

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

---

IN THE MATTER OF: ESTATE MANAGEMENT SERVICES, INC. )  
A/K/A EMS, ITS OFFICERS, ) File No. 04000756  
DIRECTORS, EMPLOYEE, AFFILIATES, )  
SUCCESSORS, AGENTS AND ASSIGNS, )  
DANIEL GEORGE PETRILLI )  
)

---

ORDER OF PROHIBITION

TO THE RESPONDENT: Estate Management Services, Inc.  
A/K/A EMS  
Daniel George Petrilli  
60 Providence Lane  
Springfield, Illinois 62707  
  
c/o Carl Draper  
1307 S. Seventh St.  
Springfield, Illinois 62705

WHEREAS, the record of the above-captioned matter has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Facts and Conclusions of Law and Recommendation of the Hearing officer, John K. Ellis, in the above-captioned matter have been read and examined; and

WHEREAS, the proposed Findings of Fact are correct and are adopted by the Secretary of State as follows:

1. The evidence, exhibits and testimony have been offered and received from all parties and a proper record of all proceedings has been made and preserved as required;

Order of Prohibition

-2-

2. The Hearing Officer has ruled on all motions and objections timely made and submitted;
3. The Hearing Officer and the Secretary of State Securities Department have jurisdiction over the parties herein and the subject matter dealt with herein, due and proper notice having been previously given as required by statute in this case;
4. As no answer, special appearance or other responsive pleading was filed, the Respondents are therefore deemed to be in default;
5. Respondent is an Illinois corporation incorporated December 26, 1997 and involuntarily dissolved by the Illinois Secretary of State on May 1, 2003 with a last known business address of 60 Providence Lane Springfield, Illinois;
6. Respondent was in the business of providing estate planning to clients and the sale of insurance products consisting mainly of Life Insurance, Annuities, and Long Term Care Insurance;
7. At all times relevant, Respondent was not registered with the Secretary of State, Illinois Securities Department (the "Department") in any capacity;
8. On or about April 1, 2003, Respondent met with Illinois resident W.H. and recommended to him that he rollover through an investment transaction approximately \$300,000 in funds from the liquidation of a financial product issued by an insurance company into an Individual Retirement Account for investment and tax planning purposes;
9. Based upon this recommendation, on April 1, 2003, W.H. wrote a check payable to the order of: "EMS F/B/O HELM NQ IRA" in the amount of \$301,584.37. The memo line for the check states: "IRA (NQ) Rollover." This check was endorsed on the back "For Deposit Only Estate Management Services, Inc." and was deposited into a bank account in the name of Estate Management Services, Inc.;
10. The agent and representative of the Respondent stated on or about July 21, 2004 to W.H. that the \$301,584.57 had been invested in the "Cypress Equipment Fund II, Ltd."

Order of Prohibition

-3-

11. The Cypress Equipment Fund II, Ltd. was registered as a security with the Department from March 20, 1992 through March 20, 1994;
12. The following checks from Illinois resident N.L. were endorsed: "For Deposit Only Estate Management Services, Inc." and were deposited into a bank account in the name of Respondent:
  - a. A check in the amount of \$200,000 dated January 27, 2004 pay to the order of "EMS FBO N. Lach Rollover" with a memo line stating "Roth Rollover";
  - b. A check in the amount of \$12,627 dated September 15, 2004 pay to the order of "E.M.S. FBO N. Lach Rollover IRA" with a memo line stating "Allianz";
  - c. A check in the amount of \$17,395.88 dated October 29, 2004 pay to the order of "E.M.S. FBO Nancy Lach Account" with a memo line stating "Rollover Roth IRA"; and
  - d. A check in the amount of \$77,149.55 dated November 5, 2004 pay to the order of "EMS-FBO Nancy Lach Account" with a memo line stating "Roll over Roth IRA".
13. That Section 2.1 of the Act (815 ILCS 5/2.1) defines the term "Security" as "any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit sharing agreement, collateral trust certificate, pre-organization certificate or subscription, transferable share, investment contract, investment fund share, face-amount certificate, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral lease, right or royalty, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put,, call, straddle, option or privilege entered into on a national securities exchange relating to any foreign currency, or, in general, any interest or instrument commonly known as a "Security;"
14. That the above-referenced Cypress Equipment Fund II, Ltd. and transactions described in Paragraph 12 above

