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2. At all times hereinafter Griffin was doing business under his own name, and under the name of Progererate, Inc. formerly an Illinois corporation controlled by Griffin that was involuntarily dissolved on 11/5/2005.
3. In September 2008 Griffin promised an Illinois resident ("Investor") that if Investor placed funds with him he would generate substantial income for Investor.
4. Later in September 2008 Griffin created an "investment plan" for Investor and convinced Investor to place \$2,804.44 with him for the purchase of Apple and Google stock.
5. Investor then gave Griffin cash in the amount of \$2,804.44 ("Investment").
6. Griffin told Investor the money generated from these stocks would enable Investor to pay off all of Investor's debt by April 2009, and Investor would have extra money to invest, and Investor would be "financially set."
7. The activities described above in paragraphs 3-6 constitute the offer and sale of an investment contract and are 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] (the "Act").

**FRAUD**

8. Respondent Griffin failed to invest Investor's funds in stock as promised, but instead used the funds for his own personal and business purposes.
9. Respondent failed and refused to notify Investor that he was converting the Investment to his own use and benefit, instead of using it for the business purpose of purchasing stock on behalf of Investor.
10. Respondent failed and refused to notify Investor of the risk involved in the Investment that could result in the loss of the money paid by the Investor, but rather assured the Investor, at a later date, that Investor need not worry about the Investment, and stated that Investor had "made so much money from the stock that he had flipped it and purchased even more shares."
11. 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.
12. 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

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material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

13. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the 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".
14. By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12. I of the Act and will violate them again if he makes further offers, or if he makes any sales of investment contracts or other securities described above in the State of Illinois.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 13<sup>th</sup> day of January 2012.



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