

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

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**IN THE MATTER OF: ALEXANDER HOLDINGS LLC >  
TERRENCE T. ALEXANDER**

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) **Case No. 0700229**  
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**NOTICE OF HEARING**

TO RESPONDENTS: Terrence T. Alexander  
4424 S. Indiana  
Unit 3 South  
Chicago, Illinois 60653

Alexander Holdings, LLC  
7919 S. Mozart  
Chicago, IL 60652

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 23<sup>rd</sup> day of July, 2008, 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 which would prohibit Terrence T. Alexander d/b/a Alexander Holdings, LLC, from engaging in the business of selling or offering for sale securities 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 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 Terrence T. Alexander, ("Alexander" or together with Alexander Holdings, LLC, "Respondents") is an individual whose last known address is 4424 S. Indiana, Unit 3 South, Chicago, Illinois 60653.
2. That at all relevant times, Alexander was registered as a salesperson and investment advisor with the State of Illinois until November 7, 2007.

3. That Alexander Holdings, LLC (“Alexander Holdings” or together with Terrence T. Alexander “Respondents”) is a business entity with the last known address of 7919 S. Mozart, Chicago, Illinois 60652. Alexander is the sole member of Alexander Holdings.
4. That on or around December 30, 2005, Respondents met with Illinois Investor, who is a senior citizen, and solicited from him a loan for \$29,000.00, for the purchase and rehabilitation of property. The loan was to be secured by a promissory note.
5. That Alexander, at the time of the meeting on or around December 30, 2005, was Illinois Investor’s personal investment representative at Chase Investment Services Corp.
6. That on or around December 30, 2005, Respondents collected the \$29,000.00 from Illinois Investor.
7. That in exchange for the \$29,000, Respondents secured the loan with a promissory note, which was signed by Alexander and Illinois Investor on December 30, 2005.
8. That the promissory note states that Respondents promised to pay the principal of the loan in full together with any accrued interest to Illinois Investor by the “maturity date” of January 1, 2007. Respondents were to pay interest to Illinois Investor quarterly, with the amount of each interest payment being \$375. Respondents were to make those payments quarterly until he had paid the principal and all of the interest that was due, and any other charges that he owed under the note.
9. That, in addition, Attachment 1 to the promissory note states that Respondents and Illinois Investor have agreed to the promissory note concerning borrowed funds for the purchase and rehabilitation of property, and that Illinois Investor will receive 30% of net revenue from sale of said properties.

**Failure to Register**

10. That the activities set forth in paragraphs 3 through 9 above constitute the offer and sale of a note and/or investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the “Act”).
11. That Section 5 of the Act states, *inter alia*, that all securities except those set forth under Section 2a of this Act, or those exempt under Section 3 of this Act, or those offered or sold in transactions exempt under Section 4 of this Act, or face amount certificate contracts required to be registered under Section 6 of this Act, shall be registered as hereinafter in this section provided, prior to their offer or sale in this State.

12. That Respondent failed to file with the Secretary of State an application for registration of the security described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer and sale in the State of Illinois.
13. That Section 12.A of the Act provides 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.
14. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act 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 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.

**Fraud or Deceit/Misrepresentations or Omissions**

15. That Illinois Investor has not received the principal Respondents promised to pay on the note, nor has Illinois Investor received any of the promised interest payments.
16. 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.
17. 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.
18. That Respondents failed to inform Illinois Investor of the risk to repayment of his principal and/or to receiving the quarterly interest payments.
19. That by virtue of the foregoing, Respondent has violated Sections 12.A, D, F, and G of the Act.
20. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section A, D, F, or G of Section 12 of this Act, the Secretary of State may by written order permanently prohibit or suspend the person from offering or selling any securities, any mineral investment contract, or any mineral deferred delivery contract in this state, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change in circumstances justifying the amendment or termination of the order or permanent prohibition.

21. That by virtue of the foregoing violations of sub-sections 12.A, D, F, and G, Respondents are subject to an order of permanent prohibition from offering or selling any securities in the this state pursuant to Section 11.F(2) of the Act.
22. That Section 11.E(4) of the Act provides, *inter alia*, that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
23. That by virtue of the foregoing, Respondents are subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.

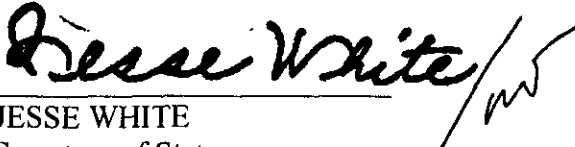
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

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, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 18<sup>th</sup> day of April 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Jay A. Biondo  
Enforcement Attorney  
Illinois Securities Department  
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