount certificate contracts
14 by coordination shall take effect automatically as of the
15 effective date of the registration statement (or
16 post-effective amendment) filed under the Federal 1933
17 Act, provided that on the effective date, the information
18 required by sub-paragraphs (a), (b), and (d) and the
19 undertaking required by sub-paragraph (c) of paragraph (2)
20 of this subsection A have been on file with the Secretary
21 of State for at least 10 business days, or such shorter
22 period as the Secretary of State may permit by rule,
23 regulation or order. If, however, the time period referred
24 to in the preceding sentence shall not have expired on the
25 effective date of the registration statement (or
26 post-effective amendment) filed under the Federal 1933

1 Act, registration of such face amount certificate
2 contracts by coordination shall, upon the expiration of
3 such time period, take effect automatically as of the
4 effective date of the registration statement (or
5 post-effective amendment) filed under the Federal 1933
6 Act.

7 (4) If the information required by sub-paragraphs (a),
8 (b), and (d) and the undertaking required by sub-paragraph
9 (c) of paragraph (2) of this subsection A are not filed
10 with the Secretary of State prior to the effective date of
11 the registration statement (or post-effective amendment)
12 filed under the Federal 1933 Act, any registration of face
13 amount certificate contracts by coordination under this
14 subsection A shall take effect automatically as soon as
15 all of the following conditions have been satisfied:

16 (a) the information required by sub-paragraphs
17 (a), (b), and (d) and the undertaking required by
18 sub-paragraph (c) of paragraph (2) of this subsection
19 A have been on file with the Secretary of State for 10
20 business days, or for such shorter period as the
21 Secretary of State may permit by rule, regulation or
22 order;

23 (b) the registration statement or post-effective
24 amendment filed under the Federal 1933 Act is then in
25 effect; and

26 (c) the prospectus then on file with the Secretary

1 of State satisfies the requirements of Section
2 10(a)(3) of the Federal 1933 Act.

3 (5) The applicant shall furnish to the Secretary of
4 State written notice (which may be by electronic or
5 facsimile transmission) confirming the date of
6 effectiveness and the title of the face amount certificate
7 contracts registered under the Federal 1933 Act, no later
8 than the close of business on the second business day
9 following the date on which registration becomes effective
10 under the Federal 1933 Act.

11 (6) No action by the Secretary of State shall be
12 necessary to evidence the effectiveness of the
13 registration by coordination under this subsection A. The
14 Secretary of State may, at his or her discretion, provide
15 a statement attesting to such registration, which
16 statement shall be in such form as the Secretary of State
17 may deem appropriate.

18 (7) Notwithstanding the foregoing, the issuer,
19 controlling person or registered dealer who filed the
20 application set forth in subparagraph (b) of paragraph (2)
21 of this subsection A may request, in writing (which may be
22 by electronic or facsimile transmission) prior to or upon
23 notice of effectiveness under the Federal 1933 Act, a
24 waiver of automatic effectiveness of the registration of
25 the face amount certificate contracts and the Secretary of
26 State may, at his or her discretion, grant such waiver of

1 automatic effectiveness. Upon the grant by the Secretary
2 of State of the request of waiver of automatic
3 effectiveness, such registration of the face amount
4 certificate contracts shall become effective automatically
5 on the date that the issuer, controlling person or
6 registered dealer who filed the application set forth in
7 subparagraph (b) of paragraph (2) of this subsection A
8 notifies the Secretary of State in writing.

9 B. Registration of Face Amount Certificate Contracts by
10 Qualification. Face amount certificate contracts may be
11 registered by qualification in the manner provided in this
12 subsection B.

13 (1) An application for registration by qualification
14 shall be made by the issuer, by a controlling person or by
15 a registered dealer together with the examination fee
16 established pursuant to Section 11a of the Act, which
17 shall not be returnable in any event. Such application
18 shall be executed, verified, or authenticated by the
19 applicant and filed with the Secretary of State. The
20 application shall set forth:

21 (a) The names and addresses of the persons
22 creating or sponsoring the face amount certificate
23 contracts; and

24 (b) The title of each series, type or class of face
25 amount certificate contracts to be offered.

26 (2) If the issuer, dealer, or controlling person has

1 not filed a registration statement or post-effective
2 amendment which is then in effect under the Federal 1933
3 Act, there shall be filed with the application:

4 (a) Specimen copies of each and every series, type
5 or class of face amount certificate contract proposed
6 to be offered in this State, and specimen copies of
7 each and every form of face amount certificate
8 contract or other security being issued or proposed to
9 be offered and issued elsewhere;

10 (b) (Blank);

11 (c) (Blank);

12 (d) An opinion of counsel as to the legality of the
13 face amount certificate contracts;

14 (e) An undertaking to file promptly (no later than
15 2 business days after the occurrence of any event
16 which requires a material change in the prospectus)
17 with the Secretary of State any and all amendments of
18 and supplements to the prospectus as theretofore filed
19 under this subsection B, together with any additional
20 information, document or undertaking which the
21 Secretary of State at his or her discretion, deems
22 material, accompanied by the amendment filing fee
23 established pursuant to Section 11a of this Act or, in
24 lieu thereof, a notification in writing that all
25 offers and sales of the face amount certificate
26 contracts have been suspended pending the filing with

1 the Secretary of State of such amendment of or
2 supplement to the prospectus; and

3 (3) In addition, there shall be filed with the
4 application such additional information and material in
5 such form as the Secretary of State may by rule,
6 regulation or order prescribe and a prospectus which
7 contains, but is not limited to the following:

8 (a) The date and form of organization of the
9 issuer;

10 (b) A brief description of the business conducted
11 and intended to be conducted by the issuer and by its
12 subsidiaries and the general development of such
13 business during the past 5 years or such shorter
14 period as the issuer and such subsidiaries may have
15 been in existence;

16 (c) The location and general character of the
17 physical properties of the issuer and of its
18 subsidiaries;

19 (d) A complete description of the terms and
20 conditions of each and every series, type or class of
21 face amount certificate contracts being issued or
22 proposed to be offered in this State or elsewhere,
23 which description shall include appropriate tables of
24 initial or periodic installment payments required of
25 the purchaser, surrender or liquidation values,
26 maturity values, optional plans of extended contract

1 periods and schedules of annuity payments which may be
2 elected by a face amount certificate contract holder;

3 (e) A schedule of all types of deductions which
4 may be made from plan payments or the income therefrom
5 or the avails thereof as charges prior to
6 distributions to holders of the face amount
7 certificate contracts;

8 (f) The names and addresses of all of the issuer's
9 officers and directors, or persons performing similar
10 functions, their business experience during the
11 preceding 5 years and the remuneration paid to each by
12 the issuer and its subsidiaries during the fiscal year
13 last past and proposed to be paid for the then current
14 fiscal year;

15 (g) The names and addresses of all persons owning
16 of record, and of all persons owning beneficially, to
17 the extent known to the applicant, 10% or more of any
18 class of equity securities of the issuer, and the
19 percentage owned by each;

20 (h) A brief description of any pending material
21 legal proceeding, and of any material legal proceeding
22 known to be contemplated by governmental authorities,
23 involving the issuer or its subsidiaries; and

24 (i) The following financial statements of the
25 issuer:

26 (i) a balance sheet as of a date within 135

1 days prior to the date application for
2 registration is received by the Secretary of
3 State, which balance sheet, if not certified by an
4 independent certified public accountant, shall be
5 accompanied by a certified balance sheet of the
6 issuer as of the close of the last prior fiscal
7 year;

8 (ii) a detailed statement of income and
9 expenses, including income from investments,
10 service fees, loading and other sources, operating
11 expenses and provisions for contract reserves or
12 any additional credits to contract liabilities,
13 profits realized and losses sustained in
14 transactions in investments, and all other charges
15 to operations, for a period of not less than 3
16 fiscal years (or for the period of existence of
17 the issuer if less than 3 years) last preceding
18 the date of the balance sheet presented under
19 subdivision (i) of this subparagraph (i), which
20 statement of income and expenses, if not certified
21 by an independent certified public accountant,
22 shall be accompanied by a certified statement of
23 income and expenses for a period of 3 years last
24 preceding the uncertified period or periods
25 presented as and for this subdivision (ii);

26 (iii) a detailed analysis of each surplus and

1 reserve account for the same period or periods
2 covered by subdivision (ii) of this subparagraph
3 (i), with like requirement for independent
4 certification; and

5 (iv) such other financial data as the
6 Secretary of State may reasonably require in any
7 specific case or by rule or regulation.

8 (4) The Secretary of State shall within a reasonable
9 time examine the application and related documents filed
10 with him or her and, unless the Secretary of State makes a
11 determination that the application and related documents
12 so filed do not conform to the requirements of this
13 subsection B or there is a proceeding pending under
14 Section 11 of this Act, shall upon receipt of the deposit
15 required by subsection G of this Section 6 and upon
16 receipt of the registration fee as hereinafter prescribed,
17 register the face amount certificate contracts, as
18 described by series, type or class within the application,
19 for offer and sale in this State under this subsection B.

20 C. Pending Application and Filing Fee. No application for
21 registration of face amount certificate contracts shall be
22 deemed to be filed or pending and no face amount certificate
23 contracts covered by such application shall be deemed to be
24 registered under subsection A of this Section 6 unless a
25 filing fee in the amount established pursuant to Section 11a
26 of this Act has been paid, which shall not be returnable in any

1 event. No application for registration of face amount
2 certificate contracts shall be deemed to be filed or pending
3 and no face amount certificate contracts covered by such
4 application shall be deemed to be registered under subsection
5 B of this Section 6 unless the examination fee and filing fee
6 established pursuant to Section 11a of this Act have been
7 paid, which fees shall not be returnable in any event.

