



**BACKGROUND FACTS**

1. Respondent, Leonard Ferrara (hereinafter "Ferrara") has a last known address of 1420 Suffolk, Westchester, IL 60154.
2. Respondent, National Labor Planning (hereinafter "NLP" collectively with Ferrara "Respondents") has a last known address of 7777 West Lake Street, Suite 114, River Forest, IL 60305.
3. At all times relevant to this Temporary Order of Prohibition, Ferrara was President of National Labor Planning Ltd.
4. "Investor #1", at all relevant times, was an Illinois resident.
5. "Investor #2", at all relevant times, was an Illinois resident.
6. "Investor #3", at all relevant times, was an Illinois resident.

**Failure to Disclose Material Facts**

7. Respondents, since at least 2002, have repeatedly solicited Illinois residents ("Investors") to purchase securities in the form of promissory notes, promising annual payments based on a stated rate of return followed by a return of principal.
8. Respondents, since at least 2002, have repeatedly sold to Investors, securities in the form of promissory notes, promising annual payments based on a stated rate of return followed by a return of principal.
9. Respondents' activities described above involve the sale of promissory notes and, therefore, a security as that term is defined in Sections 2.1 and 2.5 of the Act.
10. On November 27, 2001, Respondents sold to Investor #1, a promissory note (hereinafter "promissory note #1") in the amount of \$10,000.
11. The terms of promissory note #1 stated that interest payments would be made to Investor #1 annually for three years, and at the end of that period, her principal would be returned.
12. Respondents failed to disclose to Investor #1 any risks involved in the purchase of promissory note #1 that might prevent payment of the promised interest and principal.

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13. To date, Respondents have not paid and refuse to pay Investor #1 any interest payments owed to her on promissory note #1.
14. To date, Respondents have not and refuse to pay Investor #1 the principal owed to her on promissory note #1.
15. On July 3, 2002 Respondents sold to Investor #1, a promissory note (hereinafter "promissory note #2") in the amount of \$30,000.
16. The terms of promissory note #2 stated that interest payments would be made to Investor #1 annually for five years, and at the end of that period, her principal would be returned.
17. Respondents failed to disclose to Investor #1 any risks involved in the purchase of promissory note #2 that might prevent payment of the promised interest and principal.
18. To date, Respondents have not paid and refuse to pay Investor #1 any interest payments owed to her on promissory note #2.
19. Subsequent to the default of payments owed on promissory note #1 and promissory note #2 to Investor #1, Respondents sold promissory notes, which likewise promised interest and principal payments over a stated term, to Investor #2 and Investor #3.
20. Respondents failed to disclose to Illinois investors #2 and #3, at the time of their note purchases, that Respondents were at the time in default on promissory note #1 and promissory note #2.
21. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
22. By virtue of the foregoing, Respondents violated Section 12.F of the Act.
23. Section 12.G of the Act provides, *inter alia*, that it shall be a violation 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 the light of the circumstances under which they were made, not misleading.
24. By virtue of the foregoing, Respondents violated Section 12.G of the Act.

**Fraud or Deceit**

25. Respondents made representations to Illinois investors, including but not limited to Investors #1, 2, and 3, that the funds received by Respondents were to be used for investment purposes in order to generate the promised rates of return.
26. The proceeds from the sale of the promissory notes by Respondents were instead spent on personal expenses.
27. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any scheme, device or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
28. By virtue of the foregoing, Respondents violated Section 12.F, 12.G, and 12.I of the Act.

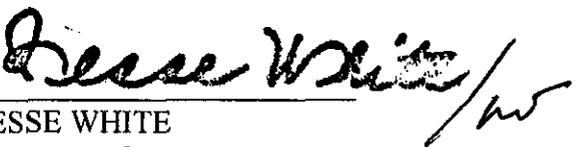
You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

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 17<sup>th</sup> day of January, 2007.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

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Hearing Officer:  
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