

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

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))
IN THE MATTER OF:))
))
TERRENCE L. DONATI a/k/a TERRY L.) **No. C0800276**
DONATI, AMY DONATI, and))
BRIGHTON HILL ENTERPRISE, INC.,))
d/b/a NORTHWEST BUSINESS BROKERS))
_____))

NOTICE OF HEARING

TO THE RESPONDENTS:

TERRENCE L. DONATI
210 Penny Avenue, Suite A,
East Dundee, Illinois 60118

TERRENCE L. DONATI
933 Willow Lane
Sleepy Hollow, Illinois 60118

AMY DONATI
210 Penny Avenue, Suite A,
East Dundee, Illinois 60118

AMY DONATI
933 Willow Lane
Sleepy Hollow, Illinois 60118

BRIGHTON HILL ENTERPRISE, INC.
210 Penny Avenue, Suite A,
East Dundee, Illinois 60118

BRIGHTON HILL ENTERPRISE, INC.
933 Willow Lane
Sleepy Hollow, Illinois 60118

You are hereby notified that, pursuant to Section 10-40 of the Illinois Business Brokers Act of 1995 1953 (815 ILCS 307/10-1, *et seq.*) (the "Act") and 14 Ill. Adm. Code 130, Subpart K (the "Rules"), a public hearing is scheduled to be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 17th day of December, 2008, at 10:00 a.m., or as soon thereafter as counsel may be heard, before **George P. Berbas, Esq.**, or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered Finding Respondents Terrence L. Donati, Amy Donati, and Brighton Hill Enterprise, Inc., in violation of the Act and granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount of

Notice of Hearing

C0800276

- 2 -

\$10,000.00 per violation pursuant to Section 10-55 of the Act, for each and every violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

- 1) Respondent Brighton Hill Enterprise, Inc. ("BRIGHTON") is an Illinois Corporate entity not in good standing with the State of Illinois, and is registered to do business as a Business Broker with the Illinois Secretary of State with an address of 210 Penny Avenue, Suite A, in East Dundee, Illinois. BRIGHTON does business as "Northwest Business Brokers," and also operates out of 933 Willow Lane in Sleepy Hollow, Illinois.
- 2) Respondent Terrence L. Donati a/k/a Terry Donati ("TERRENCE D." or "DONATIS" in conjunction with Respondent Amy Donati) is a resident of the State of Illinois and is the founder of Respondent Brighton Hill Enterprise, Inc., and acts as BRIGHTON'S agent from 933 Willow Lane in Sleepy Hollow, Illinois, which is TERRENCE D.'s last known residential address as well.
- 3) Respondent Amy Donati ("AMY D." or "DONATIS" in conjunction with Respondent Terrence L. Donati) is a resident of the State of Illinois and is also the President and Secretary of Respondent Brighton Hill Enterprise, Inc. AMY D.'s last known residential address is 933 Willow Lane, in Sleepy Hollow, Illinois. AMY D. also does business from 8121 Sierra Woods Lane in Carpentersville, Illinois.
- 4) The DONATIS have complete control over the activities of BRIGHTON, including its bank accounts and all assets.
- 5) "Client" is a resident of Illinois.
- 6) On or about January 1, 2008, Respondents TERRENCE D. and BRIGHTON contracted with Client to act as Client's agent in brokering the purchase of a restaurant business located in Lake Bluff, Illinois (the "Business") from a third-party ("Seller").
- 7) In that contract Respondents TERRENCE D. and BRIGHTON promised to assist Client in procuring the Business from Seller for a purchase price of \$305,000.00.
- 8) In February of 2008 Respondents TERRENCE D. and BRIGHTON took \$30,000.00 from Client as a deposit on the purchase (the "Earnest Money"). Client paid the Earnest Money by a personal check for \$20,000.00 and providing an additional \$10,000.00 through a line of credit established by Client.

Notice of Hearing

C0800276

- 3 -

- 9) Respondent TERRENCE D. represented to Client that the Earnest Money would be held in escrow.
- 10) In Fact, Respondent TERRENCE D. did not place the Earnest Money in escrow, but rather, deposited it in Respondent BRIGHTON's business bank account.
- 11) Seller was unable to close on the sale of his business to Client, and in May of 2008, Client and Seller authorized the release of the purportedly escrowed Earnest Money to Client, even mailing Respondents a signed instruction to do so.
- 12) However, the DONATIS had refused to pay Client his Earnest Money until after August 1, 2008, when the Department issued a Temporary Order of Prohibition against them.
- 13) Respondents refused to pay Client his Earnest Money because the DONATIS spent the money to finance their lifestyle.
- 14) In fact, the DONATIS use the BRIGHTON account as their own personal piggy-bank, draining the BRIGHTON account to pay for, among other things, their mortgage, to purchase groceries and even to pay their cable television bill.
- 15) The BRIGHTON bank account, as with the DONATIS' respective personal accounts, is usually overdrawn, and as such, BRIGHTON is insolvent and unable to pay its liabilities to Respondents' customers, as this matter demonstrates.
- 16) The activities described in paragraph 6 through 8, above, are the activities of a business broker as defined by Section 10-5.10 of the Illinois Business Brokers Act of 1995 (the "Act"). *815 ILCS 307/10-1 et seq.*
- 17) Section 10-40(a) of the Act states, in pertinent part, that the Secretary of State may deny, suspend or revoke a registration of a business broker if the business broker: 1) is insolvent; or 2) has violated any provision of this Act.
- 18) As stated in paragraphs 12 through 15, above, Respondent BRIGHTON is insolvent and is financially unable to perform its contractual obligations of its business brokering duties.
- 19) Brighton's registration as a business broker is subject to revocation.
- 20) Section 10-85(a) of the Act states in pertinent part that a business broker shall not, in connection for the services of a business broker, either directly or indirectly: (1) employ any device, scheme, or artifice to defraud; (2) make any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of circumstances under which they are made, not

Notice of Hearing

C0800276

- 4 -

misleading; or (3) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.


- 21) Section 10-55(c) of the Act states in pertinent part that if the Secretary of State finds that any person has violated any provision of the Act, the Secretary of State may permanently prohibit such person from acting as a business broker.
- 22) The activities described in paragraphs 9 through 14, above, constitute a violation of Section 10-85(a)(1), (2) and (3), respectively, of the Act, and, therefore, Respondents are subject to an order of permanent prohibition from acting as business brokers.
- 23) Pursuant to Section 10-55 of the Act, if the Secretary of State determines, after notice and opportunity for a hearing, that Respondents violated the Act, the Secretary of State may impose an administrative fine of \$10,000.00 for each violation : in this matter each Respondent is subject to \$30,000.00 in administrative fines.

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.

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 Respondent has upon due notice moved for and obtained a continuance.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 17th day of October, 2008.


JESSE WHITE
Secretary of State
State of Illinois

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