

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

_____))
IN THE MATTER OF: LIAM P. HEINZ) FILE NO. 1000367
_____))

NOTICE OF HEARING

TO THE RESPONDENT: Liam P. Heinz (CRD#: 4470644)
 43 Voorhis Drive
 Brentwood, New York 11717

Liam P. Heinz(CRD#: 4470644)
C/o John Thomas Financial
14 Wall Street, 23rd Floor
New York, New York 10005

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 1st day of December, 2010 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered denying Liam P. Heinz's (the "Respondent") registration as a salesperson in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E (4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That on September 3, 2010, John Thomas Financial , a registered dealer filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.

Notice of Hearing

2

2. That on January 28 , 2009 FINRA entered a Letter Of Acceptance, Waiver And Consent (AWC) submitted by the Respondent regarding File No. 2007010181801. Which sanctioned the Respondent as follows:
 - a. suspension from association with any FINRA member firm in any capacity for ten business days; and
 - b. fined \$5,000.
3. That the AWC found:

On or about November 15, 2006, the Respondent entered an order to buy 6,000 shares of Titan Pharmaceuticals, Inc. ("Titan", at a price of approximately \$2.29 per share in the account of customer OH, without the knowledge and consent of customer OH. As a result, the Respondent violated NASD Conduct Rule 2110 and IM-2310-2.
4. That Section 8.E(1)(j) of the Act provides, inter alia, that the registration Of a salesperson may be denied if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Registered under the Federal 1934 Act or the Federal 1974 Act arising from Any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory Organization.
5. That FINRA is a self-regulatory organization as specified in Section 8.E (1)(j) of the Act.
6. That by virtue of the foregoing, the Respondent's registration as a Salesperson in the State of Illinois is subject to denial pursuant to Section 8.E (1)(j) of the Act.

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

Notice of Hearing


3

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.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, can be found at the link below <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 4th day of October 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Daniel A. Tunick
Office of the Secretary of State
Illinois Securities Department
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Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky
203 N. LaSalle
Chicago, Illinois 60601

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

IN THE MATTER OF:)

Marcin Malarz,)

Jacek Sienkiewicz (CRD # 2358381),)

Malarz Equity Investments, LLC, and its)
partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns,)

File Number: 1000096

Malarz Equity Investment, Inc. and its)
partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns,)

Invision Investment, LLC and its partners,)
members, officers, directors, agents,)
employees, affiliates, successors and)
assigns.)

ORDER OF PROHIBITION

TO THE RESPONDENTS:

Marcin Malarz
5301 Keystone Drive
Rolling Meadows, IL 60008

Marcin Malarz
1313 E. Westleigh Road
Lake Forest, IL 60045

Jacek Sienkiewicz
5301 Keystone Drive
Rolling Meadows, IL 60008

Jacek Sienkiewicz
5279 N. Lamon Avenue
Chicago, IL 60630

Order of Prohibition

-2-

Malarz Equity Investments, LLC
5301 Keystone Drive
Rolling Meadows, IL 60008

Malarz Equity Investments, LLC
1313 E. Westleigh Road
Lake Forest, IL 60045

Malarz Equity Investment, Inc.
1313 E. Westleigh Road
Lake Forest, IL 60045

Invision Investment, LLC
5301 Keystone Drive
Rolling Meadows, IL 60008

Invision Investment, LLC
c/o its Registered Agent
Marvin M. Siegel
3330 Old Glenview Road, Ste. 7
Wilmette, IL 60091

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on August 12, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents **Marcin Malarz, Jacek Sienkiewicz, Malarz Equity Investments, LLC, Malarz Equity Investment, Inc., and Invision Investment, LLC** have failed to request a hearing on the matters contained in the Temporary Order of Prohibition 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 said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