8 D. Effective Period and Sales Reports.

9 (1) A registration under subsection A or B of this
10 Section 6, unless sooner terminated by the voluntary
11 action of the issuer, or by suspension or revocation by
12 the Secretary of State, shall continue in force and effect
13 for a period of one year from the date of registration or
14 renewal of registration or such other period of time as
15 the Secretary of State may prescribe by rule or
16 regulation, and shall permit the offer and sale of face
17 amount certificate contracts so registered without
18 limitation as to number or aggregate amount during such
19 period of registration; provided, however, that, in the
20 case of face amount certificate contracts registered under
21 subsection B of this Section 6, the issuer shall promptly
22 file with the Secretary of State, throughout such
23 registration year, (i) one specimen copy of each monthly,
24 quarterly, semi-annual or other periodic or special report
25 and of each financial statement distributed to contract
26 holders; (ii) one certified copy of all statements and

1 reports filed with any regulatory authority or agency of
2 the Federal Government which relate to the issuer or the
3 issuance of the securities registered pursuant to this
4 Section 6 and (iii) one copy of each independently
5 certified audit report pertaining to the financial affairs
6 and position of the issuer covering the issuer's fiscal
7 year ending during the registration year, to be supplied
8 to the Secretary of State as soon as available after the
9 close of the issuer's fiscal year.

10 (2) The Secretary of State may, at his or her
11 discretion, require each issuer, controlling person or
12 registered dealer on whose behalf a registration of face
13 amount certificate contracts is effective under this
14 Section 6 to file a report, in such form and of such
15 content and for such time period as the Secretary of State
16 may by rule or regulation prescribe, stating the aggregate
17 dollar amount of face amount certificate contracts sold to
18 Illinois residents. The civil remedies provided for in
19 subsection A of Section 13 of this Act and the civil
20 remedies of rescission and appointment of a receiver,
21 conservator, ancillary receiver or ancillary conservator
22 provided for in subsection I of Section 11 and in
23 subsections F and G of Section 13 of this Act and the civil
24 remedies of restitution, damages and disgorgement of
25 profits provided for in subsection I of Section 11 of this
26 Act shall not be available against any person by reason of

1 the failure to file any such report or on account of the
2 contents of any such report.

3 E. Amendatory statements and required fees. The Secretary
4 of State may by rule or regulation require the filing of an
5 amendatory statement and prescribe its form and content. The
6 fee for filing the statement shall be established pursuant to
7 Section 11a of this Act. The fee shall not be returnable in any
8 event.

9 F. Renewal of Registration. A registration of face amount
10 certificate contracts in effect under subsection A or B of
11 this Section 6 may be renewed by the issuer by filing an
12 application for renewal with the Secretary of State no later
13 than 10 business days prior to the date upon which such
14 registration would otherwise expire, (or such lesser period as
15 the Secretary of State may prescribe by rule or regulation) in
16 such form and executed, verified, or authenticated by such
17 person as the Secretary of State shall prescribe by rule or
18 regulation. Such application shall be accompanied by a
19 prospectus in its most current form together with a renewal
20 fee established pursuant to Section 11a of this Act, which
21 shall not be returnable in any event. A renewal of
22 registration of face amount certificate contracts shall take
23 effect as of the date and time that the prior registration
24 under subsection A of this Section 6 or prior renewal under
25 this subsection F would otherwise have expired and (or such
26 alternative date as the Secretary of State may prescribe by

1 rule or regulation) thereafter shall be deemed to be a new
2 registration of the face amount certificate contracts covered
3 thereby. The Secretary of State may by rule or regulation
4 prescribe an additional fee for the failure to file timely an
5 application for renewal and limit the number of times a
6 registration may be renewed.

7 G. Deposit of Securities. No face amount certificate
8 contract shall be registered under subsection B of this
9 Section 6 unless the issuer shall establish and maintain with
10 the Secretary of State, for the benefit of the holders of such
11 contracts residing in this State, a deposit of securities
12 representing debt obligations of the kind in which life
13 insurance companies organized under the laws of this State are
14 permitted to invest their funds, in an amount having a fair
15 market value of not less than \$100,000 and at no time less than
16 the current contract liability on all such face amount
17 certificate contracts held by persons residing in this State,
18 and provided further that deposited securities, other than
19 those secured by entire first mortgage or trust deeds on
20 improved unencumbered real estate, are issued by an issuer
21 required to file reports pursuant to Section 13 or 15(d) of the
22 Federal 1934 Act or are covered by Section 12(g)(2)(B) or (G)
23 of the Federal 1934 Act, or appear in current quotations in
24 transactions on exchanges recognized by subsection G of
25 Section 3 of this Act, and provided further, that bonds or
26 notes secured by mortgages or trust deeds be limited to those

1 (i) constituting the entire indebtedness secured thereby, (ii)
2 establishing a first lien on improved real estate held in fee
3 simple, and (iii) insured by the Federal Housing Administrator
4 under an Act of Congress of the United States entitled
5 "National Housing Act". Debentures issued by the Federal
6 Housing Administrator under an Act of Congress of the United
7 States entitled the "National Housing Act" may be included in
8 the deposit prescribed by this subsection in amounts related
9 to, and in substitution for, specific insured mortgage loans
10 then included in the subject deposit which are in default, but
11 at no time shall the aggregate principal amount of such
12 debentures included in the subject deposit exceed 5% of the
13 fair market value of securities comprising the subject
14 deposit. The current contract liability in respect of
15 contracts held by persons residing in this State shall be that
16 as determined in such contracts as computed by the issuer and
17 regularly certified to the Secretary of State, on or before
18 the last day of each calendar month as of the close of the
19 month last prior to the date of reporting.

20 Securities deposited as hereinabove required may be
21 withdrawn by the depositor at any time, and from time to time,
22 whenever other securities eligible for deposit and of a fair
23 market value not less than that withdrawn are deposited in
24 substitution for securities withdrawn.

25 The Secretary of State may, upon receipt of appropriate
26 certification in writing, deemed by the Secretary of State to

1 be competent and adequate, evidencing the reduction of
2 contract liability on contracts held by persons residing in
3 this State to an aggregate amount representing not more than
4 90% of the fair market value of the securities then on deposit,
5 permit an equivalent reduction in the deposited securities.

6 H. Minimum Deposit; Annual Fee; Transaction Charge. The
7 initial and continuing deposit required hereby shall, so long
8 as the face amount certificate contracts registered under
9 subsection B of this Section 6 are being offered and sold in
10 this State, and until all contract liability on all contracts
11 outstanding in this State has been discharged, include
12 obligations of the United States or the State of Illinois in
13 bearer form or fully registered, or registered as to
14 principal, in the title of Treasurer of the State of Illinois,
15 and his or her successors in office, in the minimum principal
16 amount of \$50,000. An issuer of face amount certificate
17 contracts, in respect of which a deposit is required to be
18 established and maintained under this Section 6, and an issuer
19 of face amount certificate contracts heretofore qualified for
20 issuance to persons residing in this State under "An Act
21 relating to the sale or other disposition of securities and
22 providing penalties for the violation thereof and to repeal
23 Acts in conflict therewith", approved June 10, 1919, as
24 amended, and in respect of which a deposit of securities was
25 established and has been maintained under the Act approved
26 June 10, 1919, as cited above, shall pay to the Secretary of

1 State an annual fee determined at the rate of 1/30th of one
2 percent on the average of quarterly computations on the
3 aggregate of principal amounts of market-quoted or listed
4 securities and the original loan amounts of real estate loans
5 insured by the Federal Housing Administrator, and in addition
6 each such issuer shall pay to the Secretary of State, against
7 quarterly billings therefor, a transaction charge in the
8 amount established pursuant to Section 11a of this Act, which
9 annual fee and transaction charge shall not be returnable in
10 any event, for each separate issue or loan included in
11 additions to and withdrawals from such deposits, provided
12 however that the transaction charge established pursuant to
13 Section 11a of this Act for each separate issue of
14 market-quoted or listed securities shall apply to all the
15 items of that issue included in a single transaction,
16 regardless of the aggregate principal amount, and in respect
17 of real estate loans such transaction charge shall apply to
18 the group of documents pertaining to each separate loan, and
19 not to the separate items and documents included in such
20 group.

21 Nothing herein contained in respect of prescribed custody
22 of deposited securities with the State Treasurer and of
23 permissible procedures of liquidation of deposited securities
24 by the Secretary of State in the event of insolvency of an
25 issuer of face amount certificate contracts, or the
26 appointment of a trustee in bankruptcy, shall preclude the

1 surrender of deposited securities to a duly qualified trustee
2 under appointment by a Court having jurisdiction under the
3 Federal Bankruptcy Code under an appropriate order of such
4 Court.

