



Sen. Lakesia Collins

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10400SB1975sam001

LRB104 10391 SPS 23286 a

1 AMENDMENT TO SENATE BILL 1975

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1975 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Securities Law of 1953 is amended  
5 by changing Sections 5, 6, 7, 11, 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.

1 A. Registration by Coordination.

2 (1) Securities which are being or have been registered  
3 under the Federal 1933 Act may be registered by  
4 coordination in the manner provided in this subsection A,  
5 if the effective date of the registration under the  
6 Federal 1933 Act is not more than 30 days before the filing  
7 with the Secretary of State.

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

11 (a) One copy of the registration statement  
12 (without exhibits) descriptive of the securities on  
13 file with the Securities and Exchange Commission in  
14 its most recent form as of the date of the initial  
15 filing under this subsection A.;

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

1 purposes of registration under this subsection A;

2 (c) An undertaking to forward to the Secretary of  
3 State, in writing (which may be by electronic or  
4 facsimile transmission), any and all subsequent  
5 amendments of and supplements to the registration  
6 statement not later than the 7th day after the  
7 forwarding thereof to the Securities and Exchange  
8 Commission, or such longer period as the Secretary of  
9 State may permit by rule, regulation or order; and

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

25 (3) Registration of securities by coordination shall  
26 take effect automatically as of the effective date of the

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

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

26 (a) the information required by sub-paragraphs

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

7 (b) the registration statement or post-effective  
8 amendment filed under the Federal 1933 Act is then in  
9 effect; and

10 (c) the prospectus then on file with the Secretary  
11 of State satisfies the requirements of Section  
12 10(a)(3) of the Federal 1933 Act.

13 (5) The applicant shall furnish to the Secretary of  
14 State written notice (which may be by electronic or  
15 facsimile transmission) confirming the date of  
16 effectiveness and the title of the securities registered  
17 under the Federal 1933 Act, final pricing information, the  
18 total amount of securities registered under the Federal  
19 1933 Act, and the amount registered in this State if  
20 different than the amounts then on file with the Secretary  
21 of State, no later than the close of business on the second  
22 business day following the date on which the registration  
23 statement becomes effective 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 securities and the Secretary of State may, at his or her  
13 discretion, grant such waiver of automatic effectiveness.  
14 Upon the grant by the Secretary of State of the request of  
15 waiver of automatic effectiveness, such registration of  
16 securities shall become effective automatically on the  
17 date that the issuer, controlling person or registered  
18 dealer who filed the application set forth in subparagraph  
19 (b) of paragraph (2) of this subsection A notifies the  
20 Secretary of State in writing.

21 B. Registration by Qualification. Securities may be  
22 registered by qualification in the manner provided in this  
23 subsection B.

24 (1) An application for registration by qualification  
25 shall be made by the issuer, by a controlling person or by  
26 a registered dealer together with the examination fee

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

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

7 (b) The title and total amount of the securities  
8 to be offered;

9 (c) The amount of the securities to be offered in  
10 this State;

11 (d) The price at which the securities are to be  
12 offered, or the method by which such price is to be  
13 determined, provided that such price or method may be  
14 furnished by written notice (which may be by  
15 electronic or facsimile transmission) to the Secretary  
16 of State subsequent to the filing of the application  
17 but prior to registration of the securities under this  
18 Law; and

19 (e) The aggregate underwriting commissions,  
20 remuneration or discount.

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

25 (a) (Blank);

26 (b) (Blank);

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

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

6           (e) An opinion of counsel as to the legality of the  
7 securities;

8           (f) A copy of the underwriting and selling  
9 agreements, if any;

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

24           (h) A written statement setting forth the name of  
25 at least one registered dealer for the securities  
26 being registered under this subsection B, or an

1 application for registration of a salesperson or a  
2 written statement setting forth the method of offer  
3 and sale in this State of the securities being  
4 registered in compliance with Section 8 of this Act.

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

10 (a) The date and form of organization of the  
11 issuer;

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

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

21 (d) The authorized and issued capitalization of  
22 the issuer and a description of the securities being  
23 registered and of all authorized securities;

24 (e) The proposed method of sale of the securities,  
25 the price thereof to the public or the method by which  
26 such price is to be computed, and the underwriting and

1 selling discounts and commissions;

2 (f) The intended use by the issuer of the proceeds  
3 of the securities;

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

11 (h) The names and addresses of all persons owning  
12 of record, and of all persons owning beneficially, to  
13 the extent known to the applicant, 10% or more of any  
14 class of equity securities of the issuer, and the  
15 percentage owned by each;

16 (i) 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 issuer or its subsidiaries;

20 (j) The following financial statements of the  
21 issuer:

22 (i) A balance sheet as of a date within  
23 135 days prior to the date of submitting the  
24 application. If such balance sheet is not  
25 certified by an independent certified public  
26 accountant, the prospectus shall also contain

1 a balance sheet certified by an independent  
2 certified public accountant as of the close of  
3 the issuer's last fiscal year, unless such  
4 fiscal year ended within 135 days prior to the  
5 time of filing the application, in which case  
6 the certified balance sheet may be as of the  
7 end of the preceding fiscal year.

8 (ii) An income statement for each of the  
9 issuer's 3 fiscal years (or for the period of  
10 existence of the issuer if less than 3 years)  
11 next preceding the date of the certified  
12 balance sheet and for the period, if any,  
13 between the date of the certified balance  
14 sheet and the date of the most recent balance  
15 sheet. Such statement shall be certified by an  
16 independent certified public accountant for  
17 the periods ending with the date of the  
18 certified balance sheet.

19 (iii) An analysis of each surplus account  
20 of the issuer for each period for which an  
21 income statement is filed, certified by an  
22 independent certified public accountant for  
23 the periods for which certified income  
24 statements are filed.

25 (iv) An analysis (which need not be  
26 certified to by independent certified public

1 accountants and which may be in narrative form  
2 if desired by the applicant) of all surplus  
3 accounts of the issuer for a period beginning  
4 on a date not less than 8 years prior to the  
5 date of the certified balance sheet required  
6 by the above sub-division (i) of this  
7 sub-paragraph (j), or from the date of the  
8 organization of the issuer, whichever is  
9 later, and ending on the day before the first  
10 day of the earliest period covered by the  
11 analysis of surplus accounts furnished  
12 pursuant to the above sub-division (iii) of  
13 this sub-paragraph (j); and

14 (k) If the issuer owns more than 50% of the voting  
15 securities of one or more entities, there shall also  
16 be included in the prospectus either (i) like  
17 financial statements for each such entity, or (ii)  
18 like consolidated financial statements for the issuer  
19 and such entities;

20 (l) Anything in sub-paragraphs (j) and (k) of this  
21 paragraph (3) to the contrary notwithstanding, the  
22 financial statements contained in the prospectus need  
23 not be certified by an independent certified public  
24 accountant if the securities being registered under  
25 this subsection B are covered by a Notification under  
26 Regulation A or an Offering Sheet under Regulation D

1           adopted pursuant to the Federal 1933 Act or any other  
2           regulation so adopted which the Secretary of State may  
3           by rule or regulation or by order determine to have  
4           filing or disclosure requirements substantially  
5           similar to such Regulation A or Regulation D unless  
6           the financial statements furnished pursuant to any  
7           such Federal regulation are required to be or are  
8           certified by an independent certified public  
9           accountant.

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

23           (5) The Secretary of State may, upon written request  
24           by the applicant and where consistent with the protection  
25           of investors, permit the omission of one or more of the  
26           financial statements required by this subsection B or the

1 filing in substitution therefor of appropriate financial  
2 statements of comparable character or permit the omission  
3 of any of the information required by this subsection B.  
4 The Secretary of State may also by written notice require  
5 the filing of other financial statements or information in  
6 addition to, or in substitution for, the financial  
7 statements or information required by this subsection B in  
8 any case where such additional financial statements or  
9 information is necessary or appropriate for an adequate  
10 presentation of the financial condition of any issuer or  
11 otherwise required for fair disclosure respecting the  
12 business and property of any issuer.

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

1           (7) The Secretary of State is granted authority to  
2           create by rule or regulation a limited offering  
3           registration provision that furthers the objectives of  
4           compatibility with federal exemptions and uniformity among  
5           the states. The Secretary of State shall prescribe by rule  
6           or regulation the amount of the fees for examining and  
7           filing any documents required under this subparagraph, but  
8           each fee shall not be less than the minimum amount nor more  
9           than the maximum amount established under Section 11a of  
10          this Act and shall not be returnable in any event.

