



Jesse White

SECRETARY OF STATE

NEWS

ILLINOIS SECRETARY OF STATE

FOR IMMEDIATE RELEASE

- **January 12, 2000**
- CONTACT: Dave Druker
or
- CONTACT: Randy Nehrt

Husband & Wife Pled Guilty to Defrauding Investors of Over \$600,000

SPRINGFIELD — Illinois Secretary of State Jesse White commended United States Attorney Frances C. Hulin for her successful conviction of Nelson G. Hallahan, 52 and his wife, Janet Hallahan, 41 of Peoria, Illinois. The Hallahans pled guilty on January 6, 2000 to 1 count of Conspiracy to Commit Mail Fraud and Bank Fraud and 1 count of Conspiracy to Commit Money Laundering.

Nelson Hallahan is a former insurance agent and securities salesperson who maintained an office in Peoria, Illinois doing business under the name Hallahan and Associates. Nelson Hallahan solicited money from his insurance and securities clients for Janet Hallahan's business, Sunset Tans. Janet Hallahan was the President and sole shareholder of Sunset Tans, Inc, an Illinois corporation begun in early 1994 to operate a tanning salon. Investors were told that their investments would earn more money if they would borrow against their insurance policies or withdraw their mutual funds and loan the money to Janet Hallahan. The Hallahans told investors that the tanning salon was doing very well and that the money would be used to buy additional tanning beds and other expenses of operating the business. Investors were told that the Hallahans would repay the loans, the interest charged by the insurance company for taking out policy loans and an additional ten percent interest. The Hallahans made 60 loans in this matter and defrauded investors of over \$600,000. Money loaned by investors was not used to purchase tanning beds or operate the tanning salon but rather was used to pay off earlier Sunset Tans investors or to make repayments to other investors that Nelson Hallahan had been ordered to pay

pursuant to a Consent Order issued by Secretary of State White's Illinois Securities Department for previous securities violations.

Nelson Hallahan was Censured, Fined \$10,000 and Prohibited from offering or selling securities in the State of Illinois by the Illinois Securities Department on October 31, 1995.

The Secretary of State, Illinois Securities Department, the Criminal Investigation Division of the Internal Revenue Service, the United States Postal Inspection Service, the Federal Bureau of Investigation, and the Pekin Police Department investigated the case. Supervisory Assistant United States Attorney Darilynn J. Knauss is the prosecuting attorney.

Secretary of State White's Illinois Securities Department regulates the Illinois securities industry, providing for the protection of Illinois investors and the maintenance of a fair and orderly securities marketplace that encourages capital formation and economic growth in the State of Illinois. Illinois requires that all securities dealers, salespersons and investment advisers and their securities offerings be registered with the Department unless exempt by law. The Department enforces compliance with standards of conduct among those licensed to do business in Illinois through registration and on-site audits as well as investigating consumer allegations of fraud or improper practices in the securities marketplace. Tanya Solov is the current Director of the Illinois Securities Department.