

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

\_\_\_\_\_  
IN THE MATTER OF: C22 Capital, Inc., Mack )  
Machen and Anthony David Millan )  
\_\_\_\_\_ )

FILE NO. 1400360

NOTICE OF HEARING

TO RESPONDENT:

C22 Capital, Inc.  
8306 Wilshire Blvd. Suite 7022  
Beverly Hills, CA 90210

Mack Machen  
C/o C22 Capital, Inc.  
8306 Wilshire Blvd. Suite 7022  
Beverly Hills, CA 90210

Anthony David Millan  
C/o C22 Capital, Inc.  
8306 Wilshire Blvd. Suite 7022  
Beverly Hills, CA 90210

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 the 21st day of April 2016 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky, Esq., 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 which would prohibit Respondents from selling or offering to sell 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 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

## Notice of Hearing

2

1. That Respondent C22 Capital, Inc. (hereinafter "C22") was a Nevada corporation purportedly in the business of providing bridge loans to the entertainment industry.
2. That Respondent Mack Machen was at all times relevant to this action the president of C22.
3. That Respondent Anthony David Millan was at all times relevant to this action the CEO of C22.
4. That Investor A is an Illinois resident at all times relevant to this action.
5. That in December of 2008 Investor A was solicited by a representative of C22 to invest in C22's bridge loan program. Investor A was to receive a guaranteed return of 12% as well as "profit Participation" funds. The bridge loans were to be fully collateralized and they were not. On December 18, 2008 Investor A remitted to C22 a check in the amount of \$25,000.
6. That in January of 2009 Investor A was solicited by an agent of C22 to invest additional funds in C22's bridge loan program. Investor A invested \$50,000 more into the program.
7. That in 2010 Investor A was again contacted by an agent of C22 to invest additional funds in C22's bridge loan program. Investor A invested \$50,000 more into the program.
8. That Investor A was told that there was little or no risk in the Investment when in fact there was substantial risk.
9. That Investor A inquired about his investment in August of 2012 and was told that everything was going good.
10. That Investor A demanded the return of his investment and has not received it as of the date of this action..
11. That the activities described above constitutes the offer and/or sale of a 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").
12. 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.

Notice of Hearing

3

13. 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.
14. 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.
15. 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.
16. 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.
17. 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.
18. That by virtue of the foregoing, the Respondents have violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Notice of Hearing

4

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 19<sup>th</sup> day February 2016

A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style with a large, sweeping flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Gregory J. Solberg  
69 West Washington Suite 1220  
Chicago, Illinois 60602  
(312) 793-9643

James L. Kopecky  
**KOPECKY, SCHUMACHER & BLEAKLEY, P.C.**  
203 N. LaSalle St. Suite 1620  
Chicago, IL, 60601  
312-380-6552