

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF DAVID GREEN and
THE NEW REGIME INVESTMENT CLUB, INC.

FILE NO. 0500226

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: David Green
4895 Meadow Lake Drive
Richton Park, IL 60471

The New Regime Investment Club
10340 South Western Street
Ste 2G-2
Chicago, IL 60643

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

- 1 Respondent David Green ("Respondent") is a resident of Illinois, with a last known address of 4895 Meadow Lake Dr., Richton Park, Illinois 60471
- 2 The New Regime Investment Club ("New Regime" or "Respondents" in conjunction with David Green) was incorporated in Illinois by Respondent on September 26, 2003, and involuntarily dissolved on February 1, 2005. At all relevant times Respondent held himself out as the President, Chief Executive Officer and Agent for New Regime

David Green's Fraudulent Investment Scheme

- 3 During the Fall of 2003 and Spring of 2004 Respondent solicited at least five Illinois residents ("Investors") for the purpose of offering to them an investment into New Regime, which, as Respondent promised, would provide a 10% return in principal every month (the "Notes")
- 4 Respondent stated that investment money placed into the Notes would provide loans to real estate developers that were going to rehabilitate investment properties,

Temporary Order of Prohibition

-2-

and in consideration for their investments, Investors would receive the promised 10% monthly return on their principal

- 5 Respondents sold at least seventy-five thousand dollars (\$75,000.00) in Notes to Investors, paid by personal and cashiers checks and made out to New Regime
- 6 Respondent manufactured and delivered to each Investor a written Promissory Note in which he
 - a acknowledged the Investor's principal investment.
 - b promised a 10% monthly return on that principal.
 - c would execute a Quit Claim Deed to each Investor for certain property that would act as a security for the investment,
 - d agreed to pay five hundred dollars (\$500.00) to a loan broker to be involved in the establishment of each real estate development loan provided by Respondent and New Regime, and
 - e further promised that Respondents would pay for any costs incurred to Investors for having to obtain payment on the Notes due to Respondents' failure to fulfill the contractual obligations.
- 7 Each Note was signed by Respondent in his personal capacity and on behalf of New Regime, and by each respective Investor
- 8 Respondents did pay one Investor the initial 10% promised return, causing that Investor to rollover the principal for another thirty (30) day investment and several other Investors to invest into New Regime. However, Respondents failed to make any other payment or to repay the principal to any other Investor
- 9 The Investors' money was not used to fund any real estate development, nor was any used to obtain services of a loan broker to establish any real estate development loan
- 10 Instead, Respondent used Investors' money for his own personal use and benefit
- 11 The activities set forth in paragraphs 3 through 8, above, evidence the offer and sale of securities as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq*

COUNTS 1-5

Securities Fraud (12.F violations)

- 1-11 The Department re-alleges and incorporates paragraphs 1 through 11, above, as paragraphs 1 through 11 of Counts 1 through 5
- 12 Section 12.F of The Act states 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

Temporary Order of Prohibition

-3-

connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof." 815 ILCS 5/12 F

- 13 The allegations of fact contained in paragraphs 3 through 11, above, constitute a violation of Section 12.F of the Act by Respondents David Green and New Regime, for each sale of the Notes to Investors

COUNTS 6-10

Securities Fraud (12.G violations)

- 1-11 The Department re-alleges and incorporates paragraphs 1 through 11, above, as paragraphs 1 through 11 of Counts 6 through 10
- 12 Section 12 G of the Act states 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 light of the circumstances under which they were made, not misleading." 815 ILCS 5/12 G
- 13 The allegations of fact contained in paragraphs 3 through 11, above, constitute a violation of Section 12 G of the Act by Respondents, for each sale of the Notes to Investors

COUNTS 11-15

Respondents signed and circulated promissory notes containing material misrepresentations (12.H violations)

- 1-11 The Department re-alleges and incorporates paragraphs 1 through 11, above, as paragraphs 1 through 11 of Counts 11 through 15.
- 12 Section 12 H of the Act states that it shall be a violation of the provisions of this 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 knowing or having reasonable grounds to know any material representation therein to be false or untrue." 815 ILCS 5/12.H
- 13 Respondents' issuance of the Notes with Respondent's signature, as described above, to Investors for purported investments into New Regime constitutes a violation of Section 12 H of the Act for each Promissory Note circulated to Investors

Counts 16-20

Respondents employed a scheme in connection with the sale of securities to defraud Investors (12.I violations)

- 1-11 The Department re-alleges and incorporates paragraphs 1 through 11, above, as paragraphs 1 through 11 of Counts 16-20.
- 12 Section 12 I of the Act states that it shall be a violation of the provisions of this 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" 815 ILCS 5/12 I
- 13 Respondents' activities, as described above, constitute violations of Section 12 I of the Act for each sale of the Notes to Investors

PROHIBITION

- 14 That the aforementioned findings are based upon credible evidence
- 15 That Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act
- 16 That the entry of this Temporary Order **PROHIBITING** Respondents David Green and New Regime from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT, pursuant to the granted by Section 11.F of the Act

Respondents David Green and New Regime are **PROHIBITED** from offering to sell or selling securities in or from the State of Illinois until further Order of the Secretary of State

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry the Temporary Order of Prohibition Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably 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

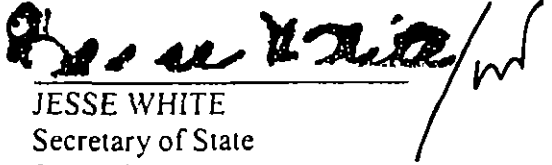
Temporary Order of Prohibition

-5-

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 14th day of March 2006

Attorney for the Secretary of State
Jason Chronopoulos
Office of the Secretary of State
Illinois Securities Department
69 W. Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-9643



JESSE WHITE
Secretary of State
State of Illinois