11          C. Pending Application, Filing Fee and Oversales of  
12          Securities.

13           (1) No application shall be deemed to be filed or  
14           pending and no securities covered by such application  
15           shall be deemed to be registered under subsection A of  
16           this Section 5 unless a filing fee has been paid. No  
17           application shall be deemed to be filed or pending and no  
18           securities covered by such application shall be deemed to  
19           be registered under subsection B of this Section 5 unless  
20           the examination fee and filing fee have been paid. The  
21           filing fee payable under the provisions of subsections A  
22           and B of this Section 5 shall be established by rule or  
23           regulation, but in no event shall the fee be less than the  
24           minimum amount nor more than the maximum amount of filing  
25           fee established pursuant to Section 11a of this Act, and  
26           in no case shall such fee be returnable. The "maximum

1 aggregate price" as used in subsection A of this Section 5  
2 and in this subsection C shall be the applicant's bona  
3 fide estimate thereof, determined in the manner prescribed  
4 by the Secretary of State by rule or regulation.

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

1 shall become effective retroactively to the date of the  
2 initial registration.

3 D. Effective Period and Sales Reports.

4 (1) A registration effected under Section 5 of this  
5 Act shall continue effective for a period of one year from  
6 the date of registration or renewal of registration unless  
7 sooner terminated by (1) suspension or revocation by the  
8 Secretary of State; or (2) the applicant filing with the  
9 Secretary of State an affidavit evidencing either that (a)  
10 the securities have been fully sold and distributed to the  
11 public or (b) that it is no longer desired to offer such  
12 securities in this State or (c) that such securities have  
13 become exempt from the registration requirements under  
14 Section 3 or paragraph (1) of subsection F of Section 4 of  
15 this Act.

16 (2) The Secretary of State may, at his or her  
17 discretion, require each issuer, controlling person or  
18 registered dealer on whose behalf a registration of  
19 securities is effected under this Section 5 to file a  
20 report, in such form and of such content and for such time  
21 period as the Secretary of State may by rule or regulation  
22 prescribe, stating the aggregate dollar amount of  
23 securities sold to Illinois residents. The civil remedies  
24 provided for in subsection A of Section 13 of this Act and  
25 the civil remedies of rescission and appointment of a  
26 receiver, conservator, ancillary receiver or ancillary

1 conservator provided for in subsection I of Section 11 and  
2 in subsection F and G of Section 13 of this Act and the  
3 civil remedies of restitution, damages and disgorgement of  
4 profits provided for in subsection I of Section 11 of this  
5 Act shall not be available against any person by reason of  
6 the failure to file any such report or on account of the  
7 contents of any such report.

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

1 "maximum aggregate price" of such securities shall be the  
2 applicant's bona fide estimate thereof at the time the  
3 application for renewal of registration is filed with the  
4 Secretary of State pursuant to this subsection E. A renewal of  
5 registration of securities shall take effect as of the date  
6 and time that the prior registration under subsection A of  
7 this Section 5 or prior renewal under this subsection E would  
8 otherwise have expired and thereafter shall be deemed to be a  
9 new registration of the amount of unsold securities specified  
10 in the application for renewal. The Secretary of State may by  
11 rule or regulation prescribe an additional fee for the failure  
12 to file timely an application for renewal and limit the number  
13 of times that a registration may be renewed.

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

1 this Act. The obligation contained in this subsection F shall  
2 continue until such time as offers and sales of the securities  
3 registered under this Section 5 are no longer being made in  
4 this State by the applicant or registrant.

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

9 H. 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 5 which have not been filed in a timely manner. Such fees shall  
13 be deposited into the Securities Audit and Enforcement Fund  
14 ~~Securities Investors Education Fund, a special fund hereby~~  
15 ~~created in the State treasury. The amounts deposited into such~~  
16 ~~Fund shall be used to promote public awareness of the dangers~~  
17 ~~of securities fraud.~~

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

20 (815 ILCS 5/6) (from Ch. 121 1/2, par. 137.6)

21 Sec. 6. Registration of Face Amount Certificate Contracts.  
22 All face amount certificate contracts except those set forth  
23 under Section 2a of this Act, or those exempt under Section 3  
24 of this Act, or those offered or sold in transactions exempt  
25 under Section 4 of this Act, shall be registered either by

1 coordination or by qualification, as hereinafter in this  
2 Section provided, prior to their offer or sale in this State.

3 A. Registration of Face Amount Certificate Contracts by  
4 Coordination.

5 (1) Face amount certificate contracts which are being  
6 or have been registered under the Federal 1933 Act may be  
7 registered by coordination in the manner provided in this  
8 subsection A, if the effective date of the registration  
9 under the Federal 1933 Act is not more than 30 days before  
10 the filing with the Secretary of State.

11 (2) Face amount certificate contracts may be  
12 registered by coordination by the filing with the  
13 Secretary of State by the issuer, by a controlling person  
14 or by a registered dealer of:

15 (a) One copy of the registration statement  
16 (without exhibits) descriptive of the face amount  
17 certificate contracts on file with the Securities and  
18 Exchange Commission in its most recent form as of the  
19 date of the initial filing under this subsection A;

20 (b) An application, in such form and executed,  
21 verified, or authenticated by such person as the  
22 Secretary of State shall by rule or regulation  
23 prescribe, setting forth the title of every series,  
24 type or class of face amount certificate contracts to  
25 be offered in this State under this subsection A and,  
26 if the applicant is electing the date of effectiveness

1 of a post-effective amendment as its effective date as  
2 provided in Section 2.13 of this Act, specifying such  
3 date as the effective date for purposes of  
4 registration under this subsection A;

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

13 (d) If the applicant is not a registered dealer,  
14 the name of at least one registered dealer for the face  
15 amount certificate contracts being registered under  
16 this subsection A or a written statement setting forth  
17 the method of offer and sale in this State of the face  
18 amount certificate contracts being registered in  
19 compliance with Section 8 of this Act.

20 (3) Registration of face amount certificate contracts  
21 by coordination shall take effect automatically as of the  
22 effective date of the registration statement (or  
23 post-effective amendment) filed under the Federal 1933  
24 Act, provided that on the effective date, the information  
25 required by sub-paragraphs (a), (b), and (d) and the  
26 undertaking required by sub-paragraph (c) of paragraph (2)

1 of this subsection A have been on file with the Secretary  
2 of State for at least 10 business days, or such shorter  
3 period as the Secretary of State may permit by rule,  
4 regulation or order. If, however, the time period referred  
5 to in the preceding sentence shall not have expired on the  
6 effective date of the registration statement (or  
7 post-effective amendment) filed under the Federal 1933  
8 Act, registration of such face amount certificate  
9 contracts by coordination shall, upon the expiration of  
10 such time period, take effect automatically as of the  
11 effective date of the registration statement (or  
12 post-effective amendment) filed under the Federal 1933  
13 Act.

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

23 (a) the information required by sub-paragraphs  
24 (a), (b), and (d) and the undertaking required by  
25 sub-paragraph (c) of paragraph (2) of this subsection  
26 A have been on file with the Secretary of State for 10

1 business days, or for such shorter period as the  
2 Secretary of State may permit by rule, regulation or  
3 order;

4 (b) the registration statement or post-effective  
5 amendment filed under the Federal 1933 Act is then in  
6 effect; and

7 (c) the prospectus then on file with the Secretary  
8 of State satisfies the requirements of Section  
9 10(a)(3) of the Federal 1933 Act.

10 (5) The applicant shall furnish to the Secretary of  
11 State written notice (which may be by electronic or  
12 facsimile transmission) confirming the date of  
13 effectiveness and the title of the face amount certificate  
14 contracts registered under the Federal 1933 Act, no later  
15 than the close of business on the second business day  
16 following the date on which registration becomes effective  
17 under the Federal 1933 Act.

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

25 (7) Notwithstanding the foregoing, the issuer,  
26 controlling person or registered dealer who filed the

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

16 B. Registration of Face Amount Certificate Contracts by  
17 Qualification. Face amount certificate contracts may be  
18 registered by qualification in the manner provided in this  
19 subsection B.

