

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: IRVING LEO BLACKMAN

No. 1500227

NOTICE OF HEARING

TO RESPONDENT: IRVING LEO BLACKMAN  
545 W. Touhy Avenue  
Suite 6042 E  
Lincolnwood, Illinois 60712

And/or

3830 Estes  
Lincolnwood, Illinois 60712

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 3rd day of August, 2016 at 10:00 a.m. or as soon thereafter as possible before Hearing Officer James L. Kopecky, Esq., 203 N. LaSalle St, Suite 1650, Chicago, IL 60601, or such other designated Hearing Officer as the Secretary of State may appoint.

Said hearing will be held to determine whether a permanent Order shall be entered prohibiting Respondent IRVING LEO BLACKMAN from offering or selling securities in or from 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 Sec. 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

1. IRVING LEO BLACKMAN (at times hereinafter "Blackman" or "Respondent") has a last known address of 4545 W. Touhy Avenue, Suite 602E, Lincolnwood, Illinois 60712; and or 3830 Estes, Lincolnwood, Illinois 60712.
2. In May 2015 Respondent was acting in Illinois as an attorney, accountant and investment advisor.

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3. In approximately May 2015 Blackman solicited a Michigan client/investor ("Investor") to place \$1,600,000 with Respondent for investment purposes.
4. Respondent promised Investor that, prior to allowing any of Investor's funds to be invested, he would secure Investor's funds by placing them into a "pledged asset account".
5. Blackman advised Investor that only after the funds were secured in a pledged asset account would they be further dispersed into various investment enterprises.
6. On or about May 22, 2015 Investor wired \$1,600,000 to Respondent, for the purposes set forth above.
7. That the activities described in paragraphs 2, 3, 4 and 5 above constitute the business of rendering investment advice to others, and acting as an "investment adviser", as that term is defined in Sec 2.11 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FRAUD

8. Respondent never placed any of the invested \$1,600,000 into a pledged asset account.
9. Respondent's statement to Investor that the funds would be placed into a pledged asset account was untrue.
10. Respondent never disclosed to Investor that the funds would not be placed into a pledged asset account.
11. Rather than place the funds into a pledged asset account Respondent sent the entire \$1,600,000 to an individual in California who then dispersed the entire \$1,600,000 to various locations throughout the United States, and the world.
12. No portion of Investor's \$1,600,000 has been returned to him.
13. Investor has been defrauded of his entire investment of \$1,600,000.
14. Respondent's activities of failing to place Investor's funds into a pledged asset account as promised, and failing to disclose to Investor that the funds would not be placed into a pledged asset account have caused the loss of \$1,600,000.
15. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment advisor except in accordance with the provisions of the Act.

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16. 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 connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
17. By virtue of the foregoing, Respondent violated Sections 12.C and 12.F 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 represented 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.

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>.

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

Dated: This 12<sup>th</sup> day of May 2016.

 

JESSE WHITE  
Secretary of State  
State of Illinois

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