

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

_____))
IN THE MATTER OF: INVERNESS SECURITIES, LLC) FILE NO. 1000116
_____))

CONSENT ORDER OF PROHIBITION

TO THE RESPONDENT: Inverness Securities, LLC.
 (B/D #: 129914)
 2000 Auburn Drive, Suite 440
 Beachwood, Ohio 44122

WHEREAS, Respondent on the 8th day of April, 2011 executed a certain Stipulation to Enter Consent Order of Prohibition (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department dated March 22, 2011 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Prohibition ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That the Respondent is an entity which engages in the business of acting as a dealer in the offer and sale of securities to the general public.
2. That on March 10, 2010 the Respondent filed a Form BD application for registration as a dealer in the State of Illinois pursuant to Section 8 of the Act.
3. That on October 4, 2010 the Respondent requested to withdraw their application for registration as a dealer in the State of Illinois by filing a Form BDW/A (Broker Dealer Withdrawal of Application).

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4. That in the course of the registration investigation, the Department learned that on December 12, 2007 and again on December 17, 2008, the Respondent effected transactions in the account of one (1) Illinois resident.
5. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
6. That the activity described in paragraph four (4) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.
7. That during all times relevant, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
8. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provision of the Act.
9. That Section 12.C of the Act provides, inter alia, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
10. That by virtue of the foregoing, the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
11. That Section 11.E(3) of the Act provides that If the Secretary of State shall find that any person has engaged in the business of selling or offering for sale securities as a dealer without prior thereto and at the time thereof having complied with the registration filing requirements of this Act, the Secretary of State may by written order prohibit the person from engaging in the business of selling or offering for sale securities in this State.

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the Secretary of State has adopted the following additional Finding of Fact: That Section 11.E(4) of the Act provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

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WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- 1) The Respondent has committed a violation of Sections 12.A and 12.C of the Act;
and
- 2) That by virtue of the foregoing, the Respondent is subject to a FINE pursuant to Sections 12.A, 12.C and 11.E(4) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be prohibited from engaging in the business of offering or selling securities in the State of Illinois until and unless in compliance with the registration provisions of Section 8 of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be FINED One Thousand dollars (\$1,000.00), to be paid by certified or cashier's check, made payable to the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they shall be levied costs incurred during the investigation of this matter in the amount of One Thousand Five Hundred dollars (\$1,500.00). Said costs shall be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that they have submitted with the Stipulation a certified or cashier's check in the amount of Two Thousand Five Hundred dollars (\$2,500.00). Said sum is allocated as follows: One Thousand dollars (\$1,000.00) as FINE for violations of the Act; and One Thousand Five Hundred dollars (\$1,500.00) to cover the costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDER THAT:

1. The Respondent is prohibited from engaging in the business of offering or selling securities in the State of Illinois until and unless in compliance with the registration provisions of Section 8 of the Act.
2. Respondent is FINED in the amount of One Thousand Dollars (\$1,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on April 8, 2011 has submitted One Thousand Dollars (\$1,000.00) in payment thereof.
3. Respondent is levied costs of investigation in this matter in the amount of One Thousand Five Hundred dollars (\$1,500.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on April 8, 2011 has submitted One Thousand Five Hundred dollars (\$1,500.00) in payment thereof.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 14th day of April 2011


JESSE WHITE
Secretary of State
State of Illinois