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

1 application shall set forth:

2 (a) The names and addresses of the persons  
3 creating or sponsoring the face amount certificate  
4 contracts; and

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

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

11 (a) Specimen copies of each and every series, type  
12 or class of face amount certificate contract proposed  
13 to be offered in this State, and specimen copies of  
14 each and every form of face amount certificate  
15 contract or other security being issued or proposed to  
16 be offered and issued elsewhere;

17 (b) (Blank);

18 (c) (Blank);

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

21 (e) An undertaking to file promptly (no later than  
22 2 business days after the occurrence of any event  
23 which requires a material change in the prospectus)  
24 with the Secretary of State any and all amendments of  
25 and supplements to the prospectus as theretofore filed  
26 under this subsection B, together with any additional

1 information, document or undertaking which the  
2 Secretary of State at his or her discretion, deems  
3 material, accompanied by the amendment filing fee  
4 established pursuant to Section 11a of this Act or, in  
5 lieu thereof, a notification in writing that all  
6 offers and sales of the face amount certificate  
7 contracts have been suspended pending the filing with  
8 the Secretary of State of such amendment of or  
9 supplement to the prospectus; and

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

15 (a) The date and form of organization of the  
16 issuer;

17 (b) A brief description of the business conducted  
18 and intended to be conducted by the issuer and by its  
19 subsidiaries and the general development of such  
20 business during the past 5 years or such shorter  
21 period as the issuer and such subsidiaries may have  
22 been in existence;

23 (c) The location and general character of the  
24 physical properties of the issuer and of its  
25 subsidiaries;

26 (d) A complete description of the terms and

1 conditions of each and every series, type or class of  
2 face amount certificate contracts being issued or  
3 proposed to be offered in this State or elsewhere,  
4 which description shall include appropriate tables of  
5 initial or periodic installment payments required of  
6 the purchaser, surrender or liquidation values,  
7 maturity values, optional plans of extended contract  
8 periods and schedules of annuity payments which may be  
9 elected by a face amount certificate contract holder;

10 (e) A schedule of all types of deductions which  
11 may be made from plan payments or the income therefrom  
12 or the avails thereof as charges prior to  
13 distributions to holders of the face amount  
14 certificate contracts;

15 (f) The names and addresses of all of the issuer's  
16 officers and directors, or persons performing similar  
17 functions, their business experience during the  
18 preceding 5 years and the remuneration paid to each by  
19 the issuer and its subsidiaries during the fiscal year  
20 last past and proposed to be paid for the then current  
21 fiscal year;

22 (g) The names and addresses of all persons owning  
23 of record, and of all persons owning beneficially, to  
24 the extent known to the applicant, 10% or more of any  
25 class of equity securities of the issuer, and the  
26 percentage owned by each;

1 (h) A brief description of any pending material  
2 legal proceeding, and of any material legal proceeding  
3 known to be contemplated by governmental authorities,  
4 involving the issuer or its subsidiaries; and

5 (i) The following financial statements of the  
6 issuer:

7 (i) a balance sheet as of a date within 135  
8 days prior to the date application for  
9 registration is received by the Secretary of  
10 State, which balance sheet, if not certified by an  
11 independent certified public accountant, shall be  
12 accompanied by a certified balance sheet of the  
13 issuer as of the close of the last prior fiscal  
14 year;

15 (ii) a detailed statement of income and  
16 expenses, including income from investments,  
17 service fees, loading and other sources, operating  
18 expenses and provisions for contract reserves or  
19 any additional credits to contract liabilities,  
20 profits realized and losses sustained in  
21 transactions in investments, and all other charges  
22 to operations, for a period of not less than 3  
23 fiscal years (or for the period of existence of  
24 the issuer if less than 3 years) last preceding  
25 the date of the balance sheet presented under  
26 subdivision (i) of this subparagraph (i), which

1 statement of income and expenses, if not certified  
2 by an independent certified public accountant,  
3 shall be accompanied by a certified statement of  
4 income and expenses for a period of 3 years last  
5 preceding the uncertified period or periods  
6 presented as and for this subdivision (ii);

7 (iii) a detailed analysis of each surplus and  
8 reserve account for the same period or periods  
9 covered by subdivision (ii) of this subparagraph  
10 (i), with like requirement for independent  
11 certification; and

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

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

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

15 D. Effective Period and Sales Reports.

16 (1) A registration under subsection A or B of this  
17 Section 6, unless sooner terminated by the voluntary  
18 action of the issuer, or by suspension or revocation by  
19 the Secretary of State, shall continue in force and effect  
20 for a period of one year from the date of registration or  
21 renewal of registration or such other period of time as  
22 the Secretary of State may prescribe by rule or  
23 regulation, and shall permit the offer and sale of face  
24 amount certificate contracts so registered without  
25 limitation as to number or aggregate amount during such  
26 period of registration; provided, however, that, in the

1 case of face amount certificate contracts registered under  
2 subsection B of this Section 6, the issuer shall promptly  
3 file with the Secretary of State, throughout such  
4 registration year, (i) one specimen copy of each monthly,  
5 quarterly, semi-annual or other periodic or special report  
6 and of each financial statement distributed to contract  
7 holders; (ii) one certified copy of all statements and  
8 reports filed with any regulatory authority or agency of  
9 the Federal Government which relate to the issuer or the  
10 issuance of the securities registered pursuant to this  
11 Section 6 and (iii) one copy of each independently  
12 certified audit report pertaining to the financial affairs  
13 and position of the issuer covering the issuer's fiscal  
14 year ending during the registration year, to be supplied  
15 to the Secretary of State as soon as available after the  
16 close of the issuer's fiscal year.

17 (2) The Secretary of State may, at his or her  
18 discretion, require each issuer, controlling person or  
19 registered dealer on whose behalf a registration of face  
20 amount certificate contracts is effective under this  
21 Section 6 to file a report, in such form and of such  
22 content and for such time period as the Secretary of State  
23 may by rule or regulation prescribe, stating the aggregate  
24 dollar amount of face amount certificate contracts sold to  
25 Illinois residents. The civil remedies provided for in  
26 subsection A of Section 13 of this Act and the civil

1 remedies of rescission and appointment of a receiver,  
2 conservator, ancillary receiver or ancillary conservator  
3 provided for in subsection I of Section 11 and in  
4 subsections F and G of Section 13 of this Act and the civil  
5 remedies of restitution, damages and disgorgement of  
6 profits provided for in subsection I of Section 11 of this  
7 Act shall not be available against any person by reason of  
8 the failure to file any such report or on account of the  
9 contents of any such report.

10 E. Amendatory statements and required fees. The Secretary  
11 of State may by rule or regulation require the filing of an  
12 amendatory statement and prescribe its form and content. The  
13 fee for filing the statement shall be established pursuant to  
14 Section 11a of this Act. The fee shall not be returnable in any  
15 event.

16 F. Renewal of Registration. A registration of face amount  
17 certificate contracts in effect under subsection A or B of  
18 this Section 6 may be renewed by the issuer by filing an  
19 application for renewal with the Secretary of State no later  
20 than 10 business days prior to the date upon which such  
21 registration would otherwise expire, (or such lesser period as  
22 the Secretary of State may prescribe by rule or regulation) in  
23 such form and executed, verified, or authenticated by such  
24 person as the Secretary of State shall prescribe by rule or  
25 regulation. Such application shall be accompanied by a  
26 prospectus in its most current form together with a renewal

1 fee established pursuant to Section 11a of this Act, which  
2 shall not be returnable in any event. A renewal of  
3 registration of face amount certificate contracts shall take  
4 effect as of the date and time that the prior registration  
5 under subsection A of this Section 6 or prior renewal under  
6 this subsection F would otherwise have expired and (or such  
7 alternative date as the Secretary of State may prescribe by  
8 rule or regulation) thereafter shall be deemed to be a new  
9 registration of the face amount certificate contracts covered  
10 thereby. The Secretary of State may by rule or regulation  
11 prescribe an additional fee for the failure to file timely an  
12 application for renewal and limit the number of times a  
13 registration may be renewed.

14 G. Deposit of Securities. No face amount certificate  
15 contract shall be registered under subsection B of this  
16 Section 6 unless the issuer shall establish and maintain with  
17 the Secretary of State, for the benefit of the holders of such  
18 contracts residing in this State, a deposit of securities  
19 representing debt obligations of the kind in which life  
20 insurance companies organized under the laws of this State are  
21 permitted to invest their funds, in an amount having a fair  
22 market value of not less than \$100,000 and at no time less than  
23 the current contract liability on all such face amount  
24 certificate contracts held by persons residing in this State,  
25 and provided further that deposited securities, other than  
26 those secured by entire first mortgage or trust deeds on

1 improved unencumbered real estate, are issued by an issuer  
2 required to file reports pursuant to Section 13 or 15(d) of the  
3 Federal 1934 Act or are covered by Section 12(g)(2)(B) or (G)  
4 of the Federal 1934 Act, or appear in current quotations in  
5 transactions on exchanges recognized by subsection G of  
6 Section 3 of this Act, and provided further, that bonds or  
7 notes secured by mortgages or trust deeds be limited to those  
8 (i) constituting the entire indebtedness secured thereby, (ii)  
9 establishing a first lien on improved real estate held in fee  
10 simple, and (iii) insured by the Federal Housing Administrator  
11 under an Act of Congress of the United States entitled  
12 "National Housing Act". Debentures issued by the Federal  
13 Housing Administrator under an Act of Congress of the United  
14 States entitled the "National Housing Act" may be included in  
15 the deposit prescribed by this subsection in amounts related  
16 to, and in substitution for, specific insured mortgage loans  
17 then included in the subject deposit which are in default, but  
18 at no time shall the aggregate principal amount of such  
19 debentures included in the subject deposit exceed 5% of the  
20 fair market value of securities comprising the subject  
21 deposit. The current contract liability in respect of  
22 contracts held by persons residing in this State shall be that  
23 as determined in such contracts as computed by the issuer and  
24 regularly certified to the Secretary of State, on or before  
25 the last day of each calendar month as of the close of the  
26 month last prior to the date of reporting.

1 Securities deposited as hereinabove required may be  
2 withdrawn by the depositor at any time, and from time to time,  
3 whenever other securities eligible for deposit and of a fair  
4 market value not less than that withdrawn are deposited in  
5 substitution for securities withdrawn.

