

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: BART ANDREW NEWMAN )  
(CRD# 5296778) )  
\_\_\_\_\_ )

Case No.0800198

TO THE RESPONDENT: BART ANDREW NEWMAN  
318 WEST BALTIMORE DRIVE  
VERNON HILLS, ILLINOIS  
60061

BART ANDREW NEWMAN  
C/O NISHAY K. SANAN, ESQ.  
327 S. PLYMOUTH COURT  
SUITE 201  
CHICAGO, ILLINOIS  
60604

**CONSENT ORDER OF PROHIBITION EXCEPT IN  
COMPLIANCE WITH THE ACT**

WHEREAS, on December 8, 2008, a Notice of Hearing was Filed against Bart Andrew Newman.

WHEREAS, Bart Andrew Newman on the 8<sup>th</sup> day of December, 2008, executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Bart Andrew Newman has admitted to the jurisdiction of the Secretary of State in this matter and has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, Bart Andrew Newman acknowledges, without admitting or denying the truth thereof, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

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1. Bart Andrew Newman (“Respondent” or “Newman”) is an individual residing at 318 West Baltimore Drive in Vernon, Illinois.
2. Newman was registered in Illinois with Pavek Investments, Inc. (“Pavek”) as a securities salesperson until December 3, 2007.
3. On or about December 7, 2007, Newman recommended and sold three Consolidated Wealth Holdings, Inc. Life Settlement contracts (“Contracts”) to two Illinois investors (“Investors”) for approximately \$200,000.00.
4. A life settlement is a financial investment transaction in which a third party (the issuer) purchases a life insurance policy from the policy owner (the seller) for more than the policy’s cash surrender value. The issuer becomes the beneficiary of the seller’s insurance policy and finds an investor, or group of investors, that invest in the policy for the promise of annual compound interest on the investment to be paid along with the principal upon either the death of the seller or, in some contracts, on the seller’s life expectancy date, whichever occurs first.
5. In Illinois a life settlement contract constitutes an Investment Contract, and therefore, a security, pursuant to Section 2.1 of the Illinois Securities Law of 1953. 815 ILCS 5/1 *et seq.* (the “Act”).
6. The activities described in paragraphs 4 and 5, above, constitute the activities of a salesperson, pursuant to Sections 2.9 of the Act, and the offer and sale of securities, pursuant to Sections 2.5(a) and 2.5 of the Act.
7. Section 8.A of the Act states, in pertinent part, that every salesperson, investment advisor and investment advisor representative shall be registered as such with the Secretary of State.
8. Section 12.A of the Act states, in pertinent part, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.
9. Section 12.C of the Act states, in pertinent part, that it shall be a violation of the Act for any person to act as a salesperson unless registered as such, where such registration is required, under the provisions of the Act.
10. Section 12.D of the Act states, in pertinent part, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act.
11. Newman had not filed his application for registration as a salesperson or dealer with the Secretary of State prior to his sale of the above-described securities.

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12. Newman was not registered as a salesperson of securities with the Secretary of State at the time of the sale of the above-described securities.

WHEREAS, by means of the Stipulation Bart Andrew Newman has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Respondent Newman was not registered as a salesperson of securities with the Secretary of State at the time of Newman's above described recommendation to purchase and sale of securities as required by Section 8.A of the Act, and therefore, was in violation of Sections 12.A, 12.C and 12.D of the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that this matter may be DISMISSED without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

- 1) Bart Andrew Newman acknowledges and agrees that he shall not conduct the activities of a salesperson **EXCEPT** in compliance with the Act.
- 2) Bart Andrew Newman shall pay, within 30 days of entry of this Order, the sum of \$500.00, by certified or cashier's check, into the Illinois Secretary of State, Securities Audit and Enforcement Fund for conducting the activities of a salesperson without being registered.
- 3) Bart Andrew Newman shall pay, within 30 days of entry of this Order, the sum of \$500.00, by certified or cashier's check, to the Illinois Secretary of State, Investor Education Fund, for costs of the investigation.

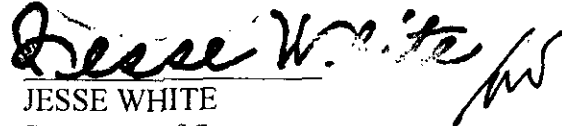
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- 4) The formal hearing, as it pertains to Bart Andrew Newman scheduled on this matter is hereby DISMISSED without further proceedings.

ENTERED: This 10<sup>th</sup> day of December, 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

**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 Act (14 Ill. Admin. Code, Ch. 1 Sec. 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 Department:  
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