

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: MATTHEW REAVILL;
REAVILLMED LLC; AND
REAVILLMED, INCORPORATED

File No. C1200035

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: REAVILLMED LLC
c/o Matthew Reavill
2200 Pebble Beach Road
Plainfield, Illinois 60586

REAVILLMED, INCORPORATED
c/o Matthew Reavill
2200 Pebble Beach Road
Plainfield, Illinois 60586

MATTHEW REAVILL
2200 Pebble Beach Road
Plainfield, Illinois 60586

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

BACKGROUND FACTS

1. ReavillMed LLC ("Respondent ReavillMed LLC" or collectively with Respondents ReavillMed, Incorporated and Matthew Reavill, "Respondents") was an Illinois limited liability corporation. Its last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.
2. ReavillMed Incorporated ("Respondent ReavillMed, Inc." or collectively with Respondents ReavillMed LLC and Matthew Reavill, "Respondents") is a Illinois corporation. Its last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.

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3. Matthew Reavill ("Respondent Reavill" or collectively with Respondents ReavillMed LLC and/or Reavill Med, Inc., "Respondents") was the sole "manager" of Respondent ReavillMed, LLC and incorporator of Respondent ReavillMed, Inc. His last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.
4. Between Fall 2010 and December 2011, Respondent Reavill sold to Illinois investors ownership interests ranging from one (1) to ten (10) percent in Respondent ReavillMed, LLC, which may convert into promissory notes that promised investors 15 percent rates of return ("Notes" or "Note")

BACKGROUND FACTS COMMON TO ALL COUNTS

5. Investors GD and KK are residents of the State of Illinois.
6. In Fall 2010, Investor GD was informed by a mutual acquaintance that Respondent Reavill had invented a medical device ("Device") to prevent sepsis infections in patients.
7. Investor GD then spoke to Respondent Reavill who told him that he, Respondent Reavill, had a patent for the Device with production and marketing in the works.
8. After subsequent conversations, on or about October 15, 2010, Respondent Reavill, on behalf of Respondent ReavillMed LLC, offered and sold to Investor GD, a one (1) percent ownership in Respondent ReavillMed LLC, in exchange for \$34,000.00.
9. On October 20, 2010 and January 5, 2011, Investor GD wired to Respondent Reavill two (2) wire transactions, each in the amount of \$17,000.00, for the purchase of the one (1) percent interest in Respondent ReavillMed LLC, which was deposited in to Respondent Reavill personal bank account.
10. In early 2011, Investor KK spoke with Respondent Reavill regarding the possibility of investing in Respondent ReavillMed LLC. According to Investor KK, Respondent Reavill told him that the money he invested would be used to make a mold for a medical device.
11. On or about August 18, 2011, Respondent Reavill, on behalf of Respondent ReavillMed LLC, offered and sold to Investor KK, a one (1) percent ownership in Respondent ReavillMed LLC, in exchange for \$40,000.00.

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12. By December 2011, Investor GD requested from Respondents the financial statements of Respondent ReavillMed LLC because Investor GD had become concerned since Respondent initially delayed production of the statements and the produced statements were "of an unsophisticated nature and untrustworthy".
13. To date, despite demands, Investors have not received any monies back from their investments.
14. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

COUNT I

815 ILCS 5/12.A and D violations: Respondents offered and sold unregistered securities

- 1-14. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 above, as paragraphs 1 through 14 of this Count I.
15. Section 12.A 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 "offer or sell any security except in accordance with the provisions of this Act."
16. 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.
17. Section 12.D 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 "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
18. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.

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19. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

815 ILCS 5/12.F violation: Respondents engaged in practices in connection with the sale of securities that worked a fraud or deceit on the purchaser thereof

- 1-14. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 of Count I, as paragraphs 1 through 14 of this Count II.
15. Section 12.F 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 "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."
16. Respondents did not invest Investor's funds for the benefit of Investor GD and KK. Instead, Respondent Reavill converted Investors' monies for Respondent Reavill's own personal use and benefit.
17. By virtue of the foregoing, Respondents violated Sections 12.F of the Act.

COUNT III

815 ILCS 5/12.G violations: Respondents obtained Complainants' money by making untrue statement of material fact and omission to state a material fact

- 1-14. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 of Count I, as paragraphs 1 through 14 of this Count III.
15. Section 12.G 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 "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."
16. Respondents represented that Respondents had a patent for a medical device with production and marketing "in the works" and that

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Respondents would sell and distribute medical devices or instruments. Instead, Respondents converted Investors' monies for Respondents' own personal use and benefit.

17. By virtue of the foregoing, Respondents violated Sections 12.G of the Act.

COUNT IV

815 ILCS 5/12.I violation: Respondent employed a scheme to defraud in connection with the sale of securities

- 1-14. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 of Count I, as paragraphs 1 through 14 of this Count IV.
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. Respondent Reavill solicited and sold ownership interests in Respondent ReavillMed LLC and/or Respondent ReavillMed, Inc. to investors purporting that the Investors' funds would be used for purposes of production and marketing of a medical device which prevents sepsis infection. Instead, Respondents converted Investors' monies for Respondent Reavill's own personal use and benefit.
17. By virtue of the foregoing, Respondents violated Sections 12.I of the Act.

COUNT V

815 ILCS 5/12.H violation: Respondents signed or circulated statement, prospectus, or other paper or document pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue

- 1-14. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 14 of Count I, as paragraphs 1 through 14 of this Count V.
15. Section 12.H 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 "sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security

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knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.”

16. Respondent Reavill circulated membership agreements falsely stating he had developed and was in the process of developing the manufacturing, sales and distribution of medical devices; and operating agreements falsely stating that Respondent ReavillMed LLC shall provide its members with balance sheets and profit and loss statements prepared by an accountant on or on before the 120th day following the end of its fiscal year.
17. By virtue of the foregoing, Respondents violated Sections 12.H of the Act.

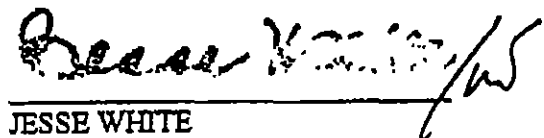
NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Matthew Reavill, ReavillMed LLC and ReavillMed, Inc. are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to Tanya Solov, Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonable practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 7th day of February 2013.

Attorney for the Secretary of State:
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JESSE WHITE
Secretary of State
State of Illinois

The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated. This 7th day of February 2013.

A handwritten signature in black ink that reads "Jesse White" followed by a stylized flourish.

JESSE WHITE
Secretary of State
State of Illinois

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Hearing Officer:

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