

Temporary Order of Prohibition

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2. Anne Chessick ("Respondent A. Chessick" or collectively with Respondents Lakeland, B. Chessick and Kennedy, "Respondents") was the Manager of Respondent Lakeland at all relevant times herein. Her last known address is 3149 Dundee Road, Ste. 180, Northbrook, Illinois 60062.
3. Barry Chessick ("Respondent B. Chessick" or collectively with Respondents Lakeland, A. Chessick and Kennedy, "Respondents") is a salesperson of Respondent Lakeland at all relevant times herein. His last known address is 3609 Pebble Beach Road, Northbrook, Illinois 60062.
4. Nancy J. Sertich Kennedy ("Respondent Kennedy" or collectively with Respondents Lakeland, A. Chessick and B. Chessick, "Respondents") is a salesperson of Respondent Lakeland at all relevant times herein. Her last known address is 18 W 432 91st Street, Lamont, Illinois 60439.
5. That on May 14, 2007, the Secretary of State entered a consent order against Respondent B. Chessick permanently prohibiting Respondent B. Chessick from offering or selling securities to or from the State of Illinois, pursuant to Section 11.E of the Act, on the Notice of Hearing dated October 17, 2006, case file C0500332.
6. Between June 2006 and June 2007, Respondents issued promissory notes that promised investors 50-75 percent rates of return due within one year of the investment ("Notes" or "Note"). Respondents sold the Notes for the stated purpose of raising \$1.5 million for the development and purchase of a 42-acre parcel located in New Buffalo Township, Michigan.

BACKGROUND FACTS COMMON TO ALL COUNTS

7. Investor DG, Investor RG, Investor CS and Investor DM are residents of the State of Illinois.
8. In Summer 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DM a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
9. In October 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$30,000 75% Note to Investor DM, with ~~principal and interest due in one year~~. In exchange, DM gave them a check for \$30,000.00.
10. In October 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DG a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.

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11. On or about November 20, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 75% Note to Investor DG, with principal and interest due in one year. In exchange, DG gave them a check for \$100,000.00.
12. In November 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered RG a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
13. On or about November 14, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$20,000.00 75% Note to RG's mother, Investor RS, with principal and interest due in one year. In exchange, RG gave them a check for \$20,000.00, payable to Lakeland Shores, LLC.
14. In late 2006, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor CS a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
15. On or about November 21, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 75% Note to Investor CS, with principal and interest due in one year. In exchange, CS gave them a check for \$100,000.00.
16. On or about December 28, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered Investor SD a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
17. On or about December 28, 2006, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$50,000.00 75% Note to Investor SD, with principal and interest due in one year. In exchange, SD gave them a check for \$50,000.00.
18. In late 2006, on behalf of Respondent Lakeland, Respondent Kennedy offered Investor JH a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
19. On or about January 6, 2007, on behalf of Respondent Lakeland, ~~Respondents B. Chessick and Kennedy sold a \$25,000.00 75% Note to~~ Investor JH, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.
20. On or about January 26, 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a second \$25,000.00 75%

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Note to Investor JH, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.

21. In early 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy offered Investor DW a Note, which promised to pay a 75% rate of return, due in one year from the date of the investment.
22. In February 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$25,000.00 75% Note to Investor DW, with principal and interest due in one year. In exchange, JH gave them a check for \$25,000.00.
23. In April 2007, on behalf of Respondent Lakeland, Respondent B. Chessick offered Investor DB a Note, which promised to pay a 50% rate of return, due in one year from the date of the investment.
24. On or about May 1, 2007, on behalf of Respondent Lakeland, Respondents B. Chessick and Kennedy sold a \$100,000.00 50% Note to Investor DB, with principal and interest due in one year. In exchange, DB gave them a check for \$100,000.00, made payable to Respondent Kennedy, as instructed by Respondents B. Chessick and Kennedy.
25. To date, despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the Notes.
26. To date, despite demands, Investors have not received any monies back from their investments, pursuant to the terms of the Notes.
27. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

COUNT I

**815 ILCS 5/12.A and D violations: Respondents are
unregistered securities.**

- 1-27. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 27 above, as paragraphs 1 through 27 of this Count I.

28. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."

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29. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
30. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
31. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
32. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

815 ILCS 5/12.C violations: Respondents are unregistered salespersons.

- 1-27. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 27 of Count I, as paragraphs 1 through 27 of this Count II.
28. The Activities of Respondent B. Chessick and Respondent Kennedy at paragraphs 8-24 constitute the activities of a salesperson as defined at Section 2.9 of the Act.
29. Section 12.C of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the “Act”) states that it shall be a violation of the provisions of this Act for any person to “act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act.”
30. ~~Section 8 of the Act provides, inter alia, that except as otherwise provided, every dealer, limited Canadian dealer, salesperson investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.~~
31. The facts alleged in paragraphs 1 through 28, demonstrate that Respondents B. Chessick and Kennedy violated Section 12.C of the Act.

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In particular: Respondents B. Chessick and Kennedy failed to file an application for registration as a salesperson with the Secretary of State, pursuant to Section 8 of the Act prior to the sale of securities to investors.

32. By virtue of the foregoing, Respondents B. Chessick and Kennedy violated Section 12.C of the Act.

COUNT III

815 ILCS 5/12.D violations: Respondent failed to comply with previous order of the Department.

- 1-27. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 27 of Count I, as paragraphs 1 through 27 of this Count III.
28. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
29. The facts alleged in paragraphs 1 through 28, demonstrate that Respondent B. Chessick violated Section 12.D of the Act. In particular: Respondent B. Chessick, in the offering and selling of Notes to investors violated the terms of a previous consent order entered on May 14, 2007, against Respondent B. Chessick that permanently prohibited Respondent B. Chessick from offering or selling securities to or from the State of Illinois.
30. By virtue of the foregoing, Respondent B. Chessick violated Section 12.D of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, **Respondents Barry Chessick, Nancy J. Sertich Kennedy, Anne Chessick and Lakeland Shores LLC** are **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 Tanya Solov, Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such

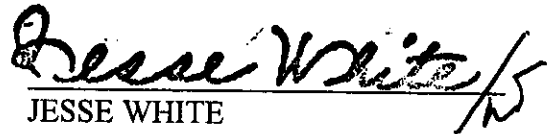
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request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonable practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty 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 16th day of April 2009.

A handwritten signature in black ink that reads "Jesse White" with a large number "15" written to the right of the name.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Felicia H. Simmons-Stovall
Enforcement Attorney
Office of the Secretary of State
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384