

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: EDWARD L. SENSOR

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)  
) File No. 0400121  
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ORDER OF PROHIBITION

TO THE RESPONDENTS:       Edward L. Sensor  
                                  1908 21<sup>st</sup> Ave.  
                                  Sterling, Illinois 61081

                                  Edward L. Sensor  
                                  2404 16<sup>th</sup> Ave.  
                                  Sterling, Illinois 61801

WHEREAS, the record of the above captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, Jon K. Ellis, in the above-captioned matter have been read and examined;

WHEREAS, the following proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The pleadings and Exhibits have been offered and received from the Department and a proper record of all proceedings has been made and preserved as required by law.
2. The Hearing Officer has ruled on all motions and objections timely made and submitted.
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and subject matter dealt with herein, due and proper notice having been previously given as required by statute in this Matter.
4. As no Answer was filed, Respondent, Edward L. Sensor, is therefore deemed to be in default.

Order of Prohibition

-2-

5. That the Respondent is an individual with a last known addresses of 1908 21<sup>st</sup> Avenue, Sterling, Illinois 61081 and 2404 16<sup>th</sup> Avenue, Sterling Illinois 61081.
- 6.A. That on or about March 5, 2001 and September 7, 2001, the Respondent offered and sold to PC, an Illinois resident, a note in exchange for a total investment of \$90,669.00 and that this note stated that the Respondent would repay the principal plus 10% interest within one year;
- B. That at the time of the offer and sale of the aforesaid note, the Respondent represented that he would invest said funds in the growth of his business, which included the purported purchase of a building where he purportedly would locate his business and rent out the additional space for income, and the Respondent also represented that he would make minimum payments of \$3,000.00 per month which would represent principal and interest;
- C. That the Respondent never invested PC's investment in his business or for the purchase of a building or his business, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, PC;
- D. That while PC received payments of varying amounts between July 3, 2001, and May 20, 2002, for a total sum of \$19,800.00, since that time and as of the present date, PC has not received any further payment or return of any kind from the Respondent and has not been able to contact the Respondent in this regard despite numerous attempts on PC's part to do so; and
- E. That at all times relevant hereto, the Respondent obtained money and property from PC, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to PC that he would pay PC the principal plus 10% interest within a year with a minimum monthly payment of \$3,000.00, and that he would invest said funds in his business, including a purchase of a building for said business and additional income, when, in fact, the Respondent did not invest said funds as he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without

Order of Prohibition

-3-

the knowledge of, or authority from, PC, and furthermore, the Respondent has failed to repay PC either the full principal or interest within the agreed time period, and PC has been unable to contact the Respondent in this regard despite numerous attempts on PC's part to do so.

- 7.A. That on or about April 8, 2002, the Respondent offered and sold to ES, an Illinois resident, an investment plan whereby the Respondent represented that for an investment of \$10,000.00 by ES, the Respondent would invest said funds in commodities on her behalf and for her benefit;
- B. That on or about July 9, 2002, the Respondent offered and sold to ES, an Illinois resident, an investment plan whereby the Respondent represented that for an investment of \$5,000.00 by ES, the Respondent would invest said funds in commodities on her behalf and for her benefit;
- C. That on or about September 18, 2002, the Respondent offered and sold to ES, an Illinois resident, an investment plan whereby the Respondent represented that for an investment of \$5,000 by ES, the Respondent would invest said funds in commodities on her behalf and for her benefit;
- D. That the Respondent never invested ES's aforesaid funds in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, ES; and
- E. That at all times relevant hereto, the Respondent obtained money or property from ES, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to ES that he would invest her funds in commodities on her behalf and for her benefit, when in fact, the Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, ES.

Order of Prohibition

-4-

- 8.A. That on or about August 19, 2002, the Respondent offered and sold to CW and BW, Illinois residents, an investment plan whereby the Respondent represented that for a total investment of \$19,928.27 by CW and BW, the Respondent would invest said funds in commodities on their behalf and for their benefit;
- B. That the Respondent never invested the aforesaid funds of CW and BW in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CW and BW, and furthermore, as of this date, CW and BW never received any return from their investment and have not been able to contact the Respondent in this regard, despite repeated attempts on their part to do so; and
- C. That at all times relevant hereto, the Respondent obtained money or property from CW and BW, Illinois residents, by means of an untrue statement of material fact or an omission to state a material fact by representing to CW and BW that he would invest their funds in commodities on their behalf and for their benefit, when in fact, the Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and investors, without the knowledge of, or authority from, CW and BW, and furthermore, as of this date, CW and BW never received any return from their investment and have not been able to contact the Respondent in this regard, despite repeated attempts on their part to do so.
- 9.A. That on or about October 31, 2001, the Respondent offered and sold to CG, an Illinois resident, an investment plan whereby the Respondent represented that for an investment of \$11,3000.00 by CG, the Respondent would invest said funds in commodities on her behalf and for her benefit;
- B. That the Respondent never invested CG's aforesaid funds in the manner he represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes, including payment of earlier investors, without the knowledge of, or authority from, CG, and furthermore, as of this date, CG never received any return from her investment and have not been

Order of Prohibition

-5-

able to contact the Respondent in this regard despite repeated attempts on her part to do so; and

