

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

IN THE MATTER OF:)
)
)
SPYGLASS EQUITY SYSTEMS, INC., and) **No 0900145**
FLATIRON SYSTEMS, LLC., their partners,)
officers and directors, agents, employees,)
affiliates, members, successors and assigns.)
)

ORDER OF PROHIBITION

**TO RESPONDENTS: Spyglass Equity Systems, Inc.
10114 Georgetown Pike
Great Falls, VA 22066**

And

**Spyglass Equity Systems, Inc.
5250 West Century Blvd
Los Angeles, CA 90045**

And

**Flatiron Systems, LLC
6777 Heritage Grande
Suite 208
Boynton Beach, FL 33437**

And

**Flatiron Systems, LLC
10114 Georgetown Pike
Great Falls, VA 22066**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on February 15, 2011 which prohibited Spyglass Equity Systems, Inc. and Flatiron Systems, LLC, their partners, officers and directors, agents, employees, affiliates, successors and assigns ("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;

Order of Prohibition

-2-

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 Spyglass Equity Systems, Inc (at times hereinafter "Spyglass" and together with Flatiron Systems, LLC, "Respondents") was at all times relevant herein a corporation doing business in Illinois with last known addresses of 10114 Georgetown Pike, Great Falls, VA 22066 and 5250 West Century Blvd, Los Angeles, CA 90045.
2. Respondent Flatiron Systems, LLC (at times hereinafter "Flatiron" or together with Spyglass "Respondents") was, at all times relevant herein, a limited liability company doing business in Illinois with last known addresses of 6777 Heritage Grande, Suite 208, Boynton Beach, FL 33437 and 10114 Georgetown Pike, Great Falls, VA 22066.
3. In January 2009 Respondent Spyglass, through its employees cold called by telephone at least 2 Illinois investors ("Investor #1" and "Investor #2", or together "Investors") and offered to sell each of them "an automatic stock daytrading system ("System")...which had tremendous proven results in the past".
4. Spyglass employees further told Investors that each must "establish a brokerage account for trading with Flatiron Systems".

INVESTOR #1

5. Investor #1 was assured that there is a "100% guarantee if there is not satisfactory performance in 6 months" and that Investor #1, upon request, would be given "a full refund".
6. Investor #1 paid \$5,475.00 to Spyglass to purchase the System and an additional \$5,000.00 to Flatiron to establish a brokerage account.

Order of Prohibition

-3-

7. In approximately July 2009, after waiting 6 months, Investor #1 was not satisfied with the System, and on multiple occasions requested a refund of his funds paid; however he has been given no refund and is unable to contact Respondents.

INVESTOR #2

8. Investor #2 was promised through a Spyglass employee who referred to himself as "Mark Damas" that "any funds paid were 100% refundable at any time:
9. In January 2009, immediately after the cold call from Spyglass, Investor #2 paid Spyglass \$6995.00 through use of his credit card, but within minutes believed he had made a poor decision, and had what he called "buyers remorse".
10. Investor #2 attempted to "stop payment" by calling his credit card company but was unsuccessful.
11. Investor #2 called "Mark Damas" who advised him that he could not get his refund at that time.
12. Later attempts by Investor #2 to cancel the transaction were unsuccessful and he is no longer able to contact Respondent Spyglass.
13. The activities described above in paragraphs 3-12 constitute the activities of a "dealer" as that term is defined in Section 2.7 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FRAUD IN CONNECTION WITH SECURITIES

14. Respondents failed to refund Investors any of sums paid as promised.
15. Respondents failed and refused to notify Investors of the risk involved in the investments that could result in the loss of the money paid by the Investors.
16. In fact, Respondent Flatiron Systems LLC, which purported to provide a trading platform to Investors, is not registered as a broker/dealer.
17. 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...unless registered as such...under the provisions of this Act."
18. 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

-4-

19. By virtue of the foregoing, Respondents violated Sections 12.C and 12.F of the Act and will violate it again if they make further offers, or act as a “dealer”, or if they buy or sell securities, or engage in any further activities regarding securities in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Spyglass Equity Systems, Inc. and Flatiron Systems, LLC**, and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from 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 11th day of April 2011.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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