Order of Prohibition

-4-

are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");

15. From the above referenced transactions in paragraphs 9 and 12, approximately \$608,000 was deposited into the Estate Management Services, Inc. bank account. None of these funds were invested in the Cypress Equipment Fund II Ltd., and most of the investors' money was used to pay back other previous investors;
16. That Section 5 of the Act provides, inter alia, that all securities except all those set forth under Section 2.A of the Act, or 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;
17. The Respondents induced Illinois residents to purchase said securities as detailed and documented in the Department's pleading without first having registered the securities with the Illinois Secretary of State as is required by the Act. The foregoing actions, representations, and/or omissions tend to work a fraud upon Illinois purchasers, were untrue or misleading or omissions of material facts, and were made to obtain money from Illinois purchasers;
18. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any person to offer or sell securities except in accordance with the provisions of the Act;
19. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 of the Act;
20. That 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;

Order of Prohibition

-5-

21. That by virtue of the foregoing, the Respondents have violated Sections 12.A, 12.D and 12.F of the Act on at least five separate occasions;
22. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D or F of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
23. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act; and
24. The entry of a Final Order of Prohibition is proper in this case given the conduct of the Respondents as described in the Pleadings and Secretary of State Exhibit NO. 1.

WHEREAS, the proposed Conclusions of Law are correct and are adopted by the Secretary of State as follows:

1. After proper notification, the Complainant may proceed with a hearing in the Respondent's absence. (735 ILCS 5/1-105 and 5/2-1301; Ryan v. Bening, 1978, 22 Ill. Dec. 873, 66 Ill. App.3d 127, 383 N.E.2d 681; Koenig v. Nardullo, 1968, 99 Ill. App. 480, 241 N.E.2d 567) Significantly, the Notice of Hearing outlines that a default judgment may be entered against a Respondent who fails to appear or answer the charge(s);
2. The actions, representations, and/or omissions of the Respondents made in connection with the failure to offer or sell any security in accordance with the provisions of the Act are violations of Section 12.A of the Act. The actions, representations, and/or omissions of the Respondents made in connection with the failure to file required documents with the Secretary of State are violations of Section 12.D of the Act. The actions, representation, and/or omissions of the Respondents which worked or tended to work a fraud or deceit upon the purchasers of securities are violations of Section 12.F of the Act;

Order of Prohibition

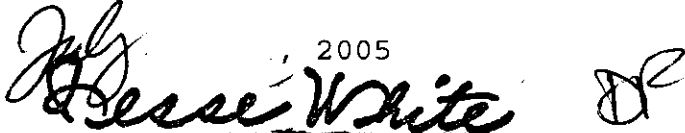
-6-

3. That by virtue of the foregoing the Respondents are subject to an Order of Permanent Prohibition in the State of Illinois, and or granting such other relief as may be authorized under the Act; and
4. Because of the Findings of this Order, and the pleading and the exhibits admitted as Secretary of State exhibits 1 and 2, the entry of a written Order of Prohibition pursuant to Section 11.E(2) of the Act, which permanently prohibits the offer or sale of securities by the Respondents in the State of Illinois, is proper in this matter.

WHEREAS, the proposed Recommendations of the Hearing Officer are adopted by the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to the foregoing Findings of Fact, Conclusions of Law, and the Recommendation of the Hearing Officer, the Respondents and their affiliates, successors and assigns are permanently prohibited from offering or selling securities in the State of Illinois.

ENTERED: This 12<sup>th</sup> day of July, 2005



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 Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (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 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 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:  
David Finnigan  
Illinois Securities Department  
520 South Second Street  
Springfield, Illinois 62701  
Telephone: (217) 785-4947