5 I. Liquidation of Securities. Upon the insolvency of the
6 issuer of face amount certificate contracts or appointment of
7 a receiver or trustee in bankruptcy, the Secretary of State,
8 if not required otherwise under Federal law or under an order
9 of a Federal Court of competent jurisdiction, may apply to the
10 Circuit Court of Sangamon County, or any other court of
11 competent jurisdiction, for authority to proceed for the
12 liquidation of such securities held for the benefit of the
13 holders of such contracts who reside in this State. The
14 Secretary of State is hereby authorized to deal with such
15 securities on deposit in this State for the benefit of the
16 holders of such face amount certificate contracts, in his or
17 her name or, if the Court shall so order, in the name of the
18 issuer. The Secretary of State may, subject to the approval of
19 the Court, sell or otherwise dispose of the securities so
20 deposited or any part thereof. The Secretary of State shall as
21 soon as may be conveniently possible, give notice by
22 publication as provided by law, and as the Court may direct, to
23 all contract holders residing in this State who may have
24 claims against the issuer under such face amount certificate
25 contracts and for whose benefit such deposit is held, to file
26 and prove their claims in the manner and within the time the

1 Court shall direct. In order to preserve so far as possible the
2 rights and interests of the holders of outstanding contracts
3 of such issuer who reside in this State, the Secretary of State
4 may liquidate such securities on deposit in this State by
5 entering into contracts with any issuer or person able to buy
6 such securities in whole, or in part. Upon receiving an offer
7 or offers for the purchase of such securities in whole, or in
8 part, the Secretary of State shall submit such offer or offers
9 to the Court, and if, after a full hearing upon the petition
10 filed by the Secretary of State, the court shall find that the
11 Secretary of State endeavored to obtain the best contract
12 price for the benefit of the contract holders, and if the court
13 shall find that the best contract price in the interests of the
14 contract holders has been obtained, and that it is for the best
15 interests of the holders of such contracts that such
16 securities be sold, the court shall, by written order approve
17 the acts of the Secretary of State and authorize him or her to
18 dispose of such securities. Upon the conversion of such
19 securities to cash, the Secretary of State may then proceed to
20 dispose of the sum received for such securities among the
21 respective holders of such contracts as their interests may
22 appear. Upon the liquidation and distribution of such funds,
23 the Secretary of State may make proper liquidation of such
24 securities and the distribution or disposition thereof or of
25 the proceeds therefrom as herein provided.

26 For the purpose of liquidation of such securities, the

1 Secretary of State shall have the power to appoint one or more
2 special deputies as his or her agent or agents and to employ
3 such clerks, assistants or attorneys as may by him or her be
4 deemed necessary and to give each of such persons such power to
5 assist him or her as he or she may consider wise. The
6 compensation of every such special deputy, agent, clerk,
7 assistant or attorney shall be fixed, and all expenses of
8 taking possession of such securities of the issuer and the
9 administration thereof shall be approved, by the Secretary of
10 State subject to the approval of the court and shall be paid
11 out of the funds or assets received from the liquidation of
12 such securities.

13 J. The applicant or registrant shall notify the Secretary
14 of State, by written notice (which may be by electronic or
15 facsimile transmission), within 2 business days after its
16 receipt of any stop order, denial, order to show cause,
17 suspension or revocation order, injunction or restraining
18 order, or similar order entered or issued by any state,
19 federal or other regulatory authority or by any court,
20 concerning the face amount certificate contracts which are
21 being or have been registered in this State or any other
22 securities of the issuer currently being or proposed to be
23 offered to the public, if the matter which is the subject of,
24 or the failure to disclose the existence of, such order would
25 in this State constitute a violation of subsection E, F, G, H,
26 I or J of Section 12 of this Act. The obligation contained in

1 this subsection J shall continue until such time as offers and
2 sales of the face amount certificate contracts registered
3 under this Section 6 are no longer being made in this State by
4 the applicant or registrant.

5 K. Any document being filed pursuant to this Section 6
6 shall be deemed filed, and any fee being paid pursuant to this
7 Section 6 shall be deemed paid, upon the date of actual receipt
8 thereof by the Secretary of State.

9 L. The Secretary of State may require by rule or
10 regulation the payment of an additional fee for the filing of
11 information or documents required to be filed by this Section
12 6 which have not been filed in a timely manner. Such fees shall
13 be deposited into the Secretary of State Special Services Fund
14 ~~Securities Investors Education Fund and used to promote public~~
15 ~~awareness of the dangers of securities fraud.~~

16 (Source: P.A. 89-209, eff. 1-1-96; 90-70, eff. 7-8-97.)

17 (815 ILCS 5/7) (from Ch. 121 1/2, par. 137.7)

18 Sec. 7. Registration of Investment Fund Shares. All
19 investment fund shares except those set forth under Section 2a
20 of this Act, or those exempt under Section 3 of this Act, or
21 those offered or sold in transactions exempt under Section 4
22 of this Act, or face amount certificate contracts required to
23 be registered under Section 6 of this Act, shall be registered
24 either by coordination or by qualification, as hereinafter in
25 this Section provided, prior to their offer or sale in this

1 State. Additional classes of shares that are of the same rank,
2 general description, and characteristics as those currently
3 registered may be added to a current registration under this
4 Section upon the filing of an amendment and the payment of the
5 additional fees as prescribed by the Secretary of State by
6 rule or regulation. Any change in organization or plans of
7 operation shall be disclosed to the Secretary of State by
8 filing an amendment to a current registration and the payment
9 of the additional fees as prescribed by the Secretary of State
10 by rule or regulation.

11 A. Registration of Investment Fund Shares by Coordination.

12 (1) Investment fund shares which are being or have
13 been registered under the Federal 1933 Act and the Federal
14 1940 Investment Company Act may be registered by
15 coordination in the manner provided in this subsection A,
16 if the effective date of the registration under the
17 Federal 1933 Act is not more than 30 days before the filing
18 with the Secretary of State.

19 (2) Investment fund shares may be registered by
20 coordination by the filing with the Secretary of State by
21 the issuer, by a controlling person or by a registered
22 dealer of:

23 (a) One copy of the registration statement
24 (without exhibits) descriptive of the investment fund
25 shares on file with the Securities and Exchange
26 Commission in its most recent form as of the date of

1 the initial filing under this subsection A;

2 (b) An application, in such form and executed,
3 verified, or authenticated by such person as the
4 Secretary of State shall by rule or regulation
5 prescribe, setting forth the title of the investment
6 fund shares to be offered in this State under this
7 subsection A and, if the applicant is electing the
8 date of effectiveness of a post-effective amendment as
9 its effective date as provided in Section 2.13 of this
10 Act, specifying such date as the effective date for
11 purposes of registration under this subsection A; and

12 (c) An undertaking to forward to the Secretary of
13 State, in writing (which may be by electronic or
14 facsimile transmission), any and all subsequent
15 amendments of and supplements to the registration
16 statement not later than the 7th day after the
17 forwarding thereof to the Securities and Exchange
18 Commission, or such longer period as the Secretary of
19 State may permit by rule, regulation or order; and

20 (d) if the applicant is not a registered dealer,
21 the name of at least one registered dealer for the
22 investment fund shares being registered under this
23 subsection A or a written statement setting forth the
24 method of offer and sale in this State of the
25 investment fund shares being registered in compliance
26 with Section 8 of this Act.

1 (3) Registration of investment fund shares by
2 coordination shall take effect automatically as of the
3 effective date of the registration statement (or
4 post-effective amendment) filed under the Federal 1933
5 Act, provided that on the effective date, the information
6 required by sub-paragraphs (a), (b), and (d) and the
7 undertaking required by sub-paragraph (c) of paragraph (2)
8 of this subsection A have been on file with the Secretary
9 of State for at least 10 business days, or such shorter
10 period as the Secretary of State may permit by rule,
11 regulation or order. If, however, the time period referred
12 to in the preceding sentence shall not have expired on the
13 effective date of the registration statement (or
14 post-effective amendment) filed under the Federal 1933
15 Act, registration of such investment fund shares by
16 coordination shall, upon the expiration of such time
17 period, take effect automatically as of the effective date
18 of the registration statement (or post-effective
19 amendment) filed under the Federal 1933 Act.

20 (4) If the information required by sub-paragraphs (a),
21 (b), and (d) and the undertaking required by sub-paragraph
22 (c) of paragraph (2) of this subsection A are not filed
23 with the Secretary of State prior to the effective date of
24 the registration statement (or post-effective amendment)
25 filed under the Federal 1933 Act, any registration of
26 investment fund shares by coordination under this

1 subsection A shall take effect automatically as soon as
2 all of the following conditions have been satisfied:

3 (a) the information required by sub-paragraphs
4 (a), (b), and (d) and the undertaking required by
5 sub-paragraph (c) of paragraph (2) of this subsection
6 A have been on file with the Secretary of State for 10
7 business days, or for such shorter period as the
8 Secretary of State may permit by rule, regulation or
9 order;

10 (b) the registration statement or post-effective
11 amendment filed under the Federal 1933 Act is then in
12 effect; and

13 (c) the prospectus then on file with the Secretary
14 of State satisfies the requirements of Section
15 10(a)(3) of the Federal 1933 Act.

16 (5) The applicant shall furnish to the Secretary of
17 State written notice (which may be by electronic or
18 facsimile transmission) confirming the date of
19 effectiveness and the title of the investment fund shares
20 registered under the Federal 1933 Act, no later than the
21 close of business on the second business day following the
22 date on which registration statement becomes effective
23 under the Federal 1933 Act.

24 (6) No action by the Secretary of State shall be
25 necessary to evidence the effectiveness of the
26 registration by coordination under this subsection A. The

1 Secretary of State may, at his or her discretion, provide
2 a statement attesting to such registration, which
3 statement shall be in such form as the Secretary of State
4 may deem appropriate.

5 (7) Notwithstanding the foregoing, the issuer,
6 controlling person or registered dealer who filed the
7 application set forth in subparagraph (b) of paragraph (2)
8 of this subsection A may request, in writing (which may be
9 by electronic or facsimile transmission) prior to or upon
10 notice of effectiveness under the Federal 1933 Act, a
11 waiver of automatic effectiveness of the registration of
12 investment fund shares and the Secretary of State may, at
13 his or her discretion, grant such waiver of automatic
14 effectiveness. Upon the grant by the Secretary of State of
15 the request of waiver of automatic effectiveness, such
16 registration of investment fund shares shall become
17 effective automatically on the date that the issuer,
18 controlling person or registered dealer who filed the
19 application set forth in subparagraph (b) of paragraph (2)
20 of this subsection A notifies the Secretary of State in
21 writing.

22 B. Registration of Investment Fund Shares by
23 Qualification. Investment fund shares may be registered by
24 qualification in the manner provided in this subsection B.

