

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: ALLIANCE FINANCIAL SERVICES OF )  
ILLINOIS, LTD., THEIR OFFICERS, )  
DIRECTORS, EMPLOYEES, AFFILIATES, )  
SUCCESSORS, AGENTS AND ASSIGNS, )  
AND BURTON STERN, INDIVIDUALLY. )

File No. 0300674

FIRST AMENDED NOTICE OF HEARING

TO THE RESPONDENTS: Alliance Financial Services of Illinois Ltd.  
1300 West Belmont Avenue  
Suite 201  
Chicago, Illinois 60657

Burton Stern  
1300 West Belmont Avenue  
Suite 201  
Chicago, Illinois 60657

c/o Richard S. Jalovec  
Richard S. Jalovec & Associates, Ltd.  
Attorney at Law  
1021 West Adams Street, Suite 201  
Chicago, Illinois 60607

You are hereby notified that pursuant to Section 10-55 of The Illinois Business Brokers Act of 1955, 815 ILCS 307/10-1, *et seq.* (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 10<sup>th</sup> day of December, 2008, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Amended Notice.

Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against Alliance Financial Services of Illinois Ltd., and Burton Stern its directors, officers agents, employees, sales representatives, and affiliates, and Burton Stern, individually (collectively "Respondents"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a

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monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. Respondent Alliance Financial Services of Illinois, Ltd. ("Alliance") is an Illinois Corporation and maintains a last known business address at 1300 West Belmont Avenue, Chicago, Illinois 60601.
2. Respondent Burton Stern, ("Stern", collectively with "Alliance" "Respondents") an individual who maintains his last known address at 1300 West Belmont Avenue, Chicago, Illinois 60601.
3. That from on or about April 2006 Respondents individually and by and through their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns (the "Respondents"), offered and held themselves out as providing business for sale and services to potential business buyers for a fee to at least one Illinois resident.
4. That the Respondents activities described at paragraph 3 are the activities of engaging in the business of acting as a Business Broker as that term is defined pursuant to Section 10-5.10. of the Illinois Business Brokers Act of 1995 [815 ILCS 307/10-1 et seq.] (the "Act").
5. That Section 10-85 (b)(1) of the Act provides, inter alia, that it is prohibited under the Act for a business broker to either directly or indirectly engage in the business of acting as a business broker without registration under the Act unless exempt under the Act.
6. That at all times relevant hereto, the Respondents were not registered as a business broker with the Secretary of State prior to the aforementioned activities in the State of Illinois, and that on June 22, 1998 an Order of Permanent Prohibition was entered wherein Stern was permanently prohibited from registering as a business broker.
7. That by virtue of the foregoing, the Respondents have violated Section 10-85(b)(1) of the Act.
8. That on June 22, 1998 an Order of Permanent Prohibition was entered in the matter of Nationwide Industries Inc, its officers, directors, employees, agents, affiliates, successors and assigns in File number 9700798. Burton Stern was found to be included in the officers, directors, employees, agents, affiliates, successors and assigns of Nationwide Industries and Stern was permanently prohibited from registering as a business broker.

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9. That on or about October 5, 2007 Respondent Stern attempted to register as a Business Broker, in derogation of the prior order of this Department.
10. That section 10-5.10. of the Act provides in part: "Business Broker' means any person who is required to register under Section 10-10 of this Act and...(4) advertises or represents himself as a business broker...."
11. That continuing to on or about February 21, 2008 Burton Stern and Alliance Financial Service LTD. Were listed on the <http://www.bizbuysell.com> in alliance with The Wall Street Journal Online as Cook County Business Brokers. That the area served by Burton Stern was listed as Cook County, Illinois at the phone number 773-6907-6869. That Alliance Financial Service Ltd. had "a featured businesses for sale" a "Profitable Manufacturing and Dis... with a "cash flow \$1,000,000" and "asking: undisclosed." Under the heading "About the Sale" it provided: "Financing: Alliance will provide Buyer with Investment Bankers."
12. That on or about April 5, 2006 an advertisement appeared in The Wall Street Journal in the classified section under "Businesses For Sale": "Listing of profitable Companies for Acquisition.. with no principal payments, Providing accounting and leveraging strategy. Call: 773,697-686."
13. That the phone number 773-697-6869 is the same phone number as listed on business card for Burton Stern and Alliance Financial LTD when handed out to a potential business purchaser/client.
14. That by virtue of the foregoing, the Respondents have violated Section 10-85(b)(1) of the Act.
15. That Section 10-65 of the Act provides: Any person who willfully violates this Act commits a class 4 felony.
16. That by virtue of the foregoing, the Respondent has violated Section 10-65 of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

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You are also notified, pursuant to the Illinois Administrative Code, Title 14, Subtitle A, Chapter 1, Part 130, Subpart K, Procedures for Administrative Hearings: Section 130.1102 c); which in part provides: "That by requesting a hearing the Respondent agrees to a tolling of the time limitation on the effectiveness of the Temporary Order or Prohibition or Suspension for 60 days from the date the request is received by the Department."

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, unless any Respondents has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 19<sup>th</sup> day of November, 2008.

Handwritten signature of Jesse White in black ink, with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
312-793-3988

Hearing Officer:

James L. Kopecky  
190 South LaSalle Street, Suite 850A  
Chicago, Illinois 60603  
Telephone: (312) 380-6552