

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: SKB CONSULTING, LLC, )  
ITS OFFICERS, DIRECTORS, ) File No. 0700216  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS, )  
AND SCOTT A. SMITH )  
)

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NOTICE OF HEARING

TO THE RESPONDENT: SKB Consulting, LLC  
Scott A. Smith  
3701 Highway 5 North, Suite 208  
Bryant, Arkansas 72022

You are hereby notified that pursuant to Section 15-55 of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Act"); and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702, on the 20<sup>th</sup> day of June, 2007, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order of Prohibition should be entered against SKB Consulting, LLC and Scott A. Smith (the "Respondents") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 15-55 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Respondent, SKB Consulting, LLC, is a purported business entity with a last known address of 3701 Highway 5, Suite 208, Bryant, Arkansas 72022;

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2. That, at all times relevant the Respondent Scott A. Smith was an Officer, Director, Agent or Employee of SKB Consulting, LLC;
3. That on or about August 30, 2005, SKB Consulting, LLC, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Scott A. Smith, offered to procure a loan for at least one (1) Illinois resident in the amount of \$2,250,000 in return for a fee of \$25,000;
4. That on or about April 9, 2007, SKB Consulting, LLC, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Scott A. Smith, offered to procure a loan from a third party for at least one (1) Illinois resident for a fee by stating on its website that "SKB has over 100 sources to ensure that you get the most beneficial loan program that fits your needs";
5. That as of this date, the aforesaid website continues to appear on the Internet in the State of Illinois.
6. That the above-referenced business entity, SKB Consulting, LLC, is a loan broker as that term is defined pursuant to Section 15-5.15. of the Illinois Loan Brokers Act of 1995 [815 ILCS 175/15-1 et seq.] (the "Act");
7. That Section 15-85(b)(1) of the Act provides, inter alia, that it is prohibited under the Act for a loan broker to either directly or indirectly act as a loan broker without registration under the Act unless exempt under the Act;
8. That Section 15-10 of the Act provides, inter alia, that it shall be unlawful for any person to engage in the business of loan brokering unless registered under the Act;
9. That at all times relevant hereto, SKB Consulting, LLC, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Scott A. Smith, failed to file an application for registration as a loan broker with the Secretary of State prior to the aforementioned loan offer in the State of Illinois;
10. That by virtue of the foregoing, SKB Consulting, LLC, by and through their Officers, Directors, Employees, Affiliates,

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Successors, Agents and Assigns, including Scott A. Smith, have violated Sections 15-85(b)(1) and 15-10 of the Act;

11. That Section 15-55(c) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated any provision of this Act, the Secretary of State may, by written order temporarily or permanently prohibit or suspend such person from acting as a loan broker;
12. That Section 15-55(d) of the Act provides, inter alia, that if the Secretary of State shall find any person is acting or has acted as a loan broker as defined in Section 15-5.15 of this Act, without prior thereto or at the time thereof having complied with the registration requirements of the Act, the Secretary of State may by written order prohibit such person from acting as a loan broker in the State;
13. That Section 15-55(a) of the Act provides, inter alia, that if the Secretary of State determines, after notice and opportunity for a hearing, that a person has violated the Act, The Secretary of State may in addition to all other remedies, impose an administrative fine upon the person in an amount not to exceed \$10,000.00 for each violation of the Act;
14. That by virtue of the foregoing, the Respondents, SKB Consulting, LLC, by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, including Scott A. Smith, are subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondents from acting as a loan broker in the State of Illinois;

You are further notified that you are required pursuant to 14 Ill. Adm. Code 130, Subpart K: Procedures For Administrative Hearings (the "Rules"), and specifically Sections 130.1104 and 130.1107 of the Rules, to file an answer to the allegations outlined above, a Special appearance, or other responsive pleading, within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

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Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondents.

Dated this 1st day of May, 2007.



Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Johan Schripsema  
Illinois Securities Department  
Lincoln Tower, Suite 200  
300 W. Jefferson, Suite 300A  
Springfield, Illinois 62702  
Telephone: (217) 524-1688  
Enforcement Fax: (217) 782-8876

Hearing Officer:

Jon K. Ellis  
1035 South 2<sup>nd</sup> Street  
Springfield, Illinois 62704  
Telephone (217) 528-6835  
Fax: (217) 528-6837