FRAUD IN THE OFFER AND SALE OF SECURITIES

Background

Order of Prohibition

-3-

1. Respondent **Marcin Malarz** ("Malarz") is an individual with last known addresses of 5301 Keystone Drive, Rolling Meadows, IL 60008 and 1313 E. Westleigh Road, Lake Forest, IL 60045.
2. Arthur Lin ("Arthur") is an individual with last known addresses of 900 N. Arlington Heights Road, Itasca, Illinois 60143 and 4975 Lichfield Drive, Barrington, Illinois 60010. Arthur was previously registered with LPL Financial Corporation as an investment adviser representative and securities salesperson from September of 2006 until April 1, 2010 when the Illinois Securities Department temporarily suspended his registration.
3. Gloria Lin ("Gloria") is the wife of Arthur and has a last known address of 4975 Lichfield Drive, Barrington, Illinois 60010. At all relevant times, Gloria provided income tax preparation services to individuals at two different locations in Downers Grove, Illinois. Gloria is listed as a co-founder of MEI in the company's offering documents.
4. In September of 2006, Malarz, Arthur, and Gloria formed **Malarz Equity Investments, LLC**, an entity with last known addresses of 5301 Keystone Drive, Rolling Meadows, IL 60008 and 1313 E. Westleigh Road, Lake Forest, IL 60045. Malarz Equity Investments, LLC purported to purchase apartment buildings, convert them into condominiums, and offer the converted condominiums for sale to the public.
5. In February of 2010, Marcin Malarz formed **Malarz Equity Investment, Inc.**, an entity with a last known address of 1313 E. Westleigh Road, Lake Forest, IL 60045. Malarz Equity Investment, Inc. is an alter ego entity of Malarz Equity Investments, LLC, and hereafter the two entities will be collectively referred to as "MEI".
6. Respondent **Jacek Sienkiewicz** ("Sienkiewicz") is an individual with last known addresses of 5301 Keystone Drive, Rolling Meadows, IL 60008 and 5279 N. Lamont Avenue, Chicago, IL 60630.
7. On October 18, 2006, Malarz and Sienkiewicz formed **Invision Investment, LLC**, ("Invision") a company that also purported to purchase apartment buildings, convert them into condominiums, and offer the converted condominiums for sale to the public. Invision has a last known address of 5301 Keystone Drive, Rolling Meadows, IL 60008.
8. As early as 2008, Malarz, Sienkiewicz, and Arthur began soliciting investors to purchase promissory notes being offered by MEI and/or Invision.
9. In the course of soliciting investors, Malarz, Sienkiewicz, and Arthur distributed a document called a Summary Information Memorandum ("SIM") to potential investors. The SIM discussed the terms of the investment being offered, and there were separate SIMs for the MEI and Invision offerings.

MEI Offering

10. Malarz and Arthur distributed MEI's SIM to potential investors. This SIM stated that:

- a. **Investors would receive a 12 to 15% return on their principal;**
- b. **Malarz personally guaranteed principal and interest payments to investors;**
- c. **There is no pending litigation against the company;**
- d. **The offering would be capped at \$3 million.**

11. Despite statements in the MEI's SIM that there was no pending litigation against MEI, and despite Malarz's personal guarantee to make principal and interest payments to investors, Malarz and Arthur failed to disclose to investors that Malarz was named as a defendant in more than one civil action at the time they solicited investments in MEI's promissory notes.
12. For example, on October 11, 2007, Malarz was named as a defendant in a mortgage foreclosure action. On February 27, 2008, a judgment of foreclosure was entered and the property in question was sold at a Sheriff's auction.
13. Additionally, despite statements in MEI's SIM that the investment offering of promissory notes will be capped at \$3 million, Malarz and Arthur sold over \$6.3 million worth of promissory notes to MEI investors.
14. The aforementioned misrepresentations and omissions of material fact address the solvency and financial condition of Malarz and his ability to make principal and interest payments to investors.
15. Additionally, these misrepresentations and omissions of fact obfuscate the true risks of investing in MEI, and make Malarz's personal guarantee to make principal and interest payments to investors misleading.
16. MEI's SIM also misrepresented the use of the proceeds from making sales of promissory notes. MEI's SIM states:

The company intends to raise up to \$3,000,000 from Investors which will be used to purchase several apartment buildings, likely five or six, in the suburban Chicagoland area which the Company intends to convert to condominium ownership by the Company and to sell to condominium unit purchasers.

17. Despite this statement, Malarz omitted to inform investors that he was planning on converting the money for his own personal uses unrelated to purchasing apartment buildings or converting those buildings into condominiums.
18. For example, Malarz used funds from MEI's Chase bank account to pay for travel to Poland, and also used company funds for a Las Vegas excursion where he spent thousands of dollars on hotel rooms and entertainment. Specifically, Malarz spent \$3,221.84 at Caesar's Palace and \$1,332.67 for an evening out at "Pure" nightclub.

Malarz also spent over \$2700.00 a month in company funds to pay for his personal BMW.