6 The Secretary of State may, upon receipt of appropriate  
7 certification in writing, deemed by the Secretary of State to  
8 be competent and adequate, evidencing the reduction of  
9 contract liability on contracts held by persons residing in  
10 this State to an aggregate amount representing not more than  
11 90% of the fair market value of the securities then on deposit,  
12 permit an equivalent reduction in the deposited securities.

13 H. Minimum Deposit; Annual Fee; Transaction Charge. The  
14 initial and continuing deposit required hereby shall, so long  
15 as the face amount certificate contracts registered under  
16 subsection B of this Section 6 are being offered and sold in  
17 this State, and until all contract liability on all contracts  
18 outstanding in this State has been discharged, include  
19 obligations of the United States or the State of Illinois in  
20 bearer form or fully registered, or registered as to  
21 principal, in the title of Treasurer of the State of Illinois,  
22 and his or her successors in office, in the minimum principal  
23 amount of \$50,000. An issuer of face amount certificate  
24 contracts, in respect of which a deposit is required to be  
25 established and maintained under this Section 6, and an issuer  
26 of face amount certificate contracts heretofore qualified for

1 issuance to persons residing in this State under "An Act  
2 relating to the sale or other disposition of securities and  
3 providing penalties for the violation thereof and to repeal  
4 Acts in conflict therewith", approved June 10, 1919, as  
5 amended, and in respect of which a deposit of securities was  
6 established and has been maintained under the Act approved  
7 June 10, 1919, as cited above, shall pay to the Secretary of  
8 State an annual fee determined at the rate of 1/30th of one  
9 percent on the average of quarterly computations on the  
10 aggregate of principal amounts of market-quoted or listed  
11 securities and the original loan amounts of real estate loans  
12 insured by the Federal Housing Administrator, and in addition  
13 each such issuer shall pay to the Secretary of State, against  
14 quarterly billings therefor, a transaction charge in the  
15 amount established pursuant to Section 11a of this Act, which  
16 annual fee and transaction charge shall not be returnable in  
17 any event, for each separate issue or loan included in  
18 additions to and withdrawals from such deposits, provided  
19 however that the transaction charge established pursuant to  
20 Section 11a of this Act for each separate issue of  
21 market-quoted or listed securities shall apply to all the  
22 items of that issue included in a single transaction,  
23 regardless of the aggregate principal amount, and in respect  
24 of real estate loans such transaction charge shall apply to  
25 the group of documents pertaining to each separate loan, and  
26 not to the separate items and documents included in such

1 group.

2 Nothing herein contained in respect of prescribed custody  
3 of deposited securities with the State Treasurer and of  
4 permissible procedures of liquidation of deposited securities  
5 by the Secretary of State in the event of insolvency of an  
6 issuer of face amount certificate contracts, or the  
7 appointment of a trustee in bankruptcy, shall preclude the  
8 surrender of deposited securities to a duly qualified trustee  
9 under appointment by a Court having jurisdiction under the  
10 Federal Bankruptcy Code under an appropriate order of such  
11 Court.

12 I. Liquidation of Securities. Upon the insolvency of the  
13 issuer of face amount certificate contracts or appointment of  
14 a receiver or trustee in bankruptcy, the Secretary of State,  
15 if not required otherwise under Federal law or under an order  
16 of a Federal Court of competent jurisdiction, may apply to the  
17 Circuit Court of Sangamon County, or any other court of  
18 competent jurisdiction, for authority to proceed for the  
19 liquidation of such securities held for the benefit of the  
20 holders of such contracts who reside in this State. The  
21 Secretary of State is hereby authorized to deal with such  
22 securities on deposit in this State for the benefit of the  
23 holders of such face amount certificate contracts, in his or  
24 her name or, if the Court shall so order, in the name of the  
25 issuer. The Secretary of State may, subject to the approval of  
26 the Court, sell or otherwise dispose of the securities so

1 deposited or any part thereof. The Secretary of State shall as  
2 soon as may be conveniently possible, give notice by  
3 publication as provided by law, and as the Court may direct, to  
4 all contract holders residing in this State who may have  
5 claims against the issuer under such face amount certificate  
6 contracts and for whose benefit such deposit is held, to file  
7 and prove their claims in the manner and within the time the  
8 Court shall direct. In order to preserve so far as possible the  
9 rights and interests of the holders of outstanding contracts  
10 of such issuer who reside in this State, the Secretary of State  
11 may liquidate such securities on deposit in this State by  
12 entering into contracts with any issuer or person able to buy  
13 such securities in whole, or in part. Upon receiving an offer  
14 or offers for the purchase of such securities in whole, or in  
15 part, the Secretary of State shall submit such offer or offers  
16 to the Court, and if, after a full hearing upon the petition  
17 filed by the Secretary of State, the court shall find that the  
18 Secretary of State endeavored to obtain the best contract  
19 price for the benefit of the contract holders, and if the court  
20 shall find that the best contract price in the interests of the  
21 contract holders has been obtained, and that it is for the best  
22 interests of the holders of such contracts that such  
23 securities be sold, the court shall, by written order approve  
24 the acts of the Secretary of State and authorize him or her to  
25 dispose of such securities. Upon the conversion of such  
26 securities to cash, the Secretary of State may then proceed to

1 dispose of the sum received for such securities among the  
2 respective holders of such contracts as their interests may  
3 appear. Upon the liquidation and distribution of such funds,  
4 the Secretary of State may make proper liquidation of such  
5 securities and the distribution or disposition thereof or of  
6 the proceeds therefrom as herein provided.

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

20 J. The applicant or registrant shall notify the Secretary  
21 of State, by written notice (which may be by electronic or  
22 facsimile transmission), within 2 business days after its  
23 receipt of any stop order, denial, order to show cause,  
24 suspension or revocation order, injunction or restraining  
25 order, or similar order entered or issued by any state,  
26 federal or other regulatory authority or by any court,

1 concerning the face amount certificate contracts which are  
2 being or have been registered in this State or any other  
3 securities of the issuer currently being or proposed to be  
4 offered to the public, if the matter which is the subject of,  
5 or the failure to disclose the existence of, such order would  
6 in this State constitute a violation of subsection E, F, G, H,  
7 I or J of Section 12 of this Act. The obligation contained in  
8 this subsection J shall continue until such time as offers and  
9 sales of the face amount certificate contracts registered  
10 under this Section 6 are no longer being made in this State by  
11 the applicant or registrant.

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

16 L. The Secretary of State may require by rule or  
17 regulation the payment of an additional fee for the filing of  
18 information or documents required to be filed by this Section  
19 6 which have not been filed in a timely manner. Such fees shall  
20 be deposited into the Securities Audit and Enforcement Fund  
21 ~~Securities Investors Education Fund and used to promote public~~  
22 ~~awareness of the dangers of securities fraud.~~

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

24 (815 ILCS 5/7) (from Ch. 121 1/2, par. 137.7)

25 Sec. 7. Registration of Investment Fund Shares. All

1 investment fund shares except those set forth under Section 2a  
2 of this Act, or those exempt under Section 3 of this Act, or  
3 those offered or sold in transactions exempt under Section 4  
4 of this Act, or face amount certificate contracts required to  
5 be registered under Section 6 of this Act, shall be registered  
6 either by coordination or by qualification, as hereinafter in  
7 this Section provided, prior to their offer or sale in this  
8 State. Additional classes of shares that are of the same rank,  
9 general description, and characteristics as those currently  
10 registered may be added to a current registration under this  
11 Section upon the filing of an amendment and the payment of the  
12 additional fees as prescribed by the Secretary of State by  
13 rule or regulation. Any change in organization or plans of  
14 operation shall be disclosed to the Secretary of State by  
15 filing an amendment to a current registration and the payment  
16 of the additional fees as prescribed by the Secretary of State  
17 by rule or regulation.

18 A. Registration of Investment Fund Shares by Coordination.

19 (1) Investment fund shares which are being or have  
20 been registered under the Federal 1933 Act and the Federal  
21 1940 Investment Company Act may be registered by  
22 coordination in the manner provided in this subsection A,  
23 if the effective date of the registration under the  
24 Federal 1933 Act is not more than 30 days before the filing  
25 with the Secretary of State.

26 (2) Investment fund shares may be registered by

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

4 (a) One copy of the registration statement  
5 (without exhibits) descriptive of the investment fund  
6 shares on file with the Securities and Exchange  
7 Commission in its most recent form as of the date of  
8 the initial 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 of the investment  
13 fund shares to be offered in this State under this  
14 subsection A and, if the applicant is electing the  
15 date of effectiveness of a post-effective amendment as  
16 its effective date as provided in Section 2.13 of this  
17 Act, specifying such date as the effective date for  
18 purposes of registration under this subsection A; and

19 (c) An undertaking to forward to the Secretary of  
20 State, in writing (which may be by electronic or  
21 facsimile transmission), any and all subsequent  
22 amendments of and supplements to the registration  
23 statement not later than the 7th day after the  
24 forwarding thereof to the Securities and Exchange  
25 Commission, or such longer period as the Secretary of  
26 State may permit by rule, regulation or order; and

1           (d) if the applicant is not a registered dealer,  
2           the name of at least one registered dealer for the  
3           investment fund shares being registered under this  
4           subsection A or a written statement setting forth the  
5           method of offer and sale in this State of the  
6           investment fund shares being registered in compliance  
7           with Section 8 of this Act.

