

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)
)

NOTICE OF HEARING

TO THE RESPONDENT: Philip W. Elizondo
Denise M. Elizondo
Lincoln Square Group, LLC
2300 Wolf Road
Oswego, Illinois 60543

Philip W. Elizondo
Denise M. Elizondo
Lincoln Square Group, LLC
27 Stonehill Road, Unit D
Oswego, Illinois 60543

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702, on the 18th day of May, 2011, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order of Prohibition should be entered against Lincoln Square Group, LLC, its Officers, Directors, Employees, Agents, Affiliates, Successors and Assigns, Philip W. Elizondo and Denise M. Elizondo (the "Respondents") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are 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, an investment plan in which 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, for an investment amount of \$100,000; furthermore, Respondents represented to JR and KR that there was no risk regarding this investment plan and that the original investment amount/principal would be repaid to JR and KR within 60 days from written request;
4. That on or about August 26, 2008, JR and KR submitted a written request to the Respondents for the return of the aforesaid original investment/principal of \$100,000;
5. That 60 days passed from the date of the aforesaid written request and no payment of the aforesaid principal was made by Respondents to JR and KR;
6. That as of this date, JR and KR have neither received the return of the aforesaid principal nor return of any kind from the aforesaid investment;
7. That the aforesaid investment plan is an investment contract and therefore a security as that term is defined pursuant to Section 2.1. of the Act;
8. 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;
9. 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;

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10. 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;
11. 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;
12. That 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 material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;
13. 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;
14. 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;
15. 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;
16. That at all times relevant hereto, Respondent Respondents Lincoln Square Group, LLC, by and through its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, Phillip W. Elizondo and Denise M. Elizondo, obtained money through the sale of securities by means of an untrue statement of material fact or omission to state a material fact, by representing to JR and KR that there was no risk regarding this aforesaid investment plan and that their original investment amount/principal would be repaid

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60 days from written request, when in fact JR and KR never received a repayment of the aforesaid investment amount within 60 days of their written request nor have they received the aforesaid repayment or any other return on their investment as of this date;

17. 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, 12.D and 12.G of the Act;
18. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection C, D and/or G 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;
19. 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;
20. 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;
21. 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 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.

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

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above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a 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.

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

Dated this 14th day of March, 2011



Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Johan Schripsema
Illinois Securities Department
350 Seright, Suite C
Harrisburg, Illinois 62946
Telephone (618) 253-2007

Hearing Officer:
Jon K. Ellis
1035 South 2nd Street
Springfield, Illinois 62704
Telephone (217) 528-6835
Fax: (217) 528-6837