

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

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<b>IN THE MATTER OF: BROWN ASSET MANAGEMENT</b>	)	
<b>and NAMON BROWN, JR.</b>	)	<b>File No. C0900538</b>
<b>(CRD# 1427066)</b>	)	

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**ORDER OF PROHIBITION**

TO THE RESPONDENT: NAMON BROWN, JR.  
8357 S. Winchester  
Chicago, Illinois 60620

BROWN ASSET MANAGEMENT  
c/o Namon Brown, Jr.  
8357 S. Winchester  
Chicago, Illinois 60620

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on June 3, 2010 temporarily prohibiting Respondents from offering or selling securities in the State of Illinois until further order of the Secretary of State.

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 a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents have failed to request a hearing on the matters contained in the said Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

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

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1. Namon Brown, Jr. ("Brown") is an individual with a last known address of 8357 S. Winchester, Chicago, Illinois 60620.
2. Namon Brown Asset Management ("NBAM") is a purported business entity with a last known address of 8357 S. Winchester, Chicago, Illinois 60620.
3. That from October 2005 through September 2008, Respondents NBAM and Brown offered and sold to Illinois investors ("Complainants") an investment program with a minimum investment of \$5,000 and a maximum investment of \$250,000. The investment offered rates of return of between 26-30 percent, raising approximately \$224,000 from these Illinois investors.

### **Failure to Register**

4. That the above-referenced investment program is security as that term is defined pursuant to Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (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 any security except in accordance with the provisions of the Act.
7. 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 provision of the Act.
8. That at all times relevant hereto, Respondents Namon Brown Asset Management and Brown failed to register the securities prior to their offer and sale in the State of Illinois.

### **Fraud, Deceit, Untrue Statements, Omissions of Material Facts, Scheme or Artifice**

9. Between April 2006 and December 2009, Respondent Brown provided to Complainants a series of statements reflecting their investment and the purported interest being earned in the account.

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10. Respondents never invested the money Complainants gave to Respondent Brown in any substantive investment.
11. Instead of using the monies for investments as promised, Respondents Brown and NBAM converted her money, to pay money they owed other investors, and for Respondent Brown's own personal use and benefit.
12. That 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 with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
13. That 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 the light of the circumstances under which they were made, not misleading.
14. Section 12.H of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (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."
15. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions 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."
16. That by virtue of the foregoing, the Respondents Namon Brown Asset Management and Namon Brown have violated Sections 12. A, D, F, G, H and I of 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 final Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondents Namon Brown Asset Management and Namon Brown have violated Sections 12. A, D, F, G, H and I of the Act; and

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2. That by virtue of the foregoing, the Respondents Namon Brown Asset Management and Namon Brown are subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits him from offering or selling 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, Respondent Paul Berman is hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This 28<sup>th</sup> day of September, 2010

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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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