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

1           (4) If the information required by sub-paragraphs (a),  
2           (b), and (d) and the undertaking required by sub-paragraph  
3           (c) of paragraph (2) of this subsection A are not filed  
4           with the Secretary of State prior to the effective date of  
5           the registration statement (or post-effective amendment)  
6           filed under the Federal 1933 Act, any registration of  
7           investment fund shares by coordination under this  
8           subsection A shall take effect automatically as soon as  
9           all of the following conditions have been satisfied:

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

17           (b) the registration statement or post-effective  
18           amendment filed under the Federal 1933 Act is then in  
19           effect; and

20           (c) the prospectus then on file with the Secretary  
21           of State satisfies the requirements of Section  
22           10(a)(3) of the Federal 1933 Act.

23           (5) The applicant shall furnish to the Secretary of  
24           State written notice (which may be by electronic or  
25           facsimile transmission) confirming the date of  
26           effectiveness and the title of the investment fund shares

1 registered under the Federal 1933 Act, no later than the  
2 close of business on the second business day following the  
3 date on which registration statement becomes effective  
4 under the Federal 1933 Act.

5 (6) No action by the Secretary of State shall be  
6 necessary to evidence the effectiveness of the  
7 registration by coordination under this subsection A. The  
8 Secretary of State may, at his or her discretion, provide  
9 a statement attesting to such registration, which  
10 statement shall be in such form as the Secretary of State  
11 may deem appropriate.

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

3 B. Registration of Investment Fund Shares by  
4 Qualification. Investment fund shares may be registered by  
5 qualification in the manner provided in this subsection B.

6 (1) An application for registration by qualification  
7 shall be made by the issuer, by a controlling person or by  
8 a registered dealer together with the examination fee  
9 established pursuant to Section 11a of the Act, which  
10 shall not be returnable in any event. Such application  
11 shall be signed, verified, or authenticated by the  
12 applicant and filed with the Secretary of State. The  
13 application shall set forth:

- 14 (a) The name and address of the issuer;  
15 (b) The title of the investment fund shares; and  
16 (c) The names and addresses of the persons  
17 creating or sponsoring the investment fund shares.

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

- 22 (a) A specimen copy of the investment fund shares,  
23 if any, or a copy of the form of the instrument to  
24 evidence the investment fund shares, if any;

25 (b) (Blank);

26 (c) (Blank);

1           (d) An opinion of counsel as to the legality of the  
2 investment fund shares;

3           (e) An undertaking to file promptly (not later  
4 than 2 business days after the occurrence of any event  
5 which requires a material change in the prospectus)  
6 with the Secretary of State any and all amendments of  
7 and 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 investment fund shares have  
15 been suspended pending the filing with the Secretary  
16 of State of the amendment of or supplement to the  
17 prospectus;

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

26           (3) In addition, there shall be filed with the

1 application such additional information and material in  
2 such form as the Secretary of State may by rule,  
3 regulation or order prescribe and a prospectus which  
4 contains, but is not limited to the following:

5 (a) The date and form of organization of the fund  
6 or trust;

7 (b) The authorized and issued capitalization of  
8 the fund or trust and a description of the investment  
9 fund shares being registered and of all authorized  
10 securities;

11 (c) A schedule of the types of deductions which  
12 may be made from the trust or corporate or fund assets  
13 and the income therefrom or the avails thereof as  
14 charges prior to distribution to holders of the  
15 investment fund shares;

16 (d) The names and addresses of all of the fund's or  
17 trust's officers and directors, or persons performing  
18 similar functions, their business experience during  
19 the preceding 5 years and the remuneration paid to  
20 each by the fund or trust or any affiliate thereof  
21 during the fiscal year last past and proposed to be  
22 paid for the then current fiscal year;

23 (e) A brief description of any pending material  
24 legal proceeding, and of any material legal proceeding  
25 known to be contemplated by governmental authorities  
26 involving the fund or trust;

1           (f) A statement of the plan of operation,  
2 management policies and provisions and restrictions in  
3 respect of investment and reinvestment of principal  
4 funds and undistributed income therefrom;

5           (g) A statement of the plan and intention in  
6 respect of distributions of ordinary income and  
7 capital gains, which statement shall disclose the  
8 taking of adequate measures for specific separation  
9 and identification of distributions arising from  
10 ordinary income and those arising from profits  
11 realized from the disposition of securities;

12           (h) Specimen computations illustrating typical  
13 applications of the formulae to be used in determining  
14 asset value, offering price and liquidating price of  
15 the investment fund shares; and

16           (i) The following financial statements in respect  
17 of the issuer if the investment fund shares represent  
18 shares of an issuing corporation, or in respect of the  
19 trust fund, if the investment fund shares represent  
20 beneficial interests in a trust fund:

21               (i) a balance sheet as of a date within 135  
22 days prior to the date of submitting the  
23 application. If such balance sheet is not  
24 certified by an independent certified public  
25 accountant, the prospectus shall also contain a  
26 balance sheet certified by an independent

1 certified public accountant as of the close of the  
2 fund's last fiscal year, unless such fiscal year  
3 ended within 135 days prior to the time of filing  
4 the application, in which case the certified  
5 balance sheet may be as of the end of the preceding  
6 fiscal year;

7 (ii) a detailed statement of income and  
8 expenses and of profits realized and losses  
9 sustained from the sale of securities for each of  
10 the three fiscal years (or for the period of  
11 existence of the issuer if less than 3 years) next  
12 preceding the date of the certified balance sheet  
13 and for the period, if any, between the date of the  
14 certified balance sheet and the date of the most  
15 recent balance sheet. Such statements shall be  
16 certified by an independent certified public  
17 accountant for the periods ending with the date of  
18 the certified balance sheet;

19 (iii) an analysis of each surplus account (or,  
20 in lieu thereof, a statement of changes in net  
21 assets) for each period for which a statement of  
22 income and expenses is filed, certified by an  
23 independent certified public accountant for the  
24 periods for which certified statements of income  
25 and expenses are submitted; and

26 (iv) such other financial statements and

1 supporting schedules as the Secretary of State may  
2 by rule or regulation prescribe.

3 (4) The Secretary of State may make or cause to be made  
4 an examination of matters pertaining to the investment  
5 fund shares as to which registration is sought under this  
6 subsection B and the persons creating, sponsoring or  
7 having general charge of the distribution of the  
8 investment fund shares, or any of them, and may require  
9 the applicant to advance sufficient funds to defray all  
10 actual expenses of such examination. An itemized statement  
11 of such expenses shall be furnished to the applicant.

12 (5) No investment fund shares shall be registered  
13 under this subsection B unless the underlying securities  
14 or cash are and are to be deposited and held under an  
15 appropriate agreement for the benefit of the holders of  
16 the investment fund shares with and by a trustee or  
17 custodian which is a clearing corporation, bank, trust  
18 company or member of a national securities exchange  
19 registered under the Federal 1934 Act, provided that any  
20 such bank or trust company shall have an aggregate  
21 capital, surplus and undivided profits of at least  
22 \$2,000,000 and any such member of a national securities  
23 exchange shall have capital stock, additional paid-in  
24 capital and retained earnings of at least \$2,000,000 if a  
25 corporation or partnership capital of at least \$2,000,000  
26 if a partnership and further provided that any such member

1 of a national securities exchange shall comply with the  
2 provisions of the Federal 1940 Investment Company Act and  
3 the rules and regulations of the Securities and Exchange  
4 Commission promulgated under that Act relating to the  
5 custody of the underlying securities of investment funds.

6 (6) The Secretary of State shall within a reasonable  
7 time examine the application and documents filed with him  
8 or her and may make such additional examination pursuant  
9 to paragraph (4) of this subsection B as he or she may deem  
10 appropriate, and unless the Secretary of State makes a  
11 determination that the application and documents so filed  
12 do not conform to the requirements of this subsection B,  
13 or there is a proceeding pending under Section 11 of this  
14 Act, the Secretary of State shall register the investment  
15 fund shares for offer and sale in this State under this  
16 subsection B.

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

1 examination fee and filing fee established pursuant to Section  
2 11a of this Act have been paid, which fees shall not be  
3 returnable in any event.

