

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

IN THE MATTER OF: **ALGIRD M. NORKUS** and
FINANCIAL UPDATE, INC.
his/their partners, officers and directors,
agents, employees, affiliates, successors
and assigns.

)
)
)
) **No. 1000341**
)
)
)

**TEMPORARY ORDER OF PROHIBITION AND
SUSPENSION OF REGISTRATION**

TO THE RESPONDENTS: **ALGIRD M. NORKUS**
515 Willow Street
Sugar Grove, Illinois 60554
and
3 Hardwick Court
Sugar Grove, Illinois 60554

And

FINANCIAL UPDATE, INC.
P.O. Box 4932
Oak Brook, Illinois 60533

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein finds:

FRAUD IN THE SALE OF SECURITIES

1. Algird M. Norkus (hereinafter at times "Norkus" or together with Financial Update, Inc. "Respondents") is an individual whose last known addresses are/were 515 Willow Street, Sugar Grove, Illinois 60554, and 3 Hardwick Court, Sugar Grove, Illinois 60554.
2. Financial Update, Inc. (hereinafter at times "Financial" or together with Norkus "Respondents") is an Illinois corporation with a last known business address of P.O. Box 4932, Oak Brook, Illinois 60533.

3. Norkus is the President, Secretary and sole and controlling employee and agent of Respondent Financial.
4. Between October 2006 and July 2010 Respondent Norkus solicited at least twelve individuals, both Illinois and out of state residents (“Investors”) to invest in Respondent Financial, which Norkus represented was involved in the business of brokering life insurance policies for people who were unable to secure life insurance from major companies.
5. Norkus told the Investors that their investment proceeds would be used mainly to purchase “lists of potential clients” and that the “lists” were costly.
6. Between January 2002 and July 2010 the Investors entered into at least fifteen contracts signed by Norkus entitled either “Corporate Agreement” or “Promissory Agreement” which provided, *inter alia*, “...Financial Update, Inc. hereby promises to pay to the order of ... (Investors)... or their successors” amounts ranging from approximately \$20,000 to \$250,000 and totaling approximately \$1,482,000.
7. Norkus also provided most of the Investors with separate documents providing that Norkus “...does hereby guarantee the payment of all amounts due, and waive, protest, demand and non-payment and suit against the Corporation and consent to the time payment of the Agreement”.
8. The “Corporate Agreement” and “Promissory Agreement” contracts promised to pay per annum interest ranging from 11% to 22.5%.
9. Norkus told Investors that there was “no risk” to their investments which were “guaranteed”.
10. All fifteen Investors remitted checks to Respondents totaling approximately \$1,482,000 which were endorsed by Respondent Norkus, and the funds were then placed into Respondents’ bank account.
11. Respondents made the monthly payments in a timely manner until August 2010 when they failed to make the scheduled payments, and numerous attempts by at least two Investors to phone and otherwise contact Respondents were unsuccessful.
12. The activities described above in paragraphs 4-10 constitute the offer and sale of a promissory note or investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the “Act”).
13. Respondents failed and refused to notify Investors of the risk involved in the “Corporate Agreement” and “Promissory Agreement” contracts that could result in the loss of the money paid by the Investors, but instead assured them that there was “no risk”.

14. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
15. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
16. By virtue of the acts set forth above Respondents have violated Section 12.F and Section 12.G of the Act.
17. Respondent Norkus, between May 19, 2006 and August 24, 2010, was registered as a salesperson of securities under the provisions set forth under Section 8.A of the Act.
18. Section 8.E(1)(g) of the Act provides, *inter alia*, "...that the registration of a...salesperson...may be suspended or revoked if the Secretary of State finds that the...salesperson...has violated any of the provisions of this Act..."
19. Section 8.E(3) of the Act provides, *inter alia*,"...If no proceeding is pending or instituted and withdrawal automatically becomes effective, the Secretary of State may nevertheless institute a revocation or suspension proceeding within 2 years after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective.
20. Section 11.F of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person without notice and prior hearing, and may also suspend the registration of a salesperson without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
21. The entry of this Temporary Order prohibiting Respondents **Algird M. Norkus and Financial Update, Inc.** from offering or selling securities in the State of Illinois; and suspending the salesperson registration of Respondent **Algird M. Norkus** in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provision of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act. Respondents **Algird M. Norkus and Financial Update, Inc.**, his/their partners, officers and directors, agents, employees,

affiliates, successors and assigns are temporarily **PROHIBITED** from offering or selling securities in or from this State until further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY FURTHER ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, the registration as a salesperson of Respondent **Algird M. Norkus** is temporarily **SUSPENDED** in this State until further Order of the Secretary of State.

NOTICE is given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington St., Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of the entry of the Temporary Order of Prohibition. Upon receipt of a request for a hearing, a hearing will be scheduled as soon as reasonably practicable. A request for a hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty (60) calendar days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THESE TEMPORARY ORDERS OF PROHIBITION AND SUSPENSION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER OF PROHIBITION AND SUSPENSION FINAL.

Dated: This 27th day of August 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James J. Tierney
69 West Washington, Suite 1220
Chicago, Illinois 60602
(312) 793-9650