

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: FRANK T. DEVINE

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File No. 0400711

ORDER OF PROHIBITION

TO THE RESPONDENTS: FRANK T. DEVINE
FCI Sandstone
Federal Correctional Institute
P.O. Box 1000
Sandstone, MN 55072

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on October 12, 2006 temporarily prohibiting Respondent from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

BACKGROUND FACTS

1. Frank T. Devine ("Respondent") is an individual, whose last known address is 184 Shuman Blvd., Suite 200 Naperville, IL 60563.
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.


Count 1: Wire Fraud

1. Respondent operated a Ponzi scheme, whereby Respondent was paying off early investors from money generated from later investors in order to attract more potential investors.
2. Respondent falsely represented to potential investors an investment that involved a tax-advantaged sale of corporate vehicles, by a corporation, to employees in that same corporation. Once a corporation had a vehicle to sell, and an employee who 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.
3. Respondent explained to potential investors that the resale of the vehicles to the corporation's employees would reap a \$3,000 profit per vehicle sold which would represent a 15% return on investment in twelve weeks.
4. The vehicles Respondent claimed the corporation wished to sell never in fact existed.
5. When investors asked Respondent to see the vehicles, Respondent falsely explained that he could not do so because the corporate employees would not allow him to show the investors the vehicles because the investors would fear that the investors would want to keep the vehicles themselves.
6. Respondent falsely represented to other investors that he would use their funds to purchase property that he would then lease to governments and corporations, providing investors with a high rate of return by way of the leases.
7. Respondent never did use the investors' money to purchase real estate.
8. Respondent also told investors that he would use investor funds to invest in initial public offerings in corporations.
9. Respondent never, in fact, used investor funds to invest in IPO's and in many instances used the funds for his own personal expenses.
10. Investors provided Respondent with approximately 4.8 million dollars based on his fraudulent misrepresentations.
11. Respondent only paid back to investors approximately two million dollars in order to perpetuate his Ponzi scheme.

12. Among the victims of Respondent's fraudulent conduct were two wards of the state of Florida who were brain damaged and incapacitated, and many elderly individuals who trusted Respondent with their life savings.
13. 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.
14. Section 12.G of the Act provides 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.
15. Section 12.I of the Act provides 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.
16. 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 permanently **PROHIBITED** from offering or selling securities in or from this State of Illinois.

Dated: This 12th day of December 2006



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order shall be a violation of 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 this Order, shall be guilty of 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, Sec. 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.

Attorney for the Secretary of State:
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