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

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

21 F. Effective Period and Sales Reports.

22 (1) A registration of investment fund shares under  
23 this Section 7, unless sooner terminated by the voluntary  
24 action of the applicant or by action of the Secretary of  
25 State under Section 11 hereof, shall continue in force and  
26 effect for a period of one year from the date of

1 registration or renewal of registration (or such other  
2 period of time as the Secretary of State may prescribe by  
3 rule or regulation or order), without limitation as to  
4 number of shares or aggregate amount; provided, however,  
5 that in the case of investment fund shares registered  
6 under subsection B of this Section 7, the issuer which has  
7 no registration statement then in effect under the Federal  
8 1933 Act and the Federal 1940 Investment Company Act shall  
9 promptly file with the Secretary of State throughout such  
10 registration period, one copy of each monthly, quarterly,  
11 semi-annual, annual or other periodic report and financial  
12 statement sent to holders of its outstanding investment  
13 fund shares, and one copy of each statement and report  
14 relating to such investment fund shares filed with any  
15 regulatory authority or agency of the Federal Government.

16 (2) The Secretary of State may, at his or her  
17 discretion, require each issuer, controlling person or  
18 registered dealer on whose behalf a registration of  
19 investment fund shares is effected under this Section 7 to  
20 file a report, in such form and of such content and for  
21 such time period as the Secretary of State may by rule or  
22 regulation prescribe, stating the aggregate dollar amount  
23 of investment fund shares sold to Illinois residents. The  
24 civil remedies provided for in subsection A of Section 13  
25 of this Act and the civil remedies of rescission and  
26 appointment of a receiver, conservator, ancillary receiver

1 or ancillary conservator provided for in subsection I of  
2 Section 11 and in subsections F and G of Section 13 of this  
3 Act and the civil remedies of restitution, damages and  
4 disgorgement of profits provided for in subsection I of  
5 Section 11 of this Act shall not be available against any  
6 person by reason of the failure to file any such report or  
7 on account of the contents of any such report.

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

1 investment fund shares covered thereby. The Secretary of State  
2 may by rule or regulation prescribe an additional fee for the  
3 failure to file timely an application for renewal and limit  
4 the number of times a registration may be renewed.

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

23 I. Any document being filed pursuant to this Section 7  
24 shall be deemed filed, and any fee being paid pursuant to this  
25 Section 7 shall be deemed paid, upon the date of actual receipt  
26 thereof by the Secretary of State.

1 J. The Secretary of State may require by rule or  
2 regulation the payment of an additional fee for the filing of  
3 information or documents required to be filed by this Section  
4 7 which have not been filed in a timely manner. Such fees shall  
5 be deposited into the Securities Audit and Enforcement Fund  
6 ~~Securities Investors Education Fund and use to promote public~~  
7 ~~awareness of the dangers of securities fraud.~~

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

10 (815 ILCS 5/11) (from Ch. 121 1/2, par. 137.11)

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

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

24 (2) Among other things, the Secretary of State shall have  
25 authority, for the purposes of this Act, to prescribe the form

1 or forms in which required information shall be set forth,  
2 accounting practices, the items or details to be shown in  
3 balance sheets and earning statements, and the methods to be  
4 followed in the preparation of accounts, in the appraisal or  
5 valuation of assets and liabilities, in the determination of  
6 depreciation and depletion, in the differentiation of  
7 recurring and non-recurring income, in the differentiation of  
8 investment and operating income, and in the preparation of  
9 consolidated balance sheets or income accounts of any person,  
10 directly or indirectly, controlling or controlled by the  
11 issuer, or any person under direct or indirect common control  
12 with the issuer.

13 (3) No provision of this Act imposing any liability shall  
14 apply to any act done or omitted in good faith in conformity  
15 with any rule or regulation of the Secretary of State under  
16 this Act, notwithstanding that the rule or regulation may,  
17 after the act or omission, be amended or rescinded or be  
18 determined by judicial or other authority to be invalid for  
19 any reason.

20 (4) The Securities Department of the Office of the  
21 Secretary of State shall be deemed a criminal justice agency  
22 for purposes of all federal and state laws and regulations  
23 and, in that capacity, shall be entitled to access to any  
24 information available to criminal justice agencies and has the  
25 power to appoint special agents to conduct all investigations,  
26 searches, seizures, arrests, and other duties imposed under

1 the provisions of any law administered by the Department. The  
2 special agents have and may exercise all the powers of peace  
3 officers solely for the purpose of enforcing provisions of  
4 this Act.

5 The Director must authorize to each special agent employed  
6 under this Section a distinct badge that, on its face, (i)  
7 clearly states that the badge is authorized by the Department  
8 and (ii) contains a unique and identifying number.

9 Special agents shall comply with all training requirements  
10 established for law enforcement officers by provisions of the  
11 Illinois Police Training Act.

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

20 B. The Secretary of State may, anything in this Act to the  
21 contrary notwithstanding, require financial statements and  
22 reports of the issuer, dealer, Internet portal, salesperson,  
23 investment adviser, or investment adviser representative as  
24 often as circumstances may warrant. In addition, the Secretary  
25 of State may secure information or books and records from or  
26 through others and may make or cause to be made investigations

1 respecting the business, affairs, and property of the issuer  
2 of securities, any person involved in the sale or offer for  
3 sale, purchase or offer to purchase of any mineral investment  
4 contract, mineral deferred delivery contract, or security and  
5 of dealers, Internet portals, salespersons, investment  
6 advisers, and investment adviser representatives that are  
7 registered or are the subject of an application for  
8 registration under this Act. The costs of an investigation  
9 shall be borne by the registrant or the applicant, provided  
10 that the registrant or applicant shall not be obligated to pay  
11 the costs without his, her or its consent in advance.

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

17 (1) require or permit the person to file with the  
18 Secretary of State a statement in writing under oath, or  
19 otherwise, as to all the facts and circumstances  
20 concerning the subject matter which the Secretary of State  
21 believes to be in the public interest to investigate,  
22 audit, examine, or inspect;

23 (2) conduct an investigation, audit, examination, or  
24 inspection as necessary or advisable for the protection of  
25 the interests of the public; and

26 (3) appoint investigators to conduct all

1 investigations, searches, seizures, arrests, and other  
2 duties imposed under the provisions of any law  
3 administered by the Department. The Director must  
4 authorize to each investigator employed under this Section  
5 a distinct badge that, on its face, (i) clearly states  
6 that the badge is authorized by the Department and (ii)  
7 contains a unique and identifying number.

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

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

1           (3) The Circuit Court of any County of this State, upon  
2 application of the Secretary of State or a person designated  
3 by him or her may order the attendance of witnesses, the  
4 production of books and records, papers, accounts and  
5 documents and the giving of testimony before the Secretary of  
6 State or a person designated by him or her; and any failure to  
7 obey the order may be punished by the Circuit Court as a  
8 contempt thereof.

9           (4) The fees of subpoenaed witnesses under this Act for  
10 attendance and travel shall be the same as fees of witnesses  
11 before the Circuit Courts of this State, to be paid when the  
12 witness is excused from further attendance, provided, the  
13 witness is subpoenaed at the instance of the Secretary of  
14 State; and payment of the fees shall be made and audited in the  
15 same manner as other expenses of the Secretary of State.

16           (5) Whenever a subpoena is issued at the request of a  
17 complainant or respondent as the case may be, the Secretary of  
18 State may require that the cost of service and the fee of the  
19 witness shall be borne by the party at whose instance the  
20 witness is summoned.

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

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

1           (8) The Secretary of State may in any investigation,  
2 audits, examinations, or inspections cause the taking of  
3 depositions of persons residing within or without this State  
4 in the manner provided in civil actions under the laws of this  
5 State.

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

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

19           (2) If the Secretary of State shall find that any  
20 person has violated subsection C, D, E, F, G, H, I, J, or K  
21 of Section 12 of this Act, the Secretary of State may by  
22 written order temporarily or permanently prohibit or  
23 suspend the person from offering or selling any  
24 securities, any mineral investment contract, or any  
25 mineral deferred delivery contract in this State, provided  
26 that any person who is the subject of an order of permanent

1 prohibition may petition the Secretary of State for a  
2 hearing to present evidence of rehabilitation or change in  
3 circumstances justifying the amendment or termination of  
4 the order of permanent prohibition.

5 (3) If the Secretary of State shall find that any  
6 person is engaging or has engaged in the business of  
7 selling or offering for sale securities as a dealer,  
8 Internet portal, or salesperson or is acting or has acted  
9 as an investment adviser, investment adviser  
10 representative, or federal covered investment adviser,  
11 without prior thereto and at the time thereof having  
12 complied with the registration or notice filing  
13 requirements of this Act, the Secretary of State may by  
14 written order prohibit or suspend the person from engaging  
15 in the business of selling or offering for sale  
16 securities, or acting as an investment adviser, investment  
17 adviser representative, or federal covered investment  
18 adviser, in this State.

19 (4) In addition to any other sanction or remedy  
20 contained in this subsection E, the Secretary of State,  
21 after finding that any provision of this Act has been  
22 violated, may impose a fine as provided by rule,  
23 regulation or order not to exceed \$10,000 for each  
24 violation of this Act, may issue an order of public  
25 censure against the violator, and may charge as costs of  
26 investigation all reasonable expenses, including

1 attorney's fees and witness fees.