25 (1) An application for registration by qualification
26 shall be made by the issuer, by a controlling person or by

1 a registered dealer together with the examination fee
2 established pursuant to Section 11a of the Act, which
3 shall not be returnable in any event. Such application
4 shall be signed, verified, or authenticated by the
5 applicant and filed with the Secretary of State. The
6 application shall set forth:

7 (a) The name and address of the issuer;

8 (b) The title of the investment fund shares; and

9 (c) The names and addresses of the persons
10 creating or sponsoring the investment fund shares.

11 (2) If the issuer, dealer, or controlling person has
12 not filed a registration statement or post-effective
13 amendment which is then in effect under the Federal 1933
14 Act, there shall be filed with the application:

15 (a) A specimen copy of the investment fund shares,
16 if any, or a copy of the form of the instrument to
17 evidence the investment fund shares, if any;

18 (b) (Blank);

19 (c) (Blank);

20 (d) An opinion of counsel as to the legality of the
21 investment fund shares;

22 (e) An undertaking to file promptly (not later
23 than 2 business days after the occurrence of any event
24 which requires a material change in the prospectus)
25 with the Secretary of State any and all amendments of
26 and supplements to the prospectus as theretofore filed

1 under this subsection B, together with any additional
2 information, document or undertaking which the
3 Secretary of State, at his or her discretion, deems
4 material, accompanied by the amendment filing fee
5 established pursuant to Section 11a of this Act or, in
6 lieu thereof, a notification in writing that all
7 offers and sales of the investment fund shares have
8 been suspended pending the filing with the Secretary
9 of State of the amendment of or supplement to the
10 prospectus;

11 (f) A written statement setting forth the name of
12 at least one registered dealer for the investment fund
13 shares being registered under this subsection B or an
14 application for registration of a salesperson or a
15 written statement setting forth the method of offer
16 and sale in this State of the investment fund shares
17 being registered in compliance with Section 8 of this
18 Act.

19 (3) In addition, there shall be filed with the
20 application such additional information and material in
21 such form as the Secretary of State may by rule,
22 regulation or order prescribe and a prospectus which
23 contains, but is not limited to the following:

24 (a) The date and form of organization of the fund
25 or trust;

26 (b) The authorized and issued capitalization of

1 the fund or trust and a description of the investment
2 fund shares being registered and of all authorized
3 securities;

4 (c) A schedule of the types of deductions which
5 may be made from the trust or corporate or fund assets
6 and the income therefrom or the avails thereof as
7 charges prior to distribution to holders of the
8 investment fund shares;

9 (d) The names and addresses of all of the fund's or
10 trust's officers and directors, or persons performing
11 similar functions, their business experience during
12 the preceding 5 years and the remuneration paid to
13 each by the fund or trust or any affiliate thereof
14 during the fiscal year last past and proposed to be
15 paid for the then current fiscal year;

16 (e) A brief description of any pending material
17 legal proceeding, and of any material legal proceeding
18 known to be contemplated by governmental authorities
19 involving the fund or trust;

20 (f) A statement of the plan of operation,
21 management policies and provisions and restrictions in
22 respect of investment and reinvestment of principal
23 funds and undistributed income therefrom;

24 (g) A statement of the plan and intention in
25 respect of distributions of ordinary income and
26 capital gains, which statement shall disclose the

1 taking of adequate measures for specific separation
2 and identification of distributions arising from
3 ordinary income and those arising from profits
4 realized from the disposition of securities;

5 (h) Specimen computations illustrating typical
6 applications of the formulae to be used in determining
7 asset value, offering price and liquidating price of
8 the investment fund shares; and

9 (i) The following financial statements in respect
10 of the issuer if the investment fund shares represent
11 shares of an issuing corporation, or in respect of the
12 trust fund, if the investment fund shares represent
13 beneficial interests in a trust fund:

14 (i) a balance sheet as of a date within 135
15 days prior to the date of submitting the
16 application. If such balance sheet is not
17 certified by an independent certified public
18 accountant, the prospectus shall also contain a
19 balance sheet certified by an independent
20 certified public accountant as of the close of the
21 fund's last fiscal year, unless such fiscal year
22 ended within 135 days prior to the time of filing
23 the application, in which case the certified
24 balance sheet may be as of the end of the preceding
25 fiscal year;

26 (ii) a detailed statement of income and

1 expenses and of profits realized and losses
2 sustained from the sale of securities for each of
3 the three fiscal years (or for the period of
4 existence of the issuer if less than 3 years) next
5 preceding the date of the certified balance sheet
6 and for the period, if any, between the date of the
7 certified balance sheet and the date of the most
8 recent balance sheet. Such statements shall be
9 certified by an independent certified public
10 accountant for the periods ending with the date of
11 the certified balance sheet;

12 (iii) an analysis of each surplus account (or,
13 in lieu thereof, a statement of changes in net
14 assets) for each period for which a statement of
15 income and expenses is filed, certified by an
16 independent certified public accountant for the
17 periods for which certified statements of income
18 and expenses are submitted; and

19 (iv) such other financial statements and
20 supporting schedules as the Secretary of State may
21 by rule or regulation prescribe.

22 (4) The Secretary of State may make or cause to be made
23 an examination of matters pertaining to the investment
24 fund shares as to which registration is sought under this
25 subsection B and the persons creating, sponsoring or
26 having general charge of the distribution of the

1 investment fund shares, or any of them, and may require
2 the applicant to advance sufficient funds to defray all
3 actual expenses of such examination. An itemized statement
4 of such expenses shall be furnished to the applicant.

5 (5) No investment fund shares shall be registered
6 under this subsection B unless the underlying securities
7 or cash are and are to be deposited and held under an
8 appropriate agreement for the benefit of the holders of
9 the investment fund shares with and by a trustee or
10 custodian which is a clearing corporation, bank, trust
11 company or member of a national securities exchange
12 registered under the Federal 1934 Act, provided that any
13 such bank or trust company shall have an aggregate
14 capital, surplus and undivided profits of at least
15 \$2,000,000 and any such member of a national securities
16 exchange shall have capital stock, additional paid-in
17 capital and retained earnings of at least \$2,000,000 if a
18 corporation or partnership capital of at least \$2,000,000
19 if a partnership and further provided that any such member
20 of a national securities exchange shall comply with the
21 provisions of the Federal 1940 Investment Company Act and
22 the rules and regulations of the Securities and Exchange
23 Commission promulgated under that Act relating to the
24 custody of the underlying securities of investment funds.

25 (6) The Secretary of State shall within a reasonable
26 time examine the application and documents filed with him

1 or her and may make such additional examination pursuant
2 to paragraph (4) of this subsection B as he or she may deem
3 appropriate, and unless the Secretary of State makes a
4 determination that the application and documents so filed
5 do not conform to the requirements of this subsection B,
6 or there is a proceeding pending under Section 11 of this
7 Act, the Secretary of State shall register the investment
8 fund shares for offer and sale in this State under this
9 subsection B.

10 C. Pending Application and Filing Fee. No application for
11 registration of investment fund shares shall be deemed to be
12 filed or pending and no investment fund shares covered by such
13 application shall be deemed to be registered under subsection
14 A of this Section 7 unless a filing fee in the amount
15 established pursuant to Section 11a of this Act has been paid,
16 which fee shall not be returnable in any event. No application
17 shall be deemed to be filed or pending and no investment fund
18 shares covered by such application shall be deemed to be
19 registered under subsection B of this Section 7 unless the
20 examination fee and filing fee established pursuant to Section
21 11a of this Act have been paid, which fees shall not be
22 returnable in any event.

23 D. Amendatory statements and required fees. The Secretary
24 of State may by rule or regulation require the filing of an
25 amendatory statement and prescribe its form and content. The
26 fee for filing the statement shall be established pursuant to

1 Section 11a of this Act. The fee shall not be returnable in any
2 event.

3 E. Discontinuance of Registration. An amendatory statement
4 or statements may be submitted by the applicant at any time,
5 and from time to time, when it is desired to discontinue
6 registration in respect of one or more classes, series, or
7 portfolios and if the Secretary of State shall find that such
8 discontinuance is not against the public interest, such
9 amendatory statement or statements shall be filed by the
10 Secretary of State without charge, but such discontinuance of
11 registration shall not entitle the applicant to any refund of
12 any fees previously paid in respect of such discontinued class
13 or classes, series, or portfolios.

14 F. Effective Period and Sales Reports.

15 (1) A registration of investment fund shares under
16 this Section 7, unless sooner terminated by the voluntary
17 action of the applicant or by action of the Secretary of
18 State under Section 11 hereof, shall continue in force and
19 effect for a period of one year from the date of
20 registration or renewal of registration (or such other
21 period of time as the Secretary of State may prescribe by
22 rule or regulation or order), without limitation as to
23 number of shares or aggregate amount; provided, however,
24 that in the case of investment fund shares registered
25 under subsection B of this Section 7, the issuer which has
26 no registration statement then in effect under the Federal

1 1933 Act and the Federal 1940 Investment Company Act shall
2 promptly file with the Secretary of State throughout such
3 registration period, one copy of each monthly, quarterly,
4 semi-annual, annual or other periodic report and financial
5 statement sent to holders of its outstanding investment
6 fund shares, and one copy of each statement and report
7 relating to such investment fund shares filed with any
8 regulatory authority or agency of the Federal Government.

