

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: LINCOLN SQUARE GROUP, LLC,)
ITS EMPLOYEES, AFFILIATES,)
SUCCESSORS, AGENTS AND ASSIGNS,) File No 1000453
PHILIP W. ELIZONDO AND)
DENISE M. ELIZONDO)

CONSENT ORDER

TO THE RESPONDENT: Philip W. Elizondo
Denise M. Elizondo
Lincoln Square Group, LLC
C/O Steven P. Blonder, Esq.
Much Shelist Denenberg Ament & Rubenstein
191 North Wacker Drive, Suite 1800
Chicago, Illinois 60606-1615

WHEREAS, Respondents Lincoln Square Group, LLC, Philip W. Elizondo and Denise M. Elizondo (the "Respondents") on January 30, 2012, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing and Amended Notice of Hearing in this matter and the Respondents have consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondents have acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That Respondent, Lincoln Square Group, LLC, is a purported business entity and an Illinois LLC, with last known addresses of 27 Stonehill Rd., Unit D, Oswego, Illinois 60543 and 2300 Wolf Road, Oswego, Illinois 60543;

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2. That at all times relevant, the Respondents Philip W. Elizondo and Denise M. Elizondo, both Illinois residents were Officers, Directors, Agents or Employees of Lincoln Square Group, LLC;
3. That on or about March 20, 2006, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, offered and sold to JR and KR, both Illinois residents, a promissory note which stated that JR and KR would receive 15% of the net proceeds of the sale of a building purportedly located at 6496 US 70 HWY (Summer Ave.) Bartlett, TN 38134, or if the building is not sold, 15% of the net proceeds from the monthly income after the building space has been fully leased and rents have commenced, and that in the event of early withdrawal, payment of the original investment shall be paid within 60 days from written request, for an investment amount of \$100,000;
4. That the aforesaid promissory note is a security as that term is defined pursuant to Section 2.1. of the Act;
5. That 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;
6. 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;
7. That Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer or salesperson unless registered as such, where such registration is required;
8. 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 provisions of the Act;

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9. That at all times relevant hereto, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, failed to file an application for registration of the above-referenced security with the Secretary of State prior to their offer or sale in the State of Illinois;
10. That at all times relevant hereto, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, failed to file an application for registration as a dealer or salesperson for the sales of securities in the State of Illinois;
11. That at all times relevant hereto, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, acted as a dealer and/or salesperson of securities while not being registered as such;
12. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsections C and/or D 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;
13. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or salesperson without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
14. 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, as well as an order of public censure and the costs of investigation and reasonable expenses;

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15. That by virtue of the foregoing, the Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, are subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

WHEREAS, the Respondents have acknowledged, while neither admitting or denying the truth thereof, that the allegations contained in paragraph eight (8) of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

1. That by virtue of the foregoing, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, have violated Sections 12.A, 12.C and 12.D of the Act;
2. That by virtue of the foregoing, Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, are subject to an Order which prohibits Respondents from offering and/or selling securities in the State of Illinois.

WHEREAS, the Respondents acknowledge and agree that the Respondents shall be permanently prohibited from offering and/or selling securities in the State of Illinois;

WHEREAS, the Respondents acknowledge and agree that Respondents shall, within 30 days of the entry of aforesaid Consent Order, pay a fine and costs of investigation in the amount of \$1,000 to the Illinois Secretary of State Investor Education Fund, that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State and mailed in a timely manner to Illinois Department of Securities, Jefferson Terrace, 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702;

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NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. The foresaid allegations contained in the Stipulation shall be and are hereby adopted as the Secretary of State's Findings of Fact and Conclusions of Law;
2. The Respondents shall be permanently prohibited from offering and/or selling securities in the State of Illinois;
3. The Respondents shall, within 30 days of the entry of aforesaid Consent Order, pay a fine and costs of investigation in the amount of \$1,000 to the Illinois Secretary of State Investor Education Fund, that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State and mailed in a timely manner to Illinois Department of Securities, Jefferson Terrace, 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702;

ENTERED: This 6th day of February, 2012.



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 [815 ILCS 5] (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.

Attorney for the Secretary of State
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