- C. That at all times relevant hereto, the Respondent obtained money or property from CG, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to CG that he would invest her funds in commodities on her behalf and for her benefit, when in fact, the Respondent did not invest said funds in the manner he represented, but rather deposited said funds in his own account and used said funds for his own personal benefit and purposes, including payment of earlier investor, without the knowledge of, or authority from, CG, and furthermore, as of this date, CG never received any return from her investment and have not been able to contact the Respondent in this regard, despite repeated attempts on her part to do so.
10. That each of the above referenced notes and investment plans is a security as that term is defined pursuant to Section 2.1 of the Act, and is an offer and a sale of a security as defined by Section 2.5 of the Act.
11. That Section 5 of the Act provides that all securities except those set forth under Section 2a, or those exempt under Section 3, 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.
12. That at all times relevant hereto, the Respondent failed to file an application for registration of the above referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois.
13. That Section 2.1 of the Act defines the term "Security as any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option or privilege on any security, certificate of

## Order of Prohibition

-6-

deposit, or group of index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "Security", or any certificate of interest or participation in, temporary or interim certificate for, receipt of, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. "Security" does not mean a mineral investment contract or mineral deferred delivery contract; provided, however, the Department shall have the authority to regulate these contracts as hereinafter provided.

14. That Section 2.5 of the Act defines the term "Sale or Sell" to include the full meaning of that term as applied by or accepted in the courts of this State, and shall include every contact of sale or disposition of a security or interest in a security for value.
15. That Section 2.5a of the Act defines the term "Offer" to include every offer to sell or otherwise dispose of, or solicitation of an offer to purchase, a security or interest in a security for value; provided that the term "Offer" shall not include preliminary negotiations or agreements between an issuer and any underwriter or among underwriters who are or are to be in privity of contract with an issuer, or circulation or publication of an identifying statement or circular or preliminary prospectus, as defined by rules or regulations of the Secretary of State.
16. That the Respondent induced Illinois resident to purchase said securities as detailed and documented in the Department's pleadings, Exhibits and testimony without first having registered the securities with the Illinois Secretary of state as is required by the Act. The foregoing actions, representations, and/or omissions tended to work a fraud upon Illinois purchasers, were untrue or misleading of material facts, and were made to obtain money from Illinois purchasers.
17. That Section 12.A of the Act provides that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.

Order of Prohibition

-7-

18. That Section 12.D. of the Act provides that it shall be a violation of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under any provision of the Act.
19. That Section 12.G. of the Act provides 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.
20. That by virtue of the foregoing, the Respondent has violated Sections 12.A, 12.D and 12.G of the Act.
21. That Section 11.E(2) of the Act provides that if the Secretary of State shall find that any person has violated subsections D and/or G of Section 12 of the Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities in this State, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change of circumstances justifying the amendment or termination of the order of permanent prohibition.
22. That Section 11.E.(3) of the Act provides 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.
23. That Section 11.E(4) of the act provides that in addition to any other sanction or remedy contained in subsection E, the Secretary of State may, after finding that any provision of this Act has been violated, impose a fine as provided by rule, regulations or order not to exceed \$10,000.00 for each violation of the Act, and may issue an order of public censure against the violator.

Order of Prohibition

-8-

24. That the entry of a final written Order of Public Censure, Permanent Prohibition and a Fine is proper in this Matter, given the conduct of the Respondent as described in the pleadings and Secretary of State Exhibits No. 1-11 and the testimony.

WHEREAS, the following proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Department may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 IL.Dec.873, 66 Ill.App.3d 127, 383 N.E.2d 681; In Re the Marriage of Garde, 1983, 73 Ill.Dec. 816, 118 Ill.App.3d. 303, 454 N.E.2d 1065). Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent that fails to appear or answer the charges.
2. The actions, representations, and/or omissions of the Respondent made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondent made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act. The actions, representations, and/or omissions of the Respondent which were untrue or misleading of material facts and were made to obtain money from Illinois purchasers are violations of Section 12.G of the Act.
3. That by virtue of the foregoing, the Respondent is subject to an Order of Prohibition in the State of Illinois and/or granting such other relief as may be authorized under the Act.
4. Because of the Findings of this Order, the pleadings, and the Exhibits admitted as Secretary of State Exhibits No. 1-11, and the testimony, the Respondent is subject to the entry of a final written Order that permanently prohibits the Respondent pursuant to Sections 11.E(2) and 11.E(3) of the Act from offering or selling securities in the State of Illinois, imposes a fine pursuant to Section 11.E(4) of the Act not to exceed \$10,000.00 for each violation of the Act, publicly censures the Respondent in this Matter, and grants such other relief as may be authorized under the Act.




Order of Prohibition

-9-

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Respondent shall be permanently prohibited from offering and selling securities in the State of Illinois;
2. The Respondent shall be publicly censured, and;
3. The Respondent shall pay a fine in the amount of \$20,000 for multiple violations of the Act, and that that Respondent will deliver a certified check or money order within ten (10) days of the entry of the Order. The check shall be payable to the Secretary of State, Securities Audit and Enforcement Fund.

ENTERED: This 26<sup>th</sup> day of October, 2005

  
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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.

Order of Prohibition

-10-

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