

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

IN THE MATTER OF: PAUL BERMAN

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File No. C1000207

ORDER OF PROHIBITION

**TO THE RESPONDENT: PAUL BERMAN
1031 Shambliss Court
Buffalo Grove, Illinois 60089**

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:

1. Paul Berman ("Berman") is an individual with a last known address of 1031 Shambliss Court, Buffalo Grove, Illinois 60089.
2. That from July 2007 through December 2009, Respondent Berman offered and sold to approximately 8 Illinois investors promissory notes issued or issuable by the Respondent for varying terms and offering rates of return of between 15-40 percent raising approximately \$231,695 from these Illinois investors.

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3. That the above-referenced promissory notes are securities 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").
4. 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.
5. 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.
6. 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.
7. That at all times relevant hereto, Respondent Berman failed to register the securities prior to their offer and sale in the State of Illinois.
8. That by virtue of the foregoing, the Respondent Berman has violated Sections 12. A and 12.D 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 Respondent Paul Berman has violated Sections 12.A and 12.D of the Act; and
2. That by virtue of the foregoing, the Respondent Paul Berman is 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.

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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 ^{22nd} ~~24th~~ day of September, 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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