

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

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**IN THE MATTER OF:**

**John Burns, a/k/a John T Burns III**  
its partners, members, officers, directors,  
agents, employees, affiliates, successors  
and assigns;

**File Number: 1000153**

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**ORDER OF PROHIBITION**

**TO RESPONDENT:           John Burns**  
**2211 Sable Oaks Drive**  
**Naperville, Illinois 60564**

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on June 15, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois until further order from 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, the 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 the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

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

**I. FRAUD**

1. Respondent John Burns ("Burns") is a natural person with the last known business address of Naperville, Illinois.

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2. Respondent Burns represented himself as the Executive Vice President, Sales person, and investment advisor of USA Retirement Management Services Inc.
3. Beginning in 2008 and continuing to 2010, Respondent gathered financial status information on Investors by offering seminars for a will and trust.
4. Respondent requested additional information and offered to complete Investors income taxes.
5. Respondent used the confidential information received from Investors to recommend alternative investments to these Illinois investors.
6. Respondent directly sold and offered to sell securities in the form of promissory notes and bonds to the general public, including residents and senior citizens of the State of Illinois ("Investors").
7. Respondent offered and sold millions of dollars in promissory notes that promised interest of 12.11% to 6.25% per annum.
8. Respondent encouraged investors to liquidate their existing retirement funds from stock and mutual fund accounts to invest promissory notes and bonds.
9. Respondent represented that the promissory notes would be used to purchase bond, Euro bonds or Turkish Euro bonds; no such bonds were actually purchased.
10. Respondent refused or omitted, to inform Investors that USA Retirement Management Services Inc. was not registered with the Illinois Secretary of State Securities Department.
11. Respondent refused or omitted, to inform Investors that the promissory notes were not registered with the Illinois Secretary of State Securities Department.
12. Respondent refused or omitted, to inform Investors that the Respondent failed to register with the Illinois Secretary of State Securities Department as a sales person/dealer or an investment advisor/ investment advisor representative.
13. Respondent refused or omitted, to inform Investors that he was never registered as a sales person/dealer or investment advisor/ investment advisor representative.
14. The activities described above constitute the offer and sale of a promissory note and 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 5/1 *et. seq.*] (the "Act").
15. Section 12.F of the Act provides 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. 815 ILCS 5/12.F

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16. Section 12.G of the Act states that it shall be a violation of the provisions of this 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." 815 ILCS 5/12.G.
17. Section 12.I of the Act states that it shall be a violation of the provisions of this Act for any person to, "employ any device, scheme, or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly. 815 ILCS 5/12.I.
18. By virtue of this foregoing conduct, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

**II. FAILURE TO REGISTER SECURITIES**

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. The activities described above constitute the offer and sale of a promissory note and 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 5/1 *et. seq.*] (the "Act").
16. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
17. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
18. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
19. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
20. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

**Count III**

**UNREGISTERED DEALER/SALESPERSON**

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.

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15. Through the conduct described in the preceding paragraphs, the respondent acted as a dealer and/or salesperson for the sale of promissory notes to investors.
16. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson unless registered such, where such registration is required under this Act.
17. That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.
18. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.

**Count IV**

**UNREGISTERED INVESTMENT ADVISOR/  
INVESTMENT ADVISOR REPRESENTATIVE**

- 1-14. Paragraphs 1-14 are re-alleged and incorporated by reference.
15. Through the conduct described in the preceding paragraphs, the respondent acted as an investment advisor and/ or investment advisor representative for the offer and sale of promissory notes to investors.
16. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as an investment advisor and/ or investment advisor unless registered such, where such registration is required under this Act.
17. That at all relevant times, the respondent was not registered as an investment advisor and/or investment advisor representative under the Act.
18. That by acting as an investment advisor and/ or investment advisor in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
19. The aforementioned findings are based upon credible evidence.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

Respondent violated Section 12.A, 12.C, 12.D, 12.F, 12.I and 12.G of the Act.

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NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondent John Burns is **shall be and are hereby permanently PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 15<sup>th</sup> day of July, 2010

A handwritten signature in black ink that reads "Jesse White" followed by a stylized monogram or initials.

JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the 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 the Order, shall be guilty of a 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, Section 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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Illinois Secretary of State Securities Department  
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