

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

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**IN THE MATTER OF: MATTHEW REAVILL >**  
**AND REAVILLMED, LLC**  
and its partners, members, officers, directors, agents,  
employees, affiliates, successors and assigns.

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File No. C1200035

**NOTICE OF HEARING**

**TO THE RESPONDENTS:** MATTHEW REAVILL  
2200 Pebble Beach Drive  
Plainfield, Illinois 60586

REAVILL MED LLC  
Attn: Matthew Reavill  
2200 Pebble Beach Drive  
Plainfield, Illinois 60586

c/o Michael D. Morehead  
Hinshaw & Culbertson LLP  
400 South Ninth Street  
Suite 200  
Springfield, Illinois 62701-1908

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 September 18, 2013, at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky 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 prohibiting Matthew Reavill and ReavillMed LLC, from offering, advising the sale of, and selling 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(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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**BACKGROUND FACTS**

1. ReavillMed LLC (“Respondent ReavillMed LLC” or collectively with Respondent Matthew Reavill, “Respondents”) is an Indiana limited liability company and was an Illinois limited liability company until its involuntary dissolution on September 11, 2009. Its last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.
2. Matthew Reavill (“Respondent Reavill” or collectively with Respondent ReavillMed LLC, “Respondents”) is the sole “manager” of Respondent ReavillMed LLC. His last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.
3. Between October 2010 and January 2011, Respondent Reavill sold to investors one (1) percent ownership in Respondent ReavillMed LLC in exchange for member ownership agreements that promised investors 10-20 percent rates of return due within one year of the investment (“shares”, “equity interests” or “stock”)

**BACKGROUND FACTS COMMON TO ALL COUNTS**

4. Investor GD is a resident of the State of Illinois.
5. In fall 2010, Investor GD was informed by a mutual acquaintance of Respondent Reavill that Respondent Reavill had invented a medical device (“Device”) to prevent sepsis infections in patients.
6. Investor GD spoke to Respondent Reavill who told him that he, Respondent Reavill, had a patent for the Device with production and marketing in the works.
7. 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.
8. On October 20, 2010 and January 5, 2011, Investor GD wired to Respondent Reavill a total of \$34,000.00 to purchase a one (1) percent interest in Respondent ReavillMed LLC, which was deposited into Respondent Reavill’s personal joint bank account at Chase Bank.
9. From on or about October 20, 2010 through on or about February 17, 2011, Respondent Reavill used the \$34,000.00 invested by Investor GD to make various non-investment-related retail, restaurant, auto and miscellaneous purchases.

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10. In early 2011, Respondent Reavill solicited Investor KK to invest in Respondent ReavillMed LLC. According to Investor KK, Respondent Reavill told him that his investment 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.
12. From on or about August 19, 2011 through on or about October 31, 2011, Respondent Reavill used the \$40,000.00 invested by Investor KK to make various non-investment-related purchases, and transferred \$19,700.00 to Respondent Reavill's personal joint bank account.
13. By December 2011, investors became concerned and requested from Respondents, the financial statements of Respondent ReavillMed LLC since Respondents initially delayed production of the statements and once produced the statements were "of an unsophisticated nature and untrustworthy".
14. Respondents ceased communications with investors when investors began to question the viability of the company and request for financial statements of Respondent ReavillMed LLC.
15. To date, despite demands, Investors have not received any monies back from their investments.
16. That the activities set forth in paragraphs above constitute the offer and sale of "shares", "equity interests" or shares", 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**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 above, as paragraphs 1 through 16 of this Count I.
17. 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."
18. 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.

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19. 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.
20. 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
21. 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**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count II.
17. 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.”
18. Respondents did not invest Investor’s funds for the benefit of Investors GD and KK. Instead, Respondent Reavill converted Investors’ monies for Respondent Reavill’s own personal use and benefit.
19. The facts alleged in paragraphs 1 through 17 above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: Respondents did not invest the investors’ funds for their benefit and instead, Respondent Reavill converted investors’ money for Respondent Reavill’s own personal use and benefit. In particular, Respondent Reavill transferred approximately \$19,700.00 of Investor KK’s investment to Respondent Reavill’s personal account, of which he used approximately \$18,349.02 for various non-investment-related purchases. Respondent Reavill converted an additional

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\$15,659.98 of Investor KK's investment for Respondent Reavill's own personal use and benefit.

In addition, Respondent Reavill converted approximately \$22,995.76 of Investor GD's investment for his own personal use and benefit.

20. 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**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count III.
17. 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."
18. In soliciting investor funds, Respondents represented that Respondents had a patent for a medical device with production and marketing "in the works" and that Respondents would sell and distribute medical devices or instruments. Instead, Respondents converted Investors' monies for Respondents' own personal use and benefit.
19. By virtue of the foregoing, Respondents violated Sections 12.G of the Act.

**COUNT IV**

**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**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count IV.

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17. 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 knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.”
18. 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. Respondents falsely represented in operating agreements that Respondents would furnish investors/members with federal income tax reports, including a balance sheet and profit and loss statements prepared by an accountant chosen by majority vote of investors, 120 days following the end of Respondent ReavillMed’s fiscal year. Respondents further falsely represented to investors that net profits and losses of the company would be allocated to members’ capital accounts.
19. By virtue of the foregoing, Respondents violated Sections 12.H of the Act.

**COUNT V**

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

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count V.
17. 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.”
18. 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 the investors’ monies for Respondent Reavill’s own personal use and benefit.
19. By virtue of the foregoing, Respondents violated Sections 12.I 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

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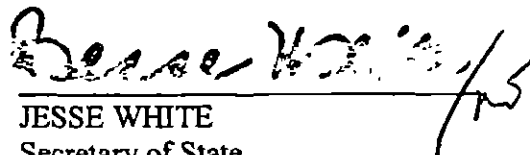
within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be requested 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 24th day of July 2013.

  
JESSE WHITE  
Secretary of State  
State of Illinois

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