9 (2) The Secretary of State may, at his or her
10 discretion, require each issuer, controlling person or
11 registered dealer on whose behalf a registration of
12 investment fund shares is effected under this Section 7 to
13 file a report, in such form and of such content and for
14 such time period as the Secretary of State may by rule or
15 regulation prescribe, stating the aggregate dollar amount
16 of investment fund shares sold to Illinois residents. The
17 civil remedies provided for in subsection A of Section 13
18 of this Act and the civil remedies of rescission and
19 appointment of a receiver, conservator, ancillary receiver
20 or ancillary conservator provided for in subsection I of
21 Section 11 and in subsections F and G of Section 13 of this
22 Act and the civil remedies of restitution, damages and
23 disgorgement of profits provided for in subsection I of
24 Section 11 of this Act shall not be available against any
25 person by reason of the failure to file any such report or
26 on account of the contents of any such report.

1 G. Renewal of Registration. A registration of investment
2 fund shares in effect under subsection A or B of this Section 7
3 may be renewed by the issuer by filing an application for
4 renewal of registration with the Secretary of State no later
5 than 10 business days prior to the date upon which such
6 registration would otherwise expire or such lesser period as
7 the Secretary of State may prescribe by rule or regulation, in
8 such form and executed, verified, or authenticated by such
9 person as the Secretary of State shall prescribe by rule or
10 regulation. Such application shall be accompanied by a
11 prospectus in its most current form together with a renewal
12 fee established pursuant to Section 11a of this Act, which
13 shall not be returnable in any event. A renewal of
14 registration of securities shall take effect as of the date
15 and time that the prior registration under subsection A of
16 this Section 7 or prior renewal under this paragraph (1) would
17 otherwise have expired (or such alternative date as the
18 Secretary of State may prescribe by rule or regulation) and
19 thereafter shall be deemed to be a new registration of the
20 investment fund shares covered thereby. The Secretary of State
21 may by rule or regulation prescribe an additional fee for the
22 failure to file timely an application for renewal and limit
23 the number of times a registration may be renewed.

24 H. The applicant or registrant shall notify the Secretary
25 of State, by written notice (which may be by electronic or
26 facsimile transmission), within 2 business days after its

1 receipt of any stop order, denial, order to show cause,
2 suspension or revocation order, injunction or restraining
3 order, or similar order entered or issued by any state,
4 federal or other regulatory authority or by any court,
5 concerning the investment fund shares which are being or have
6 been registered in this State or any other securities of the
7 issuer currently being or proposed to be offered to the
8 public, if the matter which is the subject of, or the failure
9 to disclose the existence of, such order would in this State
10 constitute a violation of subsection E, F, G, H, I or J of
11 Section 12 of this Act. The obligation contained in this
12 subsection H shall continue until such time as offers and
13 sales of the investment fund shares registered under this
14 Section 7 are no longer being made in this State by the
15 applicant or registrant.

16 I. Any document being filed pursuant to this Section 7
17 shall be deemed filed, and any fee being paid pursuant to this
18 Section 7 shall be deemed paid, upon the date of actual receipt
19 thereof by the Secretary of State.

20 J. The Secretary of State may require by rule or
21 regulation the payment of an additional fee for the filing of
22 information or documents required to be filed by this Section
23 7 which have not been filed in a timely manner. Such fees shall
24 be deposited into the Secretary of State Special Services Fund
25 ~~Securities Investors Education Fund and use to promote public~~
26 ~~awareness of the dangers of securities fraud.~~

1 (Source: P.A. 89-209, eff. 1-1-96; 89-626, eff. 8-9-96; 90-70,
2 eff. 7-8-97.)

3 (815 ILCS 5/11) (from Ch. 121 1/2, par. 137.11)

4 Sec. 11. Duties and powers of the Secretary of State.

5 A. (1) The administration of this Act is vested in the
6 Secretary of State, who may from time to time make, amend and
7 rescind such rules and regulations as may be necessary to
8 carry out this Act, including rules and regulations governing
9 procedures of registration, statements, applications and
10 reports for various classes of securities, persons and matters
11 within his or her jurisdiction and defining any terms, whether
12 or not used in this Act, insofar as the definitions are not
13 inconsistent with this Act. The rules and regulations adopted
14 by the Secretary of State under this Act shall be effective in
15 the manner provided for in the Illinois Administrative
16 Procedure Act.

17 (2) Among other things, the Secretary of State shall have
18 authority, for the purposes of this Act, to prescribe the form
19 or forms in which required information shall be set forth,
20 accounting practices, the items or details to be shown in
21 balance sheets and earning statements, and the methods to be
22 followed in the preparation of accounts, in the appraisal or
23 valuation of assets and liabilities, in the determination of
24 depreciation and depletion, in the differentiation of
25 recurring and non-recurring income, in the differentiation of

1 investment and operating income, and in the preparation of
2 consolidated balance sheets or income accounts of any person,
3 directly or indirectly, controlling or controlled by the
4 issuer, or any person under direct or indirect common control
5 with the issuer.

6 (3) No provision of this Act imposing any liability shall
7 apply to any act done or omitted in good faith in conformity
8 with any rule or regulation of the Secretary of State under
9 this Act, notwithstanding that the rule or regulation may,
10 after the act or omission, be amended or rescinded or be
11 determined by judicial or other authority to be invalid for
12 any reason.

13 (4) The Securities Department of the Office of the
14 Secretary of State shall be deemed a criminal justice agency
15 for purposes of all federal and state laws and regulations
16 and, in that capacity, shall be entitled to access to any
17 information available to criminal justice agencies and has the
18 power to appoint special agents to conduct all investigations,
19 searches, seizures, arrests, and other duties imposed under
20 the provisions of any law administered by the Department. The
21 special agents have and may exercise all the powers of peace
22 officers solely for the purpose of enforcing provisions of
23 this Act.

24 The Director must authorize to each special agent employed
25 under this Section a distinct badge that, on its face, (i)
26 clearly states that the badge is authorized by the Department

1 and (ii) contains a unique and identifying number.

2 Special agents shall comply with all training requirements
3 established for law enforcement officers by provisions of the
4 Illinois Police Training Act.

5 (5) The Secretary of State, by rule, may conditionally or
6 unconditionally exempt any person, security, or transaction,
7 or any class or classes of persons, securities, or
8 transactions from any provision of Section 5, 6, 7, 8, 8a, or 9
9 of this Act or of any rule promulgated under these Sections, to
10 the extent that such exemption is necessary or appropriate in
11 the public interest, and is consistent with the protection of
12 investors.

13 B. The Secretary of State may, anything in this Act to the
14 contrary notwithstanding, require financial statements and
15 reports of the issuer, dealer, Internet portal, salesperson,
16 investment adviser, or investment adviser representative as
17 often as circumstances may warrant. In addition, the Secretary
18 of State may secure information or books and records from or
19 through others and may make or cause to be made investigations
20 respecting the business, affairs, and property of the issuer
21 of securities, any person involved in the sale or offer for
22 sale, purchase or offer to purchase of any mineral investment
23 contract, mineral deferred delivery contract, or security and
24 of dealers, Internet portals, salespersons, investment
25 advisers, and investment adviser representatives that are
26 registered or are the subject of an application for

1 registration under this Act. The costs of an investigation
2 shall be borne by the registrant or the applicant, provided
3 that the registrant or applicant shall not be obligated to pay
4 the costs without his, her or its consent in advance.

5 C. Whenever it shall appear to the Secretary of State,
6 either upon complaint or otherwise, that this Act, or any rule
7 or regulation prescribed under authority thereof, has been or
8 is about to be violated, he or she may, in his or her
9 discretion, do one or more of the following:

10 (1) require or permit the person to file with the
11 Secretary of State a statement in writing under oath, or
12 otherwise, as to all the facts and circumstances
13 concerning the subject matter which the Secretary of State
14 believes to be in the public interest to investigate,
15 audit, examine, or inspect;

16 (2) conduct an investigation, audit, examination, or
17 inspection as necessary or advisable for the protection of
18 the interests of the public; and

19 (3) appoint investigators to conduct all
20 investigations, searches, seizures, arrests, and other
21 duties imposed under the provisions of any law
22 administered by the Department. The Director must
23 authorize to each investigator employed under this Section
24 a distinct badge that, on its face, (i) clearly states
25 that the badge is authorized by the Department and (ii)
26 contains a unique and identifying number.

1 D. (1) For the purpose of all investigations, audits,
2 examinations, or inspections which in the opinion of the
3 Secretary of State are necessary and proper for the
4 enforcement of this Act, the Secretary of State or a person
5 designated by him or her is empowered to administer oaths and
6 affirmations, subpoena witnesses, take evidence, and require,
7 by subpoena or other lawful means provided by this Act or the
8 rules adopted by the Secretary of State, the production of any
9 books and records, papers, or other documents which the
10 Secretary of State or a person designated by him or her deems
11 relevant or material to the inquiry.

12 (2) The Secretary of State or a person designated by him or
13 her is further empowered to administer oaths and affirmations,
14 subpoena witnesses, take evidence, and require the production
15 of any books and records, papers, or other documents in this
16 State at the request of a securities agency of another state,
17 if the activities constituting the alleged violation for which
18 the information is sought would be in violation of Section 12
19 of this Act if the activities had occurred in this State.

20 (3) The Circuit Court of any County of this State, upon
21 application of the Secretary of State or a person designated
22 by him or her may order the attendance of witnesses, the
23 production of books and records, papers, accounts and
24 documents and the giving of testimony before the Secretary of
25 State or a person designated by him or her; and any failure to
26 obey the order may be punished by the Circuit Court as a

1 contempt thereof.

2 (4) The fees of subpoenaed witnesses under this Act for
3 attendance and travel shall be the same as fees of witnesses
4 before the Circuit Courts of this State, to be paid when the
5 witness is excused from further attendance, provided, the
6 witness is subpoenaed at the instance of the Secretary of
7 State; and payment of the fees shall be made and audited in the
8 same manner as other expenses of the Secretary of State.

