

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

IN THE MATTER OF: MATHEW ELISCU)
_____)

) FILE NO. 11-00257
)
)

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: **Mathew Eliscu**
 1030 N. State Street, Suite 33A
 Chicago, Illinois 60610

On information and belief, I, Jesse White, Secretary of State for the 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:

FRAUD

FAILURE TO DISCLOSE REGULATORY ACTIONS

1. In or around June 2011, Respondent Eliscu solicited Investor A, an Illinois resident, to purchase shares in a pink sheet penny stock by the name of Vega Biofuels, Inc. ("VGPR").
2. As advised by Respondent Eliscu, Investor A purchased over 70 million shares of VGPR for a total amount of \$30,000.00.
3. Despite repeated requests by Respondent Eliscu to open a joint account, Investor A made the purchase in her personal account with Fidelity Investments.
4. As soon as Investor A purchased the VGPR stocks, Respondent Eliscu informed Investor A that his commission for the investment advice is fifty percent 50% of the profits for his services.

5. Respondent Eliscu pressured Investor A to transfer to his control \$15,000.00 worth of the VGPR stock to represent fifty percent 50 % of the profits, an arrangement he claimed he had with many other clients, even though there were no profits.
6. Shortly after purchasing the VGPR stocks, the share price tumbled costing Investor A approximately a fifty percent 50% loss.
7. Respondent Eliscu misrepresented to Investor A that he was licensed by the state of Illinois and twenty five other states as an investment adviser representative and/or registered representative.
8. At all relevant times, Respondent Eliscu was not licensed by the State of Illinois or by twenty five other states as an investment adviser representative and/or registered representative.
9. At all relevant times, Respondent Eliscu never disclosed to Investor A the existence of the following regulatory actions:
 - a. On May 17, 1999, the National Association of Securities Dealers, Inc. ("NASD") entered an Order that censured, fined \$5,000.00 and suspended Respondent Eliscu from association with any NASD member in any capacity for 10 business days. Respondent Eliscu purchased call options in his personal cash account maintained by his member firm at a total cost of \$1,824.50. The option expired worthless and Respondent Eliscu failed to make full payment until a later date; and,
 - b. On October 23, 2000, the Florida Securities Division entered a Cease and Desist Order that fined Respondent Eliscu \$5,000.00 for selling securities without being registered in the state of Florida.
10. As a result, the above-mentioned omissions of fact address the honesty, integrity, and competency of the Respondent Eliscu who was acting as an unregistered investment adviser.
11. 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.
12. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
13. 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.

14. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

COUNT II

FAILURE TO REGISTER AS AN INVESTMENT ADVISER REPRESENTATIVE

15. Counts 1-14 are re-alleged and incorporated by reference.
16. The activities of Respondent Eliscu, described above, constitute the activity of an investment adviser representative.
17. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
18. At all relevant times, Respondent Eliscu failed to file an application for registration as an investment adviser representative with the Illinois Secretary of State.
19. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
20. Section 12.D of the Act provides, *inter alia*, that it shall be a violation 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 the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
21. By virtue of the foregoing, Respondent violated Sections 8, 12.C and 12.D of the Act.

COUNT III**FAILURE TO RESPOND TO AN ILLINOIS SECURITIES DEPARTMENT****INQUIRY LETTER**

22. On January 9, 2012, pursuant to Section 11c of the Act, the Department sent an Inquiry Letter to Respondent Eliscu requiring that a written response be forwarded to the Department within ten days of receipt of this letter.
23. The Inquiry Letter identified above was sent to Respondent Eliscu's last known address at 1030 N. State Street, #33A, Chicago, Illinois 60610.
24. Respondent Eliscu failed to respond within ten days or any time thereafter.
25. The Inquiry Letter was issued pursuant to Section 11.C of the Illinois Securities law of 1953 (815 ILCS 5/1 et. seq.) (the "Act").
26. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act.
27. At all relevant times, Respondent Eliscu failed to file a response to the aforesaid Inquiry Letter with the Department pursuant to the Department's lawful investigation of this matter and as required by the Act.
28. By virtue of the foregoing, Respondent violated Section 12.D of the Act.

PROHIBITION

29. Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum period of 90 days, by an order effective immediately, from the offer or sale or registration of securities, the registration of a dealer, salesperson, or investment adviser, or investment adviser representative, the offer or sale of securities by any person, or the business of rendering investment advice in or from the State of Illinois.
30. The entry of this Temporary Order of Prohibition prohibiting Respondents from the offer or sale or registration of securities, the registration of a dealer, salesperson, or investment adviser, or investment adviser representative, the offer or sale of securities by any person, or the business of rendering investment advice in or from 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 authority granted by Section 11.F of the Act, Respondent Mathew Eliscu is temporarily **PROHIBITED** from the offer or sale or registration of securities, the registration of a dealer, salesperson, or investment adviser, or investment adviser representative, the offer or sale of securities by any person, or the business of rendering investment advice in or from the state of Illinois.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to Enforcement Attorney, Maria Pavone, 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 of 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.

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 7th day of April 2014



JESSE WHITE
Secretary of State
State of Illinois

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Enforcement Attorney
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