

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

IN THE MATTER OF:)	
WILLIAM ANTHONY DONOGHUE and)	
DONOGHUE MARINE TRANSPORT, INC.)	
his/their partners, officers and directors,)	File Number: 0600431
agents, employees, affiliates, successors)	
and assigns.)	
)	

ORDER OF PROHIBITION

TO RESPONDENTS: William Anthony Donoghue
17421 South 70th Avenue
Unit # 4W
Tinley Park, Illinois 60477
and
P.O. Box 818
Lake Forest, Illinois 60045

D/B/A Yachting Royale International, LLC
15300 South Cicero Avenue
Oak Forest, Illinois 60452
and

Donoghue Marine Transport, Inc.
15300 South Cicero Avenue
Oak Forest, Illinois 60452

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 20, 2007 which prohibited William Anthony Donoghue d/b/a Yachting Royale International, LLC and Donoghue Marine Transport, Inc. ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

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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 the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have 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 Temporary Order;

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

1. Respondent William Anthony Donoghue (at times hereinafter "WD" or collectively with DMT "Respondents") has last known addresses of 17421 South 70th Avenue, Unit #4W, Tinley Park, Illinois 60477, and P.O. Box 818, Lake Forest, Illinois 60045.
2. Respondent WD was, at all times relevant herein, was doing business as owner of Yachting Royale International, LLC, (at times hereinafter "YR"), with last known addresses of 15300 South Cicero Avenue, Oak Forest, Illinois 60452. WD held out that he individually (and d/b/a YR) and as sole owner of Respondent DMT was in the business of buying and selling used yachts.
3. Respondent Donoghue Marine Transport, Inc. (hereinafter "DMT" or collectively with WD "Respondents") was at all times relevant herein an Illinois corporation with last known business location of 15300 South Cicero Avenue, Oak Forest, Illinois 60452.
4. Respondent WD, individually and as owner of YR and DMT, issued and sold promissory notes (hereinafter "Note(s)") to at least one Illinois resident (hereinafter "Investor") under terms set forth below in paragraphs 5, 6, 7 and 8. All monies paid to WD, YR and/or DMT were commingled and each of the three entities is hereinafter deemed to be one and the same with the other two entities. All monies paid to WD, YR and/or DMT were to be invested in the business of buying used yachts, and reselling the yachts at a profit which would allow sufficient funds to pay principal and interest on the Notes.
5. On September 12, 2004 Investor paid \$50,000 to WD in exchange for a Note to be redeemed on March 12, 2005 in the amount of \$70,000. On March 12, 2005 Investor agreed with WD to roll the Note over into a second Note to be redeemed on September 12, 2005 in the amount of \$105,000. On September 12, 2005 Investor agreed with WD to roll the second Note over into a third Note payable on September 12, 2006 in the amount of \$210,000. To date no principal or interest has been paid.

6. On September 12, 2004 Investor paid \$10,000 to WD and DMT in exchange for a Note to be redeemed March 12, 2005 in the amount of principal plus 40% interest. To date no principal or interest has been paid.
7. On October 2, 2004 Investor paid \$23,000 to WD and DMT in exchange for a Note to be redeemed February 2, 2005 in the amount of \$32,660. On February 2, 2005 Investor agreed with WD and DMT to roll the Note over into a second Note to be redeemed on August 2, 2005 in the amount of \$49,643.20. On August 4, 2005 Investor paid WD and DMT an additional sum of \$10,356.80 and agreed with WD and DMT to roll the second Note over in exchange for a third Note payable August 2, 2006 in the amount of \$84,000. To date no principal or interest has been paid.
8. On December 14, 2005 Investor paid \$10,000 to WD and YR in exchange for a Note to be redeemed February 14, 2006 in the amount of \$13,150. To date no principal or interest has been paid.
9. The activities described above in paragraphs 4-8 constitute the offer and sale of securities as that term is defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FAILURE TO REGISTER SECURITIES

10. Section 5 of the Act provides *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by cooperation prior to their offer or sale in the State of Illinois.
11. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that 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.
12. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
13. 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.
14. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.

FRAUD IN SALE OF SECURITIES

15. The terms of the four Notes referenced in paragraphs 5, 6, 7, and 8 above provided respectively for payments of both principal and interest on September 12, 2006, March 12, 2005, August 2, 2005 and February 14, 2006.
16. Respondents WD and DMT promised Investor that all monies received ("Funds") from Investor would be used to purchase yachts at discount prices for further sale and profit.
17. Respondents promised Investor that the profits garnered from the resale of the yachts would be used to pay the interest and principal due on the Notes.
18. Respondents failed to pay Investor any of the principal or interest due on the Notes.
19. Respondents did not purchase the yachts as promised, but instead converted the Funds to his own use and benefit.
20. Respondents failed and refused to notify Investor that the Funds would be used for his own benefit rather than Investor's.
21. 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.
22. 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.
23. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
24. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents William Anthony Donoghue d/b/a Yachting Royale International, LLC and Donoghue Marine Transport, Inc. and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from

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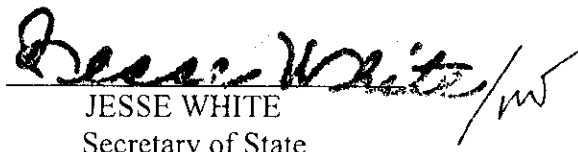
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rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that 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 for each offence.

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. 1 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.

Dated: This 10th day of October 2007.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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