

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

IN THE MATTER OF: Jeremiah D. Jacob and)
Liberty Finance Group, Inc.)
_____)

FILE NO. 1100231

ORDER OF PROHIBITION AND FINE

TO RESPONDENTS: Jeremiah D. Jacob
 1599 Ghent Road
 Columbia, Illinois 62236

 Liberty Finance Group, Inc.
 1599 Ghent Road
 Columbia, Illinois 62236

WHEREAS, the above-captioned matter came on to be heard on May 1, 2014 pursuant to the Notice of Hearing dated July 5, 2013 filed by Petitioner Illinois Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. That Respondent Jeremiah D. Jacob (hereinafter "Jacob") is an individual whose last known address is 1599 Ghent Road, Columbia, Illinois 62236.
2. That Respondent Liberty Finance Group, Inc. (hereinafter "Liberty Finance") was incorporated in the State of Illinois on April 14, 2008 and was involuntarily dissolved on September 11, 2009.
3. That at all relevant times Jacob was the president of Respondent Liberty

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Finance. Jacob did business as Liberty Finance.

4. That Investor A is an Illinois resident and was so during all relevant times.
5. That Jacob in early 2009 solicited Investor A to invest in a gold mine. Investor A invested \$200,000 in March of 2009 and was to receive 15% return on the investment. Jacob further represented that no losses would be incurred on the initial investment and that the funds would be invested in tangible business interests and available for withdrawal after 12 months.
6. At the time of the offer and sale Jacob did not disclose that he was in default on the contract to purchase the mine.
7. Jacob failed to return the \$200,000 despite repeated demands to do so. Investor A lost her entire investment of \$200,000.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondents.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondents' failure to file a timely answer, make a special appearance or other responsive pleading in accordance with Section 1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondents waived their right to a hearing;
 - (c) Respondents are subject to an Order of Default.
5. Because the Respondents failed to appear at the time and place set for hearing, in accordance with Section 1109, they:
 - (d) waived their right to present evidence, argue, object or cross-examine witnesses; or
 - (e) otherwise participate at the hearing.
6. That the activities described above constitutes the offer and/or sale of a

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securities and as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
8. That Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
10. That 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.
11. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.
12. That pursuant to Section 12.G of the Act, it is a violation of the Act 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.
13. That by virtue of the foregoing, the Respondents have violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

WHEREAS, the Hearing Officer recommended that:

1. An Order of Default be entered against each Respondent and that the facts alleged in the Notice of Hearing be deemed admitted.
2. An Order be entered against each Respondent in the form of a permanent order of prohibition against each of the Respondents.
3. An Order be entered against Respondent Jeremiah D. Jacob imposing a fine of \$10,000.

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WHEREAS, the Secretary of State adopts in its entirety the Recommendations made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondents are permanently prohibited from offering and/or selling securities in or from the State of Illinois.
2. Respondent Jeremiah D. Jacob is fined \$10,000 to be paid within ten (10) business days of the date of this order.

ENTERED This 22nd day of August 2014



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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