

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

**IN THE MATTER OF: Atty F. Biswese, and  
Biswese and Associates.**

**FILE NO. 0400637**

**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS**

Atty F. Biswese  
40 E. Roosevelt Road Unit 305  
Chicago, Illinois 60605

Biswese and Associates  
40 E. Roosevelt Road Unit 305  
Chicago, Illinois 60605

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:

**Count I through Count III**  
**Fraud In the Offer or Sale of Securities**

1. Respondent, Atty F. Biswese, (hereinafter "Biswese," or collectively with Respondent Biswese and Associates, "Respondents") is a natural person. Respondent currently resides at 40 E. Roosevelt Road Unit 305, Chicago, Illinois. Respondent Biswese conducts business under the name of Biswese and Associates as well as Atty Biswese.
2. Respondent, Biswese and Associates or collectively with Respondent Biswese "Respondents") is located at 40 E. Roosevelt Road, Unit 305 Chicago, Illinois.
3. Respondent Biswese solicited more than one Illinois investor to enter in an agreement ("Investment Contracts") in which their money would be invsted in an equity portfollio managed by Respondent Biswesse.
4. In or around February 2005, at least one Illinois Investor entered into the investment contract described in paragraph 4.

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5. Despite Respondents' claims that the funds would be invested in an equity portfolio, Respondent Biswese diverted a significant amount of the investors' funds to his personal use.
6. Respondents on numerous occasions provided false statements regarding the net worth of the investments and the status of their funds.
7. One or more of the Illinois Investors requested to close out their account and have the proceeds remitted to them.
8. Respondents' informed the investor that such a transaction was impossible, since the account was tied up in an arbitration claim. In fact, neither the investment accounts nor the Respondents were involved in any arbitration that would prohibit them from disbursing the investors funds.
9. The Investment Contract referenced in paragraphs 3 and 4 is a security as defined in Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5.1 et seq.] (The "Act").
10. The activities described in paragraphs 3 and 4 constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
11. Section 12.F of the Act provides 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.
12. 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.
13. Section 12.I of the Act provides that it shall be a violation of the Act for any person To employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
14. By virtue of the foregoing, Respondents have violated 12.F, 12.G and 12.I of the Act and will violate them again if he makes further offers, or if they make any sales, of the investment contract describe above in the State of Illinois.

**Count IV and V**  
**Sale of Unregistered Securities**

15. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

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16. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act, and as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
17. Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
18. Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
19. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

**Count VI**

**Failing to Register as an Investment Advisor**

20. The Investment Contracts described in paragraphs 3 and 4 above provided that Respondents would receive a fee for managing the portfolio.
21. At all relevant times, Respondent Biswese was not registered in the State of Illinois as an Investment Advisor or Investment Advisor Representative.
22. At all relevant times, Respondent Biswese and Associates is not currently registered in the State of Illinois as an Investment Advisor or Investment Advisor Representative
23. Section 12.C of the Act provides, inter alia, that it shall be a violation for any person to act as a dealer, salesperson, investment advisor, or investment advisor representative, unless registered as such, where such registration is required under the provisions of the Act.
24. That by virtue of the foregoing, Respondents have violated Sections 12.C of the Act.
25. The aforementioned findings are based upon credible evidence.
26. Section 11.F (2) 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, 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.
27. The entry of this Temporary Order prohibiting Respondents from acting as an investment advisor and offering or selling securities in or from the State of Illinois

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is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.


NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent, Atty F. Biswese and Respondent Biswese and Associates are prohibited from:

1. Offering or selling securities in or from this State until the further Order of the Secretary of State; and
2. From acting as an investment advisor or investment advisor representative until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Gregory J. Solberg, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty 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 THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 26<sup>th</sup> day of August 2005.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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