9 (5) Whenever a subpoena is issued at the request of a
10 complainant or respondent as the case may be, the Secretary of
11 State may require that the cost of service and the fee of the
12 witness shall be borne by the party at whose instance the
13 witness is summoned.

14 (6) The Secretary of State shall have power at his or her
15 discretion, to require a deposit to cover the cost of the
16 service and witness fees and the payment of the legal witness
17 fee and mileage to the witness served with subpoena.

18 (7) A subpoena issued under this Act shall be served in the
19 same manner as a subpoena issued out of a circuit court.

20 (8) The Secretary of State may in any investigation,
21 audits, examinations, or inspections cause the taking of
22 depositions of persons residing within or without this State
23 in the manner provided in civil actions under the laws of this
24 State.

25 E. Anything in this Act to the contrary notwithstanding:

26 (1) If the Secretary of State shall find that the

1 offer or sale or proposed offer or sale or method of offer
2 or sale of any securities by any person, whether exempt or
3 not, in this State, is fraudulent, or would work or tend to
4 work a fraud or deceit, or is being offered or sold in
5 violation of Section 12, or there has been a failure or
6 refusal to submit any notification filing or fee required
7 under this Act, the Secretary of State may by written
8 order prohibit or suspend the offer or sale of securities
9 by that person or deny or revoke the registration of the
10 securities or the exemption from registration for the
11 securities.

12 (2) If the Secretary of State shall find that any
13 person has violated subsection C, D, E, F, G, H, I, J, or K
14 of Section 12 of this Act, the Secretary of State may by
15 written order temporarily or permanently prohibit or
16 suspend the person from offering or selling any
17 securities, any mineral investment contract, or any
18 mineral deferred delivery contract in this State, provided
19 that any person who is the subject of an order of permanent
20 prohibition may petition the Secretary of State for a
21 hearing to present evidence of rehabilitation or change in
22 circumstances justifying the amendment or termination of
23 the order of permanent prohibition.

24 (3) If the Secretary of State shall find that any
25 person is engaging or has engaged in the business of
26 selling or offering for sale securities as a dealer,

1 Internet portal, or salesperson or is acting or has acted
2 as an investment adviser, investment adviser
3 representative, or federal covered investment adviser,
4 without prior thereto and at the time thereof having
5 complied with the registration or notice filing
6 requirements of this Act, the Secretary of State may by
7 written order prohibit or suspend the person from engaging
8 in the business of selling or offering for sale
9 securities, or acting as an investment adviser, investment
10 adviser representative, or federal covered investment
11 adviser, in this State.

12 (4) In addition to any other sanction or remedy
13 contained in this subsection E, the Secretary of State,
14 after finding that any provision of this Act has been
15 violated, may impose a fine as provided by rule,
16 regulation or order not to exceed \$10,000 for each
17 violation of this Act, may issue an order of public
18 censure against the violator, and may charge as costs of
19 investigation all reasonable expenses, including
20 attorney's fees and witness fees.

21 F. (1) The Secretary of State shall not deny, suspend or
22 revoke the registration of securities, suspend or revoke the
23 registration of a dealer, Internet portal, salesperson,
24 investment adviser, or investment adviser representative,
25 prohibit or suspend the offer or sale of any securities,
26 prohibit or suspend any person from offering or selling any

1 securities in this State, prohibit or suspend a dealer or
2 salesperson from engaging in the business of selling or
3 offering for sale securities, prohibit or suspend a person
4 from acting as an investment adviser or federal covered
5 investment adviser, or investment adviser representative,
6 impose any fine for violation of this Act, issue an order of
7 public censure, or enter into an agreed settlement except
8 after an opportunity for hearing upon not less than 10 days
9 notice given by personal service or registered mail or
10 certified mail, return receipt requested, to the person or
11 persons concerned. Such notice shall state the date and time
12 and place of the hearing and shall contain a brief statement of
13 the proposed action of the Secretary of State and the grounds
14 for the proposed action. A failure to appear at the hearing or
15 otherwise respond to the allegations set forth in the notice
16 of hearing shall constitute an admission of any facts alleged
17 therein and shall constitute sufficient basis to enter an
18 order.

19 (2) Anything herein contained to the contrary
20 notwithstanding, the Secretary of State may temporarily
21 prohibit or suspend, for a maximum period of 90 days, by an
22 order effective immediately, the offer or sale or registration
23 of securities, the registration of a dealer, Internet portal,
24 salesperson, investment adviser, or investment adviser
25 representative, or the offer or sale of securities by any
26 person, or the business of rendering investment advice,

1 without the notice and prior hearing in this subsection
2 prescribed, if the Secretary of State shall in his or her
3 opinion, based on credible evidence, deem it necessary to
4 prevent an imminent violation of this Act or to prevent losses
5 to investors which the Secretary of State reasonably believes
6 will occur as a result of a prior violation of this Act.
7 Immediately after taking action without such notice and
8 hearing, the Secretary of State shall deliver a copy of the
9 temporary order to the respondent named therein by personal
10 service or registered mail or certified mail, return receipt
11 requested. The temporary order shall set forth the grounds for
12 the action and shall advise that the respondent may request a
13 hearing, that the request for a hearing will not stop the
14 effectiveness of the temporary order and that respondent's
15 failure to request a hearing within 30 days after the date of
16 the entry of the temporary order shall constitute an admission
17 of any facts alleged therein and shall constitute sufficient
18 basis to make the temporary order final. Any provision of this
19 paragraph (2) to the contrary notwithstanding, the Secretary
20 of State may not pursuant to the provisions of this paragraph
21 (2) suspend the registration of a dealer, limited Canadian
22 dealer, salesperson, investment adviser, or investment adviser
23 representative based upon sub-paragraph (n) of paragraph (1)
24 of subsection E of Section 8 of this Act or revoke the
25 registration of securities or revoke the registration of any
26 dealer, salesperson, investment adviser representative, or

1 investment adviser.

2 (3) The Secretary of State may issue a temporary order
3 suspending or delaying the effectiveness of any registration
4 of securities under subsection A or B of Section 5, 6 or 7 of
5 this Act subsequent to and upon the basis of the issuance of
6 any stop, suspension or similar order by the Securities and
7 Exchange Commission with respect to the securities which are
8 the subject of the registration under subsection A or B of
9 Section 5, 6 or 7 of this Act, and the order shall become
10 effective as of the date and time of effectiveness of the
11 Securities and Exchange Commission order and shall be vacated
12 automatically at such time as the order of the Securities and
13 Exchange Commission is no longer in effect.

14 (4) When the Secretary of State finds that an application
15 for registration as a dealer, Internet portal, salesperson,
16 investment adviser, or investment adviser representative
17 should be denied, the Secretary of State may enter an order
18 denying the registration. Immediately after taking such
19 action, the Secretary of State shall deliver a copy of the
20 order to the respondent named therein by personal service or
21 registered mail or certified mail, return receipt requested.
22 The order shall state the grounds for the action and that the
23 matter will be set for hearing upon written request filed with
24 the Secretary of State within 30 days after the receipt of the
25 request by the respondent. The respondent's failure to request
26 a hearing within 30 days after receipt of the order shall

1 constitute an admission of any facts alleged therein and shall
2 make the order final. If a hearing is held, the Secretary of
3 State shall affirm, vacate, or modify the order.

4 (5) The findings and decision of the Secretary of State
5 upon the conclusion of each final hearing held pursuant to
6 this subsection shall be set forth in a written order signed on
7 behalf of the Secretary of State by his or her designee and
8 shall be filed as a public record. All hearings shall be held
9 before a person designated by the Secretary of State, and
10 appropriate records thereof shall be kept.

11 (6) Notwithstanding the foregoing, the Secretary of State,
12 after notice and opportunity for hearing, may at his or her
13 discretion enter into an agreed settlement, stipulation or
14 consent order with a respondent in accordance with the
15 provisions of the Illinois Administrative Procedure Act. The
16 provisions of the agreed settlement, stipulation or consent
17 order shall have the full force and effect of an order issued
18 by the Secretary of State.

19 (7) Anything in this Act to the contrary notwithstanding,
20 whenever the Secretary of State finds that a person is
21 currently expelled from, refused membership in or association
22 with, or limited in any material capacity by a self-regulatory
23 organization registered under the Federal 1934 Act or the
24 Federal 1974 Act because of a fraudulent or deceptive act or a
25 practice in violation of a rule, regulation, or standard duly
26 promulgated by the self-regulatory organization, the Secretary

1 of State may, at his or her discretion, enter a Summary Order
2 of Prohibition, which shall prohibit the offer or sale of any
3 securities, mineral investment contract, or mineral deferred
4 delivery contract by the person in this State. The order shall
5 take effect immediately upon its entry. Immediately after
6 taking the action the Secretary of State shall deliver a copy
7 of the order to the named Respondent by personal service or
8 registered mail or certified mail, return receipt requested. A
9 person who is the subject of an Order of Prohibition may
10 petition the Secretary of State for a hearing to present
11 evidence of rehabilitation or change in circumstances
12 justifying the amendment or termination of the Order of
13 Prohibition.

14 G. No administrative action shall be brought by the
15 Secretary of State for relief under this Act or upon or because
16 of any of the matters for which relief is granted by this Act
17 after the earlier to occur of (i) 3 years from the date upon
18 which the Secretary of State had notice of facts which in the
19 exercise of reasonable diligence would lead to actual
20 knowledge of the alleged violation of the Act, or (ii) 5 years
21 from the date on which the alleged violation occurred.

