



Jesse White
SECRETARY OF STATE

NEWS

ILLINOIS SECRETARY OF STATE

FOR IMMEDIATE RELEASE

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**Broker Who Swindled Illinois Senior Citizens
of Over \$1 Million Gets Nine Year Jail Term**

SPRINGFIELD — Illinois Secretary of State Jesse White announced today that a former stockbroker was sentenced to nine years in prison for defrauding three Illinois residents of over \$1 million.

An investigation by White's Securities Department and a prosecution by the U.S. Attorneys Office resulted in the sentencing of John R. Whitlow, 51, as well as an order to pay restitution of \$628,654. Whitlow plead guilty to mail fraud, money laundering, engaging in monetary transactions in property derived from unlawful activity and making and filing a false income tax return.

"Protecting Illinois investors from fraud is one of my top priorities," White said. "This sentencing sends a clear message that stockbrokers who prey on our senior citizens will go to jail."

Whitlow owned and operated an insurance and securities business known as Central Illinois Financial Services located in Bloomington, Illinois. Whitlow defrauded three senior citizen clients of over \$1 million dollars by having two clients grant him financial powers of attorney and another client appoint him as the trustee of her life insurance trust. After receiving these financial powers, Whitlow proceeded to withdraw money from each of the client's accounts and spend the money for personal or business use. Two of the victims are now deceased.

In 1996, the Illinois Securities Department audited Central Illinois Financial Services and Whitlow. Based upon that audit

and an investigation, the Department revoked Whitlow's securities salesperson registration in Illinois.

This case was investigated and prosecuted by the cooperative effort of the Secretary of State's Securities Department, the U.S. Attorney's Office, the Criminal Investigative Division of the IRS, the Postal Inspection Service and the Illinois State Police.

Before picking a stockbroker or making any investment, Secretary of State Jesse White urges investors to consider the following:

- Is the stockbroker or the person selling the investment registered with the Illinois Securities Department? Call the Illinois Securities Department at 1-800-628-7937 and 1-888-231-1175 (Spanish speaking assistance) to find out. If they are not, they may be operating illegally.
- Has the stockbroker given you written information that fully explains the investment? Make sure you get proper written information, such as a prospectus or offering circular, before you buy. The documentation should contain enough clear and accurate information to allow you or your financial adviser to evaluate and verify the particulars of the investment.
- Before granting a Power of Attorney to your stockbroker or investment adviser or appointing them your trustee, have the documents reviewed by your attorney and ensure that you completely understand all the power and authority you are granting by signing a Power of Attorney or appointing a trustee. You may want to consider possible alternatives to a stockbroker such as a relative or family member.

Secretary of State White's Securities Department regulates the offer and sale of securities in Illinois, providing for the protection of investors and the maintenance of a fair and orderly securities marketplace. Illinois requires that all securities dealers, salespersons and investment advisers and their securities offerings be registered with the Department unless exempt by law. The Department enforces standards of conduct among those registered to conduct securities business in Illinois as well as dealing with consumer allegations of fraud or improper practices in the securities marketplace. Anyone who believes they have been a victim of securities fraud should contact the department at 1-800-628-7937 and 1-888-231-1175 (Spanish speaking assistance).