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

26 (2) Anything herein contained to the contrary

1 notwithstanding, the Secretary of State may temporarily  
2 prohibit or suspend, for a maximum period of 90 days, by an  
3 order effective immediately, the offer or sale or registration  
4 of securities, the registration of a dealer, Internet portal,  
5 salesperson, investment adviser, or investment adviser  
6 representative, or the offer or sale of securities by any  
7 person, or the business of rendering investment advice,  
8 without the notice and prior hearing in this subsection  
9 prescribed, if the Secretary of State shall in his or her  
10 opinion, based on credible evidence, deem it necessary to  
11 prevent an imminent violation of this Act or to prevent losses  
12 to investors which the Secretary of State reasonably believes  
13 will occur as a result of a prior violation of this Act.  
14 Immediately after taking action without such notice and  
15 hearing, the Secretary of State shall deliver a copy of the  
16 temporary order to the respondent named therein by personal  
17 service or registered mail or certified mail, return receipt  
18 requested. The temporary order shall set forth the grounds for  
19 the action and shall advise that the respondent may request a  
20 hearing, that the request for a hearing will not stop the  
21 effectiveness of the temporary order and that respondent's  
22 failure to request a hearing within 30 days after the date of  
23 the entry of the temporary order shall constitute an admission  
24 of any facts alleged therein and shall constitute sufficient  
25 basis to make the temporary order final. Any provision of this  
26 paragraph (2) to the contrary notwithstanding, the Secretary

1 of State may not pursuant to the provisions of this paragraph  
2 (2) suspend the registration of a dealer, limited Canadian  
3 dealer, salesperson, investment adviser, or investment adviser  
4 representative based upon sub-paragraph (n) of paragraph (1)  
5 of subsection E of Section 8 of this Act or revoke the  
6 registration of securities or revoke the registration of any  
7 dealer, salesperson, investment adviser representative, or  
8 investment adviser.

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

21 (4) When the Secretary of State finds that an application  
22 for registration as a dealer, Internet portal, salesperson,  
23 investment adviser, or investment adviser representative  
24 should be denied, the Secretary of State may enter an order  
25 denying the registration. Immediately after taking such  
26 action, the Secretary of State shall deliver a copy of the

1 order to the respondent named therein by personal service or  
2 registered mail or certified mail, return receipt requested.  
3 The order shall state the grounds for the action and that the  
4 matter will be set for hearing upon written request filed with  
5 the Secretary of State within 30 days after the receipt of the  
6 request by the respondent. The respondent's failure to request  
7 a hearing within 30 days after receipt of the order shall  
8 constitute an admission of any facts alleged therein and shall  
9 make the order final. If a hearing is held, the Secretary of  
10 State shall affirm, vacate, or modify the order.

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

18 (6) Notwithstanding the foregoing, the Secretary of State,  
19 after notice and opportunity for hearing, may at his or her  
20 discretion enter into an agreed settlement, stipulation or  
21 consent order with a respondent in accordance with the  
22 provisions of the Illinois Administrative Procedure Act. The  
23 provisions of the agreed settlement, stipulation or consent  
24 order shall have the full force and effect of an order issued  
25 by the Secretary of State.

26 (7) Anything in this Act to the contrary notwithstanding,

1 whenever the Secretary of State finds that a person is  
2 currently expelled from, refused membership in or association  
3 with, or limited in any material capacity by a self-regulatory  
4 organization registered under the Federal 1934 Act or the  
5 Federal 1974 Act because of a fraudulent or deceptive act or a  
6 practice in violation of a rule, regulation, or standard duly  
7 promulgated by the self-regulatory organization, the Secretary  
8 of State may, at his or her discretion, enter a Summary Order  
9 of Prohibition, which shall prohibit the offer or sale of any  
10 securities, mineral investment contract, or mineral deferred  
11 delivery contract by the person in this State. The order shall  
12 take effect immediately upon its entry. Immediately after  
13 taking the action the Secretary of State shall deliver a copy  
14 of the order to the named Respondent by personal service or  
15 registered mail or certified mail, return receipt requested. A  
16 person who is the subject of an Order of Prohibition may  
17 petition the Secretary of State for a hearing to present  
18 evidence of rehabilitation or change in circumstances  
19 justifying the amendment or termination of the Order of  
20 Prohibition.

21 G. No administrative action shall be brought by the  
22 Secretary of State for relief under this Act or upon or because  
23 of any of the matters for which relief is granted by this Act  
24 after the earlier to occur of (i) 3 years from the date upon  
25 which the Secretary of State had notice of facts which in the  
26 exercise of reasonable diligence would lead to actual

1 knowledge of the alleged violation of the Act, or (ii) 5 years  
2 from the date on which the alleged violation occurred.

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

21 I. Notwithstanding any other provisions of this Act to the  
22 contrary, whenever it shall appear to the Secretary of State  
23 that any person is engaged or about to engage in any acts or  
24 practices which constitute or will constitute a violation of  
25 this Act or of any rule or regulation prescribed under  
26 authority of this Act, the Secretary of State may at his or her

1 discretion, through the Attorney General take any of the  
2 following actions:

3 (1) File a complaint and apply for a temporary  
4 restraining order without notice, and upon a proper  
5 showing the court may enter a temporary restraining order  
6 without bond, to enforce this Act.

7 (2) File a complaint and apply for a preliminary or  
8 permanent injunction, and, after notice and a hearing and  
9 upon a proper showing, the court may grant a preliminary  
10 or permanent injunction and may order the defendant to  
11 make an offer of rescission with respect to any sales or  
12 purchases of securities, mineral investment contracts, or  
13 mineral deferred delivery contracts determined by the  
14 court to be unlawful under this Act.

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

20 (a) In the event that such probable cause exists  
21 that the subject of an investigation who is alleged to  
22 have committed one of the relevant violations of this  
23 Act has in his possession assets obtained as a result  
24 of the conduct giving rise to the violation, the  
25 Secretary of State may seek a seizure warrant in any  
26 circuit court in Illinois.

1           (b) In seeking a seizure warrant, the Secretary of  
2 State, or his or her designee, shall submit to the  
3 court a sworn affidavit detailing the probable cause  
4 evidence for the seizure, the location of the assets  
5 to be seized, the relevant violation under Section 12  
6 of this Act, and a statement detailing any known  
7 owners or interest holders in the assets.

8           (c) Seizure of the assets shall be made by any  
9 peace officer upon process of the seizure warrant  
10 issued by the court. Following the seizure of assets  
11 under this Act and pursuant to a seizure warrant,  
12 notice of seizure, including a description of the  
13 seized assets, shall immediately be returned to the  
14 issuing court. Seized assets shall be maintained  
15 pending a judicial forfeiture hearing in accordance  
16 with the instructions of the court.

17           (d) In the event that management of seized assets  
18 becomes necessary to prevent the devaluation,  
19 dissipation, or otherwise to preserve the property,  
20 the court shall have jurisdiction to appoint a  
21 receiver, conservator, ancillary receiver, or  
22 ancillary conservator for that purpose, as provided in  
23 item (2) of this subsection.

24           (4) Seek the forfeiture of assets obtained through  
25 conduct in violation of Section 12, paragraph F, G, H, I,  
26 J, K, or L when authorized by law. A forfeiture must be

1 ordered by a circuit court or an action brought by the  
2 Secretary of State as provided for in this Act, under a  
3 verified complaint for forfeiture.

4 (a) In the event assets have been seized pursuant  
5 to this Act, forfeiture proceedings shall be  
6 instituted by the Attorney General within 45 days of  
7 seizure.

8 (b) Service of the complaint filed under the  
9 provisions of this Act shall be made in the manner as  
10 provided in civil actions in this State.

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

15 (d) The answer must be signed by the owner or  
16 interest holder under penalty of perjury and must set  
17 forth:

18 (i) the caption of the proceedings as set  
19 forth on the notice of pending forfeiture and the  
20 name of the claimant;

21 (ii) the address at which the claimant will  
22 accept mail;

23 (iii) the nature and extent of the claimant's  
24 interest in the property;

25 (iv) the date, identity of the transferor, and  
26 circumstances of the claimant's acquisition of the

1 interest in the property;

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

4 (vi) the specific provisions of this Act  
5 relied on in asserting that the property is not  
6 subject to forfeiture;

7 (vii) all essential facts supporting each  
8 assertion; and

9 (viii) the precise relief sought.

10 (e) The answer must be filed with the court within  
11 45 days after service of the complaint.