22 H. The action of the Secretary of State in denying,
23 suspending, or revoking the registration of a dealer, Internet
24 portal, limited Canadian dealer, salesperson, investment
25 adviser, or investment adviser representative, in prohibiting
26 any person from engaging in the business of offering or

1 selling securities as a dealer, limited Canadian dealer, or
2 salesperson, in prohibiting or suspending the offer or sale of
3 securities by any person, in prohibiting a person from acting
4 as an investment adviser, federal covered investment adviser,
5 or investment adviser representative, in denying, suspending,
6 or revoking the registration of securities, in prohibiting or
7 suspending the offer or sale or proposed offer or sale of
8 securities, in imposing any fine for violation of this Act, or
9 in issuing any order shall be subject to judicial review in the
10 Circuit Courts of Cook or Sangamon Counties in this State. The
11 Administrative Review Law shall apply to and govern every
12 action for the judicial review of final actions or decisions
13 of the Secretary of State under this Act.

14 I. Notwithstanding any other provisions of this Act to the
15 contrary, whenever it shall appear to the Secretary of State
16 that any person is engaged or about to engage in any acts or
17 practices which constitute or will constitute a violation of
18 this Act or of any rule or regulation prescribed under
19 authority of this Act, the Secretary of State may at his or her
20 discretion, through the Attorney General take any of the
21 following actions:

22 (1) File a complaint and apply for a temporary
23 restraining order without notice, and upon a proper
24 showing the court may enter a temporary restraining order
25 without bond, to enforce this Act.

26 (2) File a complaint and apply for a preliminary or

1 permanent injunction, and, after notice and a hearing and
2 upon a proper showing, the court may grant a preliminary
3 or permanent injunction and may order the defendant to
4 make an offer of rescission with respect to any sales or
5 purchases of securities, mineral investment contracts, or
6 mineral deferred delivery contracts determined by the
7 court to be unlawful under this Act.

8 (3) Seek the seizure of assets when probable cause
9 exists that the assets were obtained by a defendant
10 through conduct in violation of Section 12, paragraph F,
11 G, I, J, K, or L of this Act, and thereby subject to a
12 judicial forfeiture hearing as required under this Act.

13 (a) In the event that such probable cause exists
14 that the subject of an investigation who is alleged to
15 have committed one of the relevant violations of this
16 Act has in his possession assets obtained as a result
17 of the conduct giving rise to the violation, the
18 Secretary of State may seek a seizure warrant in any
19 circuit court in Illinois.

20 (b) In seeking a seizure warrant, the Secretary of
21 State, or his or her designee, shall submit to the
22 court a sworn affidavit detailing the probable cause
23 evidence for the seizure, the location of the assets
24 to be seized, the relevant violation under Section 12
25 of this Act, and a statement detailing any known
26 owners or interest holders in the assets.

1 (c) Seizure of the assets shall be made by any
2 peace officer upon process of the seizure warrant
3 issued by the court. Following the seizure of assets
4 under this Act and pursuant to a seizure warrant,
5 notice of seizure, including a description of the
6 seized assets, shall immediately be returned to the
7 issuing court. Seized assets shall be maintained
8 pending a judicial forfeiture hearing in accordance
9 with the instructions of the court.

10 (d) In the event that management of seized assets
11 becomes necessary to prevent the devaluation,
12 dissipation, or otherwise to preserve the property,
13 the court shall have jurisdiction to appoint a
14 receiver, conservator, ancillary receiver, or
15 ancillary conservator for that purpose, as provided in
16 item (2) of this subsection.

17 (4) Seek the forfeiture of assets obtained through
18 conduct in violation of Section 12, paragraph F, G, H, I,
19 J, K, or L when authorized by law. A forfeiture must be
20 ordered by a circuit court or an action brought by the
21 Secretary of State as provided for in this Act, under a
22 verified complaint for forfeiture.

23 (a) In the event assets have been seized pursuant
24 to this Act, forfeiture proceedings shall be
25 instituted by the Attorney General within 45 days of
26 seizure.

1 (b) Service of the complaint filed under the
2 provisions of this Act shall be made in the manner as
3 provided in civil actions in this State.

4 (c) Only an owner of or interest holder in the
5 property may file an answer asserting a claim against
6 the property. For purposes of this Section, the owner
7 or interest holder shall be referred to as claimant.

8 (d) The answer must be signed by the owner or
9 interest holder under penalty of perjury and must set
10 forth:

11 (i) the caption of the proceedings as set
12 forth on the notice of pending forfeiture and the
13 name of the claimant;

14 (ii) the address at which the claimant will
15 accept mail;

16 (iii) the nature and extent of the claimant's
17 interest in the property;

18 (iv) the date, identity of the transferor, and
19 circumstances of the claimant's acquisition of the
20 interest in the property;

21 (v) the names and addresses of all other
22 persons known to have an interest in the property;

23 (vi) the specific provisions of this Act
24 relied on in asserting that the property is not
25 subject to forfeiture;

26 (vii) all essential facts supporting each

1 assertion; and

2 (viii) the precise relief sought.

3 (e) The answer must be filed with the court within
4 45 days after service of the complaint.

5 (f) A property interest is exempt from forfeiture
6 under this Act if its owner or interest holder
7 establishes by a preponderance of evidence that the
8 owner or interest holder:

9 (i) is not legally accountable for the conduct
10 giving rise to the forfeiture, did not acquiesce
11 in it, and did not know and could not reasonably
12 have known of the conduct or that the conduct was
13 likely to occur;

14 (ii) with respect to conveyances, did not hold
15 the property jointly or in common with a person
16 whose conduct gave rise to the forfeiture;

17 (iii) does not hold the property for the
18 benefit of or as a nominee for any person whose
19 conduct gave rise to its forfeiture and the owner
20 or interest holder acquires it as a bona fide
21 purchaser for value without knowingly taking part
22 in the conduct giving rise to the forfeiture; or

23 (iv) acquired the interest after the
24 commencement of the conduct giving rise to its
25 forfeiture and the owner or interest holder
26 acquired the interest as a mortgagee, secured

1 creditor, lienholder, or bona fide purchaser for
2 value without knowledge of the conduct that gave
3 rise to the forfeiture.

4 (g) The hearing must be held within 60 days after
5 the answer is filed unless continued for good cause.

6 (h) During the probable cause portion of the
7 judicial in rem proceeding wherein the Secretary of
8 State presents its case-in-chief, the court must
9 receive and consider, among other things, any relevant
10 hearsay evidence and information. The laws of evidence
11 relating to civil actions shall apply to all other
12 portions of the judicial in rem proceeding.

13 (i) The Secretary of State shall show the
14 existence of probable cause for forfeiture of the
15 property. If the Secretary of State shows probable
16 cause, the claimant has the burden of showing by a
17 preponderance of the evidence that the claimant's
18 interest in the property is not subject to forfeiture.

19 (j) If the Secretary of State does not show the
20 existence of probable cause or a claimant has an
21 interest that is exempt under subdivision I (4) (d) of
22 this Section, the court shall order the interest in
23 the property returned or conveyed to the claimant and
24 shall order all other property forfeited to the
25 Secretary of State pursuant to all provisions of this
26 Act. If the Secretary of State does show the existence

1 of probable cause and the claimant does not establish
2 by a preponderance of the evidence that the claimant
3 has an interest that is exempt under subsection D
4 herein, the court shall order all the property
5 forfeited to the Secretary of State pursuant to the
6 provisions of the Section.

7 (k) A defendant convicted in any criminal
8 proceeding is precluded from later denying the
9 essential allegations of the criminal offense of which
10 the defendant was convicted in any proceeding for
11 violations of the Act giving rise to forfeiture of
12 property herein regardless of the pendency of an
13 appeal from that conviction. However, evidence of the
14 pendency of an appeal is admissible.

15 (l) An acquittal or dismissal in a criminal
16 proceeding for violations of the Act giving rise to
17 the forfeiture of property herein shall not preclude
18 civil proceedings under this provision; however, for
19 good cause shown, on a motion by the Secretary of
20 State, the court may stay civil forfeiture proceedings
21 during the criminal trial for a related criminal
22 indictment or information alleging violation of the
23 provisions of Section 12 of the Illinois Securities
24 Law of 1953. Property subject to forfeiture under this
25 Section shall not be subject to return or release by a
26 court exercising jurisdiction over a criminal case

1 involving the seizure of the property unless the
2 return or release is consented to by the Secretary of
3 State.

4 (m) All property declared forfeited under this Act
5 vests in the State on the commission of the conduct
6 giving rise to forfeiture together with the proceeds
7 of the property after that time. Any such property or
8 proceeds subsequently transferred to any person remain
9 subject to forfeiture and thereafter shall be ordered
10 forfeited unless the transferee claims and establishes
11 in a hearing under the provisions of this Act that the
12 transferee's interest is exempt under the Act. Any
13 assets forfeited to the State shall be disposed of in
14 following manner:

15 (i) all forfeited property and assets shall be
16 liquidated by the Secretary of State in accordance
17 with all laws and rules governing the disposition
18 of such property;

19 (ii) the Secretary of State shall provide the
20 court at the time the property and assets are
21 declared forfeited a verified statement of
22 investors subject to the conduct giving rise to
23 the forfeiture;

24 (iii) after payment of any costs of sale,
25 receivership, storage, or expenses for
26 preservation of the property seized, other costs

1 to the State, and payment to claimants for any
2 amount deemed exempt from forfeiture, the proceeds
3 from liquidation shall be distributed pro rata to
4 investors subject to the conduct giving rise to
5 the forfeiture; and

6 (iv) any proceeds remaining after all verified
7 investors have been made whole shall be
8 distributed 25% to the Securities Investors
9 Education Fund, 25% to the Securities Audit and
10 Enforcement Fund, 25% to the Attorney General or
11 any State's Attorney bringing criminal charges for
12 the conduct giving rise to the forfeiture, and 25%
13 to other law enforcement agencies participating in
14 the investigation of the criminal charges for the
15 conduct giving rise to the forfeiture. In the
16 event that no other law enforcement agencies are
17 involved in the investigation of the conduct
18 giving rise to the forfeiture, then the portion to
19 other law enforcement agencies shall be
20 distributed to the Securities Investors Education
21 Fund.

