

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

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IN THE MATTER OF: )

LOGISOL, INC. and )  
BELAL K. FARUKI, its/his partners, )  
officers and directors, agents, employees, )  
affiliates, successors and assigns. )

No 0900024

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**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENTS: Logisol, Inc.  
464 Bellar Court  
North Aurora, Illinois 60542**

**And**

**Belal K. Faruki  
464 Bellar Court  
North Aurora, Illinois 60542**

On information and belief, I, Jesse White, Secretary of State for the 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:

1. Respondent Logisol, Inc (at times hereinafter "Logisol" or together with Faruki "Respondents") was at all times relevant herein an Illinois corporation with a last known address of 464 Bellar Court, North Aurora, Illinois 60542.
2. Respondent Belal K. Faruki (at times hereinafter "Faruki" or together with Logisol "Respondents") was, at all times relevant herein, the president and principal agent of Logisol with a last known address of 464 Bellar Court, North Aurora, Illinois 60542.
3. On or about January 1, 2007 Respondent Faruki, individually and as agent of Logisol while conducting business within the State of Illinois solicited and sold a promissory note (hereinafter "Note") to at least one individual (hereinafter "Investor").

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4. The Note was entitled "LOAN AGREEMENT BETWEEN (Investor) and LOGISOL AMOUNT \$150,000, TERM 5 YEARS, INTEREST RATE 20%" and dated January 4, 2007.
5. Investor paid \$150,000 to Logisol and Faruki in exchange for the Note which provided for interest at 20% per year, payable at the rate of \$9000 quarterly with \$7200 to be applied toward principal and \$1800 to be applied toward interest until the "end date" of December 31, 2011.
6. The activities described above in paragraphs 3-5 constitute the offer and sale of a promissory note or an investment contract and are therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

### FRAUD IN SALE OF SECURITIES

12. Respondents failed to pay Investor as promised, and instead paid only \$27,000 for the first three quarters, and then failed to make any further payments.
13. At the time of the sale Respondents failed and refused to notify Investor of the risk involved in the purchase of the Note that could result in the loss of the money paid by the Investor; but instead, when queried by Investor, Respondent Faruki told Investor there would be no risk.
14. Section 12.F of 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 connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
15. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person 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.
16. By virtue of the foregoing, Respondents violated Sections 12.F and 12.G of the Act and will violate them again if they make further offers, or if they make any sales of Notes or other securities described above in the State of Illinois.
17. The aforementioned findings are based upon credible evidence.
18. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

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19. The entry of this Temporary Order of Prohibition prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Belal K. Faruki and Logisol, Inc.** their partners, officers and directors, agents, employees, affiliates, successors and assigns are **Temporarily 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 West 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 of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition 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 27<sup>th</sup> day of January 2010.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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