19. Malarz used MEI's company funds for his personal expenditures even though MEI's SIM states that Malarz "shall receive no compensation for his services to the company".
20. Malarz also omitted to inform investors that he used company funds to pay substantial amounts of money to Arthur's wife, Gloria. Between December 4, 2006 and March 15, 2008, Malarz made payments totaling at least \$382,000 to Gloria from MEI's bank account with Chase Bank.
21. MEI's SIM also omitted to state that a substantial amount of investor funds would be used to pay back previous investors of MEI's promissory notes.
22. For example, after receiving a copy of MEI's SIM, Investor A purchased a \$100,000.00 promissory note on September 29, 2008. The terms of this note stated that Investor A would receive quarterly interest payments (at 12% per annum) beginning on January 1, 2009 and that her principal and accrued interest (totaling \$124,000) would be paid to her in full by September 30, 2010.
23. Prior to Investor A's investment, MEI's Fifth Third Bank checking account had a balance of a mere \$147. After Investor A's \$100,000 investment was deposited into MEI's Fifth Third Bank checking account on September 29, 2008, the balance was \$100,147. No other deposits were made into MEI's Fifth Third Bank checking account that day.
24. The day after Investor A's \$100,000 investment was deposited into MEI's bank account, Malarz immediately made \$46,098.00 worth of payments to previous investors of MEI. These payments include:
 - a. \$7,600.00 to Investor C on 9/30/08
 - b. \$15,050.00 to Investor D on 9/30/08
 - c. \$5,675.00 to Investor E on 9/30/08
 - d. \$14,000.00 to Investor F on 9/30/08
 - e. \$3,773.00 to Investor G on 9/30/08
25. To date, despite the terms of the promissory note she purchased on September 29, 2008, Investor A has never received even one of the payments promised to her. Furthermore, Investor A never received any principal or interest payments even though Malarz personally guaranteed that these payments would be made.
26. As a result of their efforts in soliciting investors by fraudulent means, Malarz and Arthur sold MEI promissory notes to several Illinois investors.

Invision Offering

27. Malarz and Sienkiewicz distributed Invision's SIM to potential investors. This SIM stated that:

- a. Investors would receive a 50% return on their principal;**
 - b. Malarz and Sienkiewicz personally guaranteed principal and interest payments to investors;**
 - c. There is no pending litigation against the company;**
 - d. The offering would be capped at \$3 million.**
28. Despite statements in the Invision's SIM that there was no pending litigation against Invision, and despite Malarz and Sienkiewicz's personal guarantee to make principal and interest payments to investors, Malarz and Sienkiewicz failed to disclose to investors that Malarz was named as a defendant in more than one civil action at the time they solicited investments in Invision's promissory notes.
 29. For example, as stated earlier, on October 11, 2007, Malarz was named as a defendant in a mortgage foreclosure action. On February 27, 2008, a judgment of foreclosure was entered and the property in question was sold at a Sheriff's auction.
 30. The aforementioned omission of fact addresses the solvency and financial condition of Malarz and his ability to make principal and interest payments to investors.
 31. Additionally, by omitting that Malarz is a party to pending civil lawsuits, Malarz and Sienkiewicz obfuscate the true risks of investing in Invision, and make their personal guarantee to make principal and interest payments to investors misleading.
 32. As a result of their efforts in soliciting investors by fraudulent means, Malarz and Sienkiewicz sold Invision's promissory notes to at least one Illinois investor.
 33. For example, Investor B, after receiving a copy of Invision's SIM, purchased a \$100,000.00 promissory note on or about January 12, 2008. The terms of this note stated that Investor B would receive his principal and accrued interest (totaling \$150,000.00) on January 11, 2009.
 34. Despite the terms of the promissory note he purchased, Investor B never received the principal or interest that was to be paid to him. Furthermore, Investor B never received his principal or interest payments even though Malarz and Sienkiewicz personally guaranteed that these payments would be made.
 35. The offer and sale of MEI's and Invision's promissory notes constitute the offer and sale of 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 5/1 *et. seq.*] (the "Act").
 36. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
 37. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection

Order of Prohibition

-7-

with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

38. Section 12.G of the Act provides that it shall be a violation of the provisions of this 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 material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
39. Section 12.H of the Act states that it shall be a violation of the provisions of this Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
40. Section 12.I of the Act provides that it shall be a violation of the provisions of this 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.

OFFER AND SALE OF UNREGISTERED SECURITIES

41. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 “shall be registered either by coordination or qualification prior ... to their offer or sale” in the State of Illinois.
42. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
43. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
44. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State’s Conclusions of Law as follows:

1. Respondents **Marcin Malarz, Jacek Sienkiewicz, Malarz Equity Investments, LLC, Malarz Equity Investment, Inc., and Invision Investment, LLC** violated Sections 12.A, 12.D, 12.F, 12.G, 12.H, and 12.I of the Act.

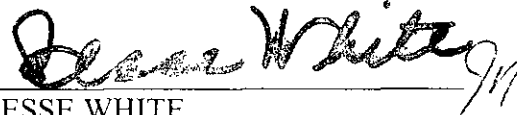
Order of Prohibition

-8-

2. Respondents **Marcin Malarz, Jacek Sienkiewicz, Malarz Equity Investments, LLC, Malarz Equity Investment, Inc., and Invision Investment, LLC**, and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are subject to, pursuant to Section 11.F of the Act, an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondents **Marcin Malarz, Jacek Sienkiewicz, Malarz Equity Investments, LLC, Malarz Equity Investment, Inc., and Invision Investment, LLC** and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 1st day of October, 2010.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 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.

Attorney for the Secretary of State:

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Illinois Securities Department
Office of the Secretary of State
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Chicago, Illinois 60602
312-793-3593