12 (f) A property interest is exempt from forfeiture  
13 under this Act if its owner or interest holder  
14 establishes by a preponderance of evidence that the  
15 owner or interest holder:

16 (i) is not legally accountable for the conduct  
17 giving rise to the forfeiture, did not acquiesce  
18 in it, and did not know and could not reasonably  
19 have known of the conduct or that the conduct was  
20 likely to occur;

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

24 (iii) does not hold the property for the  
25 benefit of or as a nominee for any person whose  
26 conduct gave rise to its forfeiture and the owner

1 or interest holder acquires it as a bona fide  
2 purchaser for value without knowingly taking part  
3 in the conduct giving rise to the forfeiture; or

4 (iv) acquired the interest after the  
5 commencement of the conduct giving rise to its  
6 forfeiture and the owner or interest holder  
7 acquired the interest as a mortgagee, secured  
8 creditor, lienholder, or bona fide purchaser for  
9 value without knowledge of the conduct that gave  
10 rise to the forfeiture.

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

13 (h) During the probable cause portion of the  
14 judicial in rem proceeding wherein the Secretary of  
15 State presents its case-in-chief, the court must  
16 receive and consider, among other things, any relevant  
17 hearsay evidence and information. The laws of evidence  
18 relating to civil actions shall apply to all other  
19 portions of the judicial in rem proceeding.

20 (i) The Secretary of State shall show the  
21 existence of probable cause for forfeiture of the  
22 property. If the Secretary of State shows probable  
23 cause, the claimant has the burden of showing by a  
24 preponderance of the evidence that the claimant's  
25 interest in the property is not subject to forfeiture.

26 (j) If the Secretary of State does not show the

1           existence of probable cause or a claimant has an  
2           interest that is exempt under subdivision I (4)(d) of  
3           this Section, the court shall order the interest in  
4           the property returned or conveyed to the claimant and  
5           shall order all other property forfeited to the  
6           Secretary of State pursuant to all provisions of this  
7           Act. If the Secretary of State does show the existence  
8           of probable cause and the claimant does not establish  
9           by a preponderance of the evidence that the claimant  
10          has an interest that is exempt under subsection D  
11          herein, the court shall order all the property  
12          forfeited to the Secretary of State pursuant to the  
13          provisions of the Section.

14           (k) A defendant convicted in any criminal  
15          proceeding is precluded from later denying the  
16          essential allegations of the criminal offense of which  
17          the defendant was convicted in any proceeding for  
18          violations of the Act giving rise to forfeiture of  
19          property herein regardless of the pendency of an  
20          appeal from that conviction. However, evidence of the  
21          pendency of an appeal is admissible.

22           (l) An acquittal or dismissal in a criminal  
23          proceeding for violations of the Act giving rise to  
24          the forfeiture of property herein shall not preclude  
25          civil proceedings under this provision; however, for  
26          good cause shown, on a motion by the Secretary of

1 State, the court may stay civil forfeiture proceedings  
2 during the criminal trial for a related criminal  
3 indictment or information alleging violation of the  
4 provisions of Section 12 of the Illinois Securities  
5 Law of 1953. Property subject to forfeiture under this  
6 Section shall not be subject to return or release by a  
7 court exercising jurisdiction over a criminal case  
8 involving the seizure of the property unless the  
9 return or release is consented to by the Secretary of  
10 State.

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

22 (i) all forfeited property and assets shall be  
23 liquidated by the Secretary of State in accordance  
24 with all laws and rules governing the disposition  
25 of such property;

26 (ii) the Secretary of State shall provide the

1 court at the time the property and assets are  
2 declared forfeited a verified statement of  
3 investors subject to the conduct giving rise to  
4 the forfeiture;

5 (iii) after payment of any costs of sale,  
6 receivership, storage, or expenses for  
7 preservation of the property seized, other costs  
8 to the State, and payment to claimants for any  
9 amount deemed exempt from forfeiture, the proceeds  
10 from liquidation shall be distributed pro rata to  
11 investors subject to the conduct giving rise to  
12 the forfeiture; and

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

1 distributed to the Securities Investors Education  
2 Fund.

3 Any additional fees established by administrative  
4 rule and collected by the Secretary of State pursuant  
5 to this subparagraph shall be deposited into the  
6 Securities Audit and Enforcement Fund.

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

1 the certified mail return receipt, or within 30 days  
2 after the last date of publication of the general  
3 notice in a paper of general circulation in the  
4 district in which the violations were prosecuted,  
5 whichever occurs last.

6 (o) A civil action under this subsection must be  
7 commenced within 5 years after the last conduct giving  
8 rise to the forfeiture became known or should have  
9 become known or 5 years after the forfeitable property  
10 is discovered, whichever is later, excluding time  
11 during which either the property or claimant is out of  
12 this State or in confinement or during which criminal  
13 proceedings relating to the same conduct are in  
14 progress.

15 (p) If property is seized for evidence and for  
16 forfeiture, the time periods for instituting judicial  
17 forfeiture proceedings shall not begin until the  
18 property is no longer necessary for evidence.

19 (q) Notwithstanding other provisions of this Act,  
20 the Secretary of State and a claimant of forfeitable  
21 property may enter into an agreed-upon settlement  
22 concerning the forfeitable property in such an amount  
23 and upon such terms as are set out in writing in a  
24 settlement agreement.

25 (r) Nothing in this Act shall apply to property  
26 that constitutes reasonable bona fide attorney's fees

1           paid to an attorney for services rendered or to be  
2           rendered in the forfeiture proceeding or criminal  
3           proceeding relating directly thereto when the property  
4           was paid before its seizure and before the issuance of  
5           any seizure warrant or court order prohibiting  
6           transfer of the property and when the attorney, at the  
7           time he or she received the property, did not know that  
8           it was property subject to forfeiture under this Act.

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

1 cases.

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

4 J. In no case shall the Secretary of State, or any of his  
5 or her employees or agents, in the administration of this Act,  
6 incur any official or personal liability by instituting an  
7 injunction or other proceeding or by denying, suspending or  
8 revoking the registration of a dealer or salesperson, or by  
9 denying, suspending or revoking the registration of securities  
10 or prohibiting the offer or sale of securities, or by  
11 suspending or prohibiting any person from acting as a dealer,  
12 limited Canadian dealer, salesperson, investment adviser, or  
13 investment adviser representative or from offering or selling  
14 securities.

15 K. No provision of this Act shall be construed to require  
16 or to authorize the Secretary of State to require any  
17 investment adviser or federal covered investment adviser  
18 engaged in rendering investment supervisory services to  
19 disclose the identity, investments, or affairs of any client  
20 of the investment adviser or federal covered investment  
21 adviser, except insofar as the disclosure may be necessary or  
22 appropriate in a particular proceeding or investigation having  
23 as its object the enforcement of this Act.

24 L. Whenever, after an examination, investigation or  
25 hearing, the Secretary of State deems it of public interest or  
26 advantage, he or she may certify a record to the State's

1 Attorney of the county in which the act complained of,  
2 examined or investigated occurred. The State's Attorney of  
3 that county within 90 days after receipt of the record shall  
4 file a written statement at the Office of the Secretary of  
5 State, which statement shall set forth the action taken upon  
6 the record, or if no action has been taken upon the record that  
7 fact, together with the reasons therefor, shall be stated.

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

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

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

23 (a) establishing or participating in a central  
24 depository or depositories for registration under this Act  
25 and for documents or records required under this Act;

26 (b) making a joint audit, inspection, examination, or

1 investigation;

2 (c) holding a joint administrative hearing;

3 (d) filing and prosecuting a joint civil or criminal  
4 proceeding;

5 (e) sharing and exchanging personnel;

6 (f) sharing and exchanging information and documents;

7 or

8 (g) issuing any joint statement or policy.

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

20 (Source: P.A. 99-182, eff. 1-1-16; 100-512, eff. 7-1-18;  
21 100-699, eff. 8-3-18.)

22 (815 ILCS 5/18.1)

23 Sec. 18.1. Additional fees. In addition to any other fee  
24 that the Secretary of State may impose and collect pursuant to  
25 the authority contained in Sections 4, 8, and 11a of this Act,

1 beginning on July 1, 2003 the Secretary of State shall also  
2 collect the following additional fees:

3	Securities offered or sold under the Uniform	
4	Limited Offering Exemption Pursuant to	
5	Section 4.D of the Act .....	\$100
6	Securities offered or sold under the Uniform	
7	Limited Offering Exemption pursuant to subsection	
8	T of Section 4 of this Act .....	\$100
9	Registration and renewal of a dealer .....	\$300
10	Registration and renewal of a registered Internet	
11	portal .....	\$300
12	Registration and renewal of an investment adviser	\$200
13	Federal covered investment adviser notification	
14	filing and annual notification filing .....	\$200
15	Registration and renewal of a salesperson .....	\$75
16	Registration and renewal of an investment adviser	
17	representative and a federal covered	
18	investment adviser representative .....	\$75

19 Investment fund shares notification filing and annual  
20 notification filing: \$800 plus \$80 for each series, class, or  
21 portfolio.

22 All fees collected by the Secretary of State pursuant to  
23 this Section ~~amendatory Act of the 93rd General Assembly~~ shall  
24 be deposited into the Securities Audit and Enforcement Fund  
25 ~~General Revenue Fund in the State treasury.~~

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