22 Any additional fees established by administrative
23 rule and collected by the Secretary of State pursuant
24 to this subparagraph shall be deposited into the
25 Secretary of State Special Services Fund.

26 (n) The Secretary of State shall notify by

1 certified mail, return receipt requested, all known
2 investors in the matter giving rise to the forfeiture
3 of the forfeiture proceeding and sale of assets
4 forfeited arising from the violations of this Act, and
5 shall further publish notice in a paper of general
6 circulation in the district in which the violations
7 were prosecuted. The notice to investors shall
8 identify the name, address, and other identifying
9 information about any defendant prosecuted for
10 violations of this Act that resulted in forfeiture and
11 sale of property, the offense for which the defendant
12 was convicted, and that the court has ordered
13 forfeiture and sale of property for claims of
14 investors who incurred losses or damages as a result
15 of the violations. Investors may then file a claim in a
16 form prescribed by the Secretary of State in order to
17 share in disbursement of the proceeds from sale of the
18 forfeited property. Investor claims must be filed with
19 the Secretary of State within 30 days after receipt of
20 the certified mail return receipt, or within 30 days
21 after the last date of publication of the general
22 notice in a paper of general circulation in the
23 district in which the violations were prosecuted,
24 whichever occurs last.

25 (o) A civil action under this subsection must be
26 commenced within 5 years after the last conduct giving

1 rise to the forfeiture became known or should have
2 become known or 5 years after the forfeitable property
3 is discovered, whichever is later, excluding time
4 during which either the property or claimant is out of
5 this State or in confinement or during which criminal
6 proceedings relating to the same conduct are in
7 progress.

8 (p) If property is seized for evidence and for
9 forfeiture, the time periods for instituting judicial
10 forfeiture proceedings shall not begin until the
11 property is no longer necessary for evidence.

12 (q) Notwithstanding other provisions of this Act,
13 the Secretary of State and a claimant of forfeitable
14 property may enter into an agreed-upon settlement
15 concerning the forfeitable property in such an amount
16 and upon such terms as are set out in writing in a
17 settlement agreement.

18 (r) Nothing in this Act shall apply to property
19 that constitutes reasonable bona fide attorney's fees
20 paid to an attorney for services rendered or to be
21 rendered in the forfeiture proceeding or criminal
22 proceeding relating directly thereto when the property
23 was paid before its seizure and before the issuance of
24 any seizure warrant or court order prohibiting
25 transfer of the property and when the attorney, at the
26 time he or she received the property, did not know that

1 it was property subject to forfeiture under this Act.

2 The court shall further have jurisdiction and authority,
3 in addition to the penalties and other remedies in this Act
4 provided, to enter an order for the appointment of the court or
5 a person as a receiver, conservator, ancillary receiver or
6 ancillary conservator for the defendant or the defendant's
7 assets located in this State, or to require restitution,
8 damages or disgorgement of profits on behalf of the person or
9 persons injured by the act or practice constituting the
10 subject matter of the action, and may assess costs against the
11 defendant for the use of the State; provided, however, that
12 the civil remedies of rescission and appointment of a
13 receiver, conservator, ancillary receiver or ancillary
14 conservator shall not be available against any person by
15 reason of the failure to file with the Secretary of State, or
16 on account of the contents of, any report of sale provided for
17 in subsection G or P of Section 4, paragraph (2) of subsection
18 D of Sections 5 and 6, or paragraph (2) of subsection F of
19 Section 7 of this Act. Appeals may be taken as in other civil
20 cases.

21 I-5. Property forfeited under this Section is subject to
22 reporting under the Seizure and Forfeiture Reporting Act.

23 J. In no case shall the Secretary of State, or any of his
24 or her employees or agents, in the administration of this Act,
25 incur any official or personal liability by instituting an
26 injunction or other proceeding or by denying, suspending or

1 revoking the registration of a dealer or salesperson, or by
2 denying, suspending or revoking the registration of securities
3 or prohibiting the offer or sale of securities, or by
4 suspending or prohibiting any person from acting as a dealer,
5 limited Canadian dealer, salesperson, investment adviser, or
6 investment adviser representative or from offering or selling
7 securities.

8 K. No provision of this Act shall be construed to require
9 or to authorize the Secretary of State to require any
10 investment adviser or federal covered investment adviser
11 engaged in rendering investment supervisory services to
12 disclose the identity, investments, or affairs of any client
13 of the investment adviser or federal covered investment
14 adviser, except insofar as the disclosure may be necessary or
15 appropriate in a particular proceeding or investigation having
16 as its object the enforcement of this Act.

17 L. Whenever, after an examination, investigation or
18 hearing, the Secretary of State deems it of public interest or
19 advantage, he or she may certify a record to the State's
20 Attorney of the county in which the act complained of,
21 examined or investigated occurred. The State's Attorney of
22 that county within 90 days after receipt of the record shall
23 file a written statement at the Office of the Secretary of
24 State, which statement shall set forth the action taken upon
25 the record, or if no action has been taken upon the record that
26 fact, together with the reasons therefor, shall be stated.

1 M. The Secretary of State may initiate, take, pursue, or
2 prosecute any action authorized or permitted under Section 6d
3 of the Federal 1974 Act.

4 N. (1) Notwithstanding any provision of this Act to the
5 contrary, to encourage uniform interpretation, administration,
6 and enforcement of the provisions of this Act, the Secretary
7 of State may cooperate with the securities agencies or
8 administrators of one or more states, Canadian provinces or
9 territories, or another country, the Securities and Exchange
10 Commission, the Commodity Futures Trading Commission, the
11 Securities Investor Protection Corporation, any
12 self-regulatory organization, and any governmental law
13 enforcement or regulatory agency.

14 (2) The cooperation authorized by paragraph (1) of this
15 subsection includes, but is not limited to, the following:

16 (a) establishing or participating in a central
17 depository or depositories for registration under this Act
18 and for documents or records required under this Act;

19 (b) making a joint audit, inspection, examination, or
20 investigation;

21 (c) holding a joint administrative hearing;

22 (d) filing and prosecuting a joint civil or criminal
23 proceeding;

24 (e) sharing and exchanging personnel;

25 (f) sharing and exchanging information and documents;

26 or

1 (g) issuing any joint statement or policy.

2 O. The Secretary of State may provide funds for
3 restitution assistance to victims that were awarded
4 restitution in a final order issued by a court of competent
5 jurisdiction in a legal action initiated by the Secretary of
6 State and who have not received the full amount of restitution
7 ordered one year after the date of the final order. The
8 Secretary of State may adopt rules to implement this
9 subsection, including, but not be limited to, eligibility
10 requirements for a restitution assistance award, applicable
11 deadlines for applying for the award, and caps on the amount of
12 restitution awards available from the Secretary of State.

13 (Source: P.A. 99-182, eff. 1-1-16; 100-512, eff. 7-1-18;
14 100-699, eff. 8-3-18.)

15 (815 ILCS 5/11c) (from Ch. 121 1/2, par. 137.11c)

16 Sec. 11c. Securities Audit and Enforcement Fund.

17 (a) Except as provided in subsection (c), all ~~All~~ moneys
18 received by the Secretary of State as a Securities Audit and
19 Enforcement Fund fee or pursuant to Section 981, 982, or 1963
20 of Title 18 of the United States Code shall be deposited into
21 the Securities Audit and Enforcement Fund, a special fund
22 hereby created in the State Treasury. The moneys in the fund
23 shall be used, subject to appropriation, by the Secretary of
24 State exclusively for the expenses of that office incurred in
25 the administration of the duties and obligations imposed under

1 this Act, the Business Opportunity Sales Law of 1995, the
2 Illinois Business Brokers Act of 1995, or the Illinois Loan
3 Brokers Act of 1995.

4 (b) All interest or other income earned from the
5 investment of moneys in the fund shall be deposited into the
6 fund.

7 (c) Any additional fees established by administrative rule
8 and collected by the Secretary of State pursuant to this
9 Section shall be deposited into the Secretary of State Special
10 Services Fund.

11 (Source: P.A. 89-209, eff. 1-1-96.)

12 (815 ILCS 5/18.1)

13 Sec. 18.1. Additional fees. In addition to any other fee
14 that the Secretary of State may impose and collect pursuant to
15 the authority contained in Sections 4, 8, and 11a of this Act,
16 beginning on July 1, 2003 the Secretary of State shall also
17 collect the following additional fees:

18	Securities offered or sold under the Uniform	
19	Limited Offering Exemption Pursuant to	
20	Section 4.D of the Act	\$100
21	Securities offered or sold under the Uniform	
22	Limited Offering Exemption pursuant to subsection	
23	T of Section 4 of this Act	\$100
24	Registration and renewal of a dealer	\$300

1	Registration and renewal of a registered Internet	
2	portal	\$300
3	Registration and renewal of an investment adviser	\$200
4	Federal covered investment adviser notification	
5	filing and annual notification filing	\$200
6	Registration and renewal of a salesperson	\$75
7	Registration and renewal of an investment adviser	
8	representative and a federal covered	
9	investment adviser representative	\$75

10 Investment fund shares notification filing and annual
 11 notification filing: \$800 plus \$80 for each series, class, or
 12 portfolio.

13 All fees collected by the Secretary of State pursuant to
 14 this Section ~~amendatory Act of the 93rd General Assembly~~ shall
 15 be deposited into the Secretary of State Special Services Fund
 16 ~~General Revenue Fund in the State treasury.~~

17 (Source: P.A. 99-182, eff. 1-1-16.)