

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

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**IN THE MATTER OF:**

**File No. 0400711**

**Frank T. Devine  
(CRD # 2035363)**

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**TEMPORARY ORDER OF PROHIBITION**

**TO THE RESPONDENT:** Frank T. Devine  
20 Century Drive  
Oswego, IL 60543

Fred Michael Morelli, Jr.  
Morelli & Cook  
Attorney for Respondent  
403 W. Galena Blvd., P.O. Box 1416  
Aurora, IL 60506-3947

On information and belief, I, Jesse White, Secretary of 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 find:

**BACKGROUND FACTS**

1. Frank T. Devine ("Respondent") is an individual, whose last known address is 20 Century Drive, Oswego, IL 60543.
2. At all times relevant to this Order of Prohibition, Respondent was the owner and president of The Professional Financial Services Group, Inc. ("PFSG"), an Illinois corporation based in Oswego that he operated as an investment firm.

**Respondent Falsely Represented Facts to Investors in order to Perpetuate a Fraud**

3. Respondent operated a Ponzi scheme, whereby Respondent paid returns to investors with money generated from subsequent investors rather than from profits generated by any real business. This was done in order to attract more investors.
4. Many elderly individuals entrusted Respondent with their life savings, including two wards of the state of Florida.

5. Respondent falsely represented to investors an investment involving a tax-advantaged sale of corporate vehicles by a corporation to its employees while maintaining an “arm’s length” standard. In such a scheme, when a corporation had a vehicle to sell and an employee wished to purchase it, Respondent would purchase the vehicle from the corporation at a discount and resell it to the employee at a predetermined price. The difference would be the profit to the investor group. Each resale was to generate a \$3,000.00 profit to the investors, representing a 12-week, 15% return on their investment.
6. In fact, the vehicles Respondent claimed the corporation wished to sell never existed.
7. Respondent falsely represented to other investors that he would use their funds to purchase property, which he would then lease to governments and corporations. These leases would provide investors with a high rate of return.
8. In fact, Respondent never used the investors’ money to purchase real estate.
9. Respondent told other investors he would use their funds to invest in initial public offerings (IPOs) of corporations.
10. In fact, Respondent never used investor funds to invest in IPOs. In many instances, he instead used the funds for his own personal expenses.
11. Respondent collected approximately \$4.8 million from investors through his fraudulent misrepresentations. Respondent managed to only pay investors approximately \$2 million in order to perpetuate the Ponzi scheme.
12. Section 12.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq.*], (“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 conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
13. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act 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.
14. Section 12.I of the Act provides, *inter alia*; that it shall be a violation of the Act to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
15. By virtue of the foregoing, Respondent violated Section 12.F, 12.G and 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, **Respondent Frank T. Devine** is **PROHIBITED** from offering or selling securities in or from this State 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 Director, Illinois Securities Department, 69 W. 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 (60) 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 22nd day of February, 2006

  
JESSE WHITE  
Secretary of State  
State of Illinois

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