

**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. C120035

ORDER OF PROHIBITION

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

**REAVILLMED LLC
Attn: Matthew Reavill
2200 Pebble Beach Drive
Plainfield, Illinois 60586**

WHEREAS, the above-captioned matter came to be heard over two different days, August 20, 2014 and August 21, 2014, pursuant to the Amended Notice of Hearing dated July 17, 2014, filed by Petitioner 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 concerning Respondents Matthew Reavill and ReavillMed LLC are correct in part and incorrect in part and are hereby adopted as modified as the Findings of Fact of the Secretary of State:

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1. The Department served Respondents with a Notice of Hearing on or about July 24, 2013 and Amended Notice of Hearing on or about July 17, 2014.
2. The Respondents did not timely submit answers or other responsive pleading.
3. Respondent Matthew Reavill appeared *pro so* and appeared on behalf of ReavillMed LLC.
4. ReavillMed LLC ("Respondent ReavillMed" 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.
5. Matthew Reavill ("Respondent Reavill" or collectively with Respondent ReavillMed LLC, "Respondents") holds the majority of the membership interests of Respondent ReavillMed LLC. His last known address is 2200 Pebble Beach Drive, Plainfield, Illinois 60586.
6. Between March, 2010, and January, 2011, Respondents Reavill and ReavillMed sold to investors membership interests in Respondent ReavillMed.
7. Investor Gregory D'Aprile (GD) is a resident of the State of Illinois.
8. In fall 2010, Investor GD was informed by Charles David Little, Jr. (DL) that Respondent Reavill had invented a medical device ("Device") to prevent sepsis infections in patients.
9. In or around September 2010 or October 2010, GD and DL met with Respondent Reavill in Illinois, where Respondent Reavill solicited Investor GD regarding investing in Respondent ReavillMed. 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.
10. Respondent Reavill represented to GD 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.
11. On or about October 15, 2010, Respondent Reavill, on behalf of Respondent ReavillMed offered and sold a one (1) percent ownership in Respondent ReavillMed to Investor GD, in exchange for \$34,000.00.

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12. 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, which was deposited into Respondent Reavill's personal joint bank account at Chase Bank.
13. 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.
14. 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.
15. In early 2011, Respondent ReavillMed solicited Investor Kerry Koranda (KK), a resident of the State of Illinois, to purchase membership interests in Respondent ReavillMed directly from Respondent Matthew Reavill. KK was initially introduced to Respondent Reavill and the investment opportunity through David Little, Jr. (hereinafter "Little").
16. Reavill represented to KK prior to and after making the investment that the funds in which he was paying to Respondent Matthew Reavill would be used for the purposes of developing a mold for the medical device and obtaining an accountant for Respondent ReavillMed.
17. On or about August 18, 2011, Investor KK purchased a one (1) percent ownership in Respondent ReavillMed, in exchange for \$40,000.00, which was deposited via wire transfer into Respondent ReavillMed's checking account at Chase Bank. Reavill did not use all of KK's funds for purchase of a mold or an accounting.
18. During the relevant time, and with the exception of a nine month period during which Reavill hired a CEO, Respondent Matthew Reavill controlled the day-to-day operations of ReavillMed.
19. The Operating Agreement for ReavillMed vest the exclusive right to manage the business with the members management responsibilities of the company be decided by Majority Vote of the membership. Majority Vote is determined by percentage membership interest. At all relevant times, Respondent Matthew Reavill owned 85% of the membership interests and, therefore, controlled the right to manage the business.

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20. Respondents did not file an application for registration of the membership interests with the Illinois Secretary of State.
21. Respondent Matthew Reavill was not registered as a salesperson, investment adviser, or investment adviser representative in the State of Illinois.
22. Respondent ReavillMed was not registered as a salesperson, investment adviser, or investment adviser representative in the State of Illinois.

WHEREAS, the Secretary of State finds the proposed Conclusions of Law of the Hearing Officer to be correct in part and incorrect in part and are hereby adopted as modified, based on the law and the record in this matter, and adopts them as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondent.
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 Illinois Securities Law of 1953 [815 ILCS 5].
4. The investment interests sold by Respondents to the Illinois investors were securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Act.
5. The activities described above and in the Proposed Findings of Fact constitute the offer and sale of a securities as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
6. 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.
7. Section 8 of the Act provides, *inter alia*, that except as otherwise provided in this subsection A, every dealer, limited Canadian dealer, salesperson, investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.
8. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.

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9. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 of the Act.
10. 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."
11. 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."
12. By virtue of the foregoing Findings of Fact and Conclusions of Law, Respondents ReavillMed and Matthew Reavill violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

WHEREAS, The Hearing Officer recommends that:

1. A Permanent Order of Prohibition be entered against Respondent ReavillMed LLC its officers agents, employees, sales representatives, and affiliates, successors and assigns prohibiting it from offering, advising the sale of, and selling securities in of from the State of Illinois.
2. A Permanent Order of Prohibition be entered against Respondent Matthew Reavill prohibiting him from offering, advising the sale of, and selling securities in of from the State of Illinois.
3. An Order be entered fining Respondents \$10,000, jointly and severally.

WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer.

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

1. Matthew Reavill is **PROHIBITED** from offering, advising the sale of, and selling securities in the State of Illinois;

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2. ReavillMed LLC is **PROHIBITED** from offering, advising the sale of, and selling securities in the State of Illinois;
3. Matthew Reavill and ReavillMed LLC are **FINED** in the amount of \$10,000, jointly and severally.

Dated: This 27th day of April 2015.



JESSE WHITE
Secretary of State
State of Illinois

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