

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

IN THE MATTER OF: BARRY CHESSICK;
ANNE CHESSICK; NANCY J. SERTICH KENNEDY)
and LAKELAND SHORES LLC)

File No. C0800567

ORDER OF PROHIBITION

TO THE RESPONDENT: NANCY J. SERTICH KENNEDY
18 W 432 91st Street
Lamont, Illinois 60439

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on April 16, 2009 temporarily prohibiting Respondent Kennedy from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent Kennedy has failed to request a hearing on the matters contained in the said Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. Lakeland Shores LLC ("Respondent Lakeland" or collectively with Respondents A. Chessick, B. Chessick and Kennedy, "Respondents") was an Illinois corporation. Its last known address is 3149 Dundee Road, Ste. 180, Northbrook, Illinois 60062.
2. Anne Chessick ("Respondent A. Chessick" or collectively with Respondents Lakeland, B. Chessick and Kennedy, "Respondents") was the Manager of

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Respondent Lakeland at all relevant times herein. Her last known address is 3149 Dundee Road, Ste. 180, Northbrook, Illinois 60062.

3. Barry Chessick ("Respondent B. Chessick" or collectively with Respondents Lakeland, A. Chessick and Kennedy, "Respondents") is a salesperson of Respondent Lakeland at all relevant times herein. His last known address is 3609 Pebble Beach Road, Northbrook, Illinois 60062.
4. Nancy J. Sertich Kennedy ("Respondent Kennedy" or collectively with Respondents Lakeland, A. Chessick and B. Chessick, "Respondents") is a salesperson of Respondent Lakeland at all relevant times herein. Her last known address is 18 W 432 91st Street, Lamont, Illinois 60439.
5. That on May 14, 2007, the Secretary of State entered a consent order against Respondent B. Chessick permanently prohibiting Respondent B. Chessick from offering or selling securities to or from the State of Illinois, pursuant to Section 11.E of the Act, on the Notice of Hearing dated October 17, 2006, case file C0500332.
6. Between June 2006 and June 2007, Respondents issued promissory notes that promised investors 50-75 percent rates of return due within one year of the investment ("Notes" or "Note"). Respondents sold the Notes for the stated purpose of raising \$1.5 million for the development and purchase of a 42-acre parcel located in New Buffalo Township, Michigan.
7. Investor DG, Investor RG, Investor CS and Investor DM are residents of the State of Illinois.
8. In Summer 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DM a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
9. In October 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$30,000 75% Note to Investor DM, with principal and interest due in one year. In exchange, DM gave them a check for \$30,000.00.
10. In October 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DG a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
11. On or about November 20, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 75% Note to Investor DG, with principal and interest due in one year. In exchange, DG gave them a check for \$100,000.00.

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12. In November 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered RG a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
13. On or about November 14, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$20,000.00 75% Note to RG's mother, Investor RS, with principal and interest due in one year. In exchange, RG gave them a check for \$20,000.00, payable to Lakeland Shores, LLC.
14. In late 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor CS a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
15. On or about November 21, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 75% Note to Investor CS, with principal and interest due in one year. In exchange, CS gave them a check for \$100,000.00.
16. On or about December 28, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered Investor SD a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
17. On or about December 28, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$50,000.00 75% Note to Investor SD, with principal and interest due in one year. In exchange, SD gave them a check for \$50,000.00.
18. In late 2006, on behalf of Respondent Lakeland, Respondent Kennedy offered Investor JH a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
19. On or about January 6, 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$25,000.00 75% Note to Investor JH, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.
20. On or about January 26, 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a second \$25,000.00 75% Note to Investor JH, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.
21. In early 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered Investor DW a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.

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22. In February 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$25,000.00 75% Note to Investor DW, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.
23. In April 2007, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DB a Note, which promised to pay a 50% rate of return, due in one year from the date of the investment.
24. On or about May 1, 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 50% Note to Investor DB, with principal and interest due in one year. In exchange, DB gave them a check for \$100,000.00, made payable to Respondent Kennedy, as instructed by Respondents B. Chessick and Kennedy.
25. To date, despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the Notes.
26. To date, despite demands, Investors have not received any monies back from their investments, pursuant to the terms of the Notes.
27. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
28. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
29. 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.
30. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
31. The facts alleged in the paragraphs above demonstrate that Respondent Kennedy violated Section 12.C of the Act. In particular: Respondent Kennedy failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not

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registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.

32. The activities set forth in the paragraphs above of Respondent Kennedy constitute the activities of a salesperson as defined at Section 2.9 of the Act.
33. Section 12.C of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act."
34. Section 8 of the Act provides, inter alia, that except as otherwise provided, every dealer, limited Canadian dealer, salesperson investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.
35. The facts alleged in paragraphs above demonstrate that Respondent Kennedy violated Section 12.C of the Act. In particular: Respondent Kennedy failed to file an application for registration as a salesperson with the Secretary of State, pursuant to Section 8 of the Act prior to the sale of securities to investors.
36. By virtue of the foregoing, Respondent Kennedy violated Sections 12.A, 12.C and 12.D of the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondent Nancy J. Sertich Kennedy has violated Sections 12.A, 12.C and 12.D of the Act; and
2. That by virtue of the foregoing, the Respondent Nancy J. Sertich Kennedy is subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits her from offering or selling securities in the State of Illinois.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Nancy J. Sertich Kennedy is hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This ~~3rd~~ day of September, 2009
2nd



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. I, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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