

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: RICHARD J. HEATH

)
) File No 1000242
)

CONSENT ORDER

TO THE RESPONDENT: Richard J. Heath
1208 Davis Avenue
Johnson City, Illinois 62951

WHEREAS, Respondent Richard Heath (the "Respondent") on June 6, 2011, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Respondent, Richard J. Heath, is an individual with a last known addresses of 1208 Davis Street, Johnson City, Illinois 62951;
2. That on or about September 4, 2007, Respondent Richard J. Heath offered and sold to MW a promissory note and/or investment contract in which MW gave Respondent \$100,000, and in return, Respondent promised to pay MW the original principal plus an additional \$100,000 at the time of the closing of a purported loan to purchase a purported entity called Sunnyfield Golf Club as well as monthly payments of 1% of all revenues of Sunnyfield Golf Club and real estate which was to be paid at the time Respondent took possession of the Sunnyfield Golf Club;

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3. That on or about October 5, 2007, Respondent represented to MW that Respondent's attempt to obtain the aforesaid loan for Sunnyfield Golf Club was unsuccessful;
4. That on or about May 7, 2009, Respondent Richard J. Heath offered and sold to MW a new promissory note and/or investment contract in which, for the same aforesaid \$100,000 that Respondent had previously received from MW, Respondent promised to pay MW the original principal plus an additional \$100,000 by June 17, 2009, as well as monthly payments of 1% of all revenues of a purported entity called the Itoh Country Club and associated real estate which was to be paid upon the Respondent taking possession of the Itoh Country Club;
5. That as of this date, MW has received no return of any kind from MW's aforesaid investment;
6. That the aforesaid promissory notes and/or investment contracts are securities as that term is defined pursuant to Section 2.1. of the Act;
7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
9. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer or salesperson unless registered as such, where such registration is required;
10. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document

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or application required to be filed under the provisions of the Act;

11. That at all times relevant hereto, Respondent Richard J. Heath failed to file an application for registration of the above-referenced security with the Secretary of State prior to their offer or sale in the State of Illinois;
12. That at all times relevant hereto, Respondent Richard J. Heath failed to file an application for registration as a dealer or salesperson for the sales of securities in the State of Illinois;
13. That at all times relevant hereto, Respondent Richard J. Heath acted as a dealer and/or salesperson of securities while not being registered as such;
14. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections C, and/or D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
15. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
16. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as an order of public censure and the costs of investigation and reasonable expenses;
17. That by virtue of the foregoing, the Respondent Richard J. Heath is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses,

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an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondent Richard J. Heath has violated Sections 12.A, 12.C, and 12.D of the Act;
2. That by virtue of the foregoing, Respondent Richard J. Heath is subject to an Order which prohibits Respondent from offering and/or selling securities in the State of Illinois.

WHEREAS, the Respondent acknowledges and agrees that the Respondent shall be permanently prohibited from offering and/or selling securities in the State of Illinois;

WHEREAS, the Respondent acknowledges and agrees that Respondents shall, within 60 days of the entry of aforesaid Consent Order, pay a fine and costs of investigation in the amount of \$2,500 to the Illinois Secretary of State Investor Education Fund, that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State and mailed in a timely manner to Illinois Department of Securities, Jefferson Terrace, 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law;
2. The Respondent shall be permanently prohibited from offering and/or selling securities in the State of Illinois;
3. The Respondent shall, within 60 days of the entry of aforesaid Consent Order, pay a fine and costs of investigation in the amount of \$2,500 to the Illinois Secretary of State Investor Education Fund, that such

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payment will be made by money order or cashier's check payable to the Illinois Secretary of State and mailed in a timely manner to Illinois Department of Securities, Jefferson Terrace, 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702;

ENTERED: This 7th day of June, 2011.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12(D) of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

Attorney for the Secretary of State
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Hearing Officer:
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