

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

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

**File No. C1200035**

**AMENDED  
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

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, and continued to August 12, 2014, 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 or around March 2009, Investor LC initially met and spoke with Respondent Reavill regarding the possibility of acting as a distributor for the “specialty medical device” in which Respondent Reavill was developing. According to LC, Respondent told him that he was looking for investors and was willing to discuss with him marketing territories in exchange for an investment in Respondent ReavillMed.
6. Initially in or around March 2010, Respondent Reavill solicited Investor LC to invest \$35,000.00 in exchange for 7-10% ownership in Respondent ReavillMed.
7. After numerous discussions, on or about March 17, 2010, Investor LC purchased a one (1) percent interest in Respondent ReavillMed and exclusive distribution of Respondent ReavillMed products in Texas and Oklahoma in exchange for \$20,000.00.
8. On March 17, 2010, Investor LC made an initial payment of \$10,000.00 for the purchase of the one (1) percent interest in Respondent ReavillMed LLC, which was deposited into Respondent ReavillMed’s bank account at Chase Bank.

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9. On April 13, 2010, Investor LC made a second payment of \$10,000.00 for the purchase of the one (1) percent interest in Respondent ReavillMed LLC, which was deposited into Respondent ReavillMed's bank account at Chase Bank.
10. According to Investor LC, Respondent Reavill stated that the funds in which LC invested would be used to pay Utah firm for building a prototype of the medical device in which Respondent Reavill had patented.
11. Between March 2010 and June 2010, Respondent Reavill used the funds invested by Investor LC to make various non-investment-related retail, restaurant, auto and miscellaneous purchases, including multiple withdrawals.
12. 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.
13. In or around September 2010 or October 2010, according to Investor GD, he and DL met with Respondent Reavill at a restaurant in Oak Brook, Illinois, where Respondent Reavill solicited Investor GD regarding investing in Respondent ReavillMed. According to Investor GD and DL, Respondent Reavill told Investor GD that Reavill had a patent for the Device with production and marketing in the works and that he was looking for investors for Respondent ReavillMed.
14. According to GD and DL, Respondent Reavill stated that the funds in which GD would be investing would be used for the purpose of furthering the marketing and sales of the device, obtaining FDA approval of the device and the manufacturing of the device, specifically new tooling to test the device.
15. After multiple conversations, on or about October 15, 2010, Respondent Reavill, on behalf of Respondent ReavillMed LLC, offered and sold a one (1) percent ownership in Respondent ReavillMed LLC to Investor GD, in exchange for \$34,000.00.
16. On October 20, 2010, Investor GD wired to Respondent Reavill an initial payment of \$17,000.00 to purchase the one (1) percent interest in Respondent ReavillMed LLC, which was deposited into Respondent Reavill's personal joint bank account at Chase Bank.
17. According to Investors GD and DL, Investor GD was instructed to wire the funds into Respondent Reavill's personal account because Reavill had not established a bank account for Respondent ReavillMed.
18. On January 5, 2011, Investor GD wired to Respondent Reavill's personal joint bank account at Chase Bank, a second payment of \$17,000.00 to purchase the one (1) percent interest in Respondent ReavillMed LLC.

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19. 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.
20. In early 2011, Investor JM approached Respondent Reavill regarding acting as a consultant for Respondent ReavillMed. According to Investor JM, Respondent Reavill required a financial stake in Respondent ReavillMed from Investor JM before he was willing to hire JM as a consultant.
21. According to Investor JM, Respondent Reavill said that he intended to use the funds invested by JM to help further move the medical device from development to production, including developing a prototype, assembly testing, etcetera.
22. Respondent Reavill offered to Investor JM a total of 10% ownership in Respondent ReavillMed in exchange for a \$50,000.00 investment by JM.
23. On April 1, 2011, Investor JM wired to Respondent Reavill \$50,000.00 to purchase ownership interest (which was subsequently made a loan) in Respondent ReavillMed LLC, which was deposited into Respondent Reavill's personal joint bank account at Chase Bank.
24. Between April 2011 and June 2011, Respondent Reavill used the funds invested by Investor LC to make various non-investment-related purchases, including retail, restaurant, auto, mortgage payments and multiple withdrawals.
25. In early 2011, Respondent ReavillMed solicited Investor KK to invest in Respondent ReavillMed. According to Investor KK, he was initially introduced to Respondent Reavill and the investment opportunity through David Little, Jr. (hereinafter "Little").
26. Investor KK stated that prior to his making the actual investment, he discussed the investment opportunity with Little and Investor JM who was acting as Chief Operating Officer of Respondent ReavillMed at the time.
27. According to Investor KK, he was told prior to and after making the investment that the funds in which he was investing would be used for the purposes of developing a mold for the medical device and obtaining an accountant for Respondent ReavillMed. KK states that he received a number of emails to this effect in which Respondent Reavill was also a recipient.
28. On or about August 18, 2011, Investor KK purchased a one (1) percent ownership in Respondent ReavillMed LLC, in exchange for \$40,000.00, which was deposited via wire transfer into Respondent ReavillMed's checking account at Chase Bank.

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29. 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. On August 22, 2011, three days after the initial deposit, Respondent Reavill transferred \$19,700.00 of Investor KK's investment into Respondent Reavill's personal joint bank account which was also used to make non-investment-related purchases.
30. 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".
31. Respondents ceased communications with investors when investors began to question the viability of the company and request for financial statements of Respondent ReavillMed LLC.
32. To date, despite demands, Investors other than Investor JM have not received any monies back from their investments.
33. 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**

- 1-33. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 33 above, as paragraphs 1 through 33 of this Count I.
34. 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."
35. 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.
36. 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

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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’.

37. 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.
38. 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**

- 1-33. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 33 of Count I, as paragraphs 1 through 33 of this Count II.
34. 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.”
35. Respondents did not invest Investor’s funds for the benefit of Investors. Instead, Respondent Reavill converted Investors’ monies for Respondent Reavill’s own personal use and benefit.
36. The facts alleged in paragraphs 1 through 35 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 almost immediately 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 \$15,659.98 of Investor KK’s investment for Respondent Reavill’s own personal use and benefit. Respondent Reavill converted approximately \$22,995.76 of Investor GD’s investment for his own personal use and benefit. In addition, Respondent misappropriated the funds invested by LC and JD, using

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these funds to pay for among other things, mortgages, entertainment, retail purchases and credit card expenses.

37. 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**

- 1-33. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 33 of Count I, as paragraphs 1 through 33 of this Count III.
34. 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.”
35. 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. Additionally, on multiple occasions, Respondent misrepresented to the investors that the funds they would invest would be used to “further move the device from development to production”. Instead, Respondents converted Investors’ monies for Respondents’ own personal use and benefit.
36. In addition, Respondent Reavill failed to disclose to Investors the existence of previous ownerships interests in Respondent ReavillMed. In or around July 2001, Respondent informed Investor MC of the existence of earlier investments from friends and family members of Respondent Reavill and an outstanding guarantee repayment existing of approximately \$300,000.00.
37. Respondent Reavill also failed to disclose to investor, prior to their investments that they were purchasing shares that he “personally” owned in Respondent ReavillMed and that he could use the funds that they were investing at his discretion.
38. 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**

- 1-33. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 33 of Count I, as paragraphs 1 through 33 of this Count IV.
34. 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.”
35. 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 furnished 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.
36. 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**

- 1-33. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 33 of Count I, as paragraphs 1 through 33 of this Count V.
34. 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.”



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35. 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.
36. By virtue of the foregoing, Respondents violated Sections 12.I of the Act.

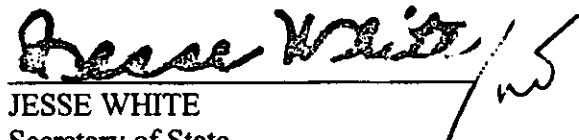
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed 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 17th day of July 2014.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Felicia H. Simmons-Stovall  
Enforcement Attorney

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