

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

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

FILE NO. 1400360

ORDER OF PROHIBITION AND FINE

TO RESPONDENTS:

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

WHEREAS, the above-captioned matter came on to be heard on April 21, 2016 pursuant to the Notice of Hearing dated February 19, 2016 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:

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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 the Department properly served the Respondents with the Notice of Hearing.
5. That the Respondents *did not appear and did not file an answer or other responsive pleading*.
4. That Investor A was an Illinois resident at all times relevant to this action.
6. 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.
7. 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.
8. 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.
9. That Investor A was told that there was little or no risk in the Investment when in fact there was substantial risk.
10. That Investor A inquired about his investment in August of 2012 and was told that everything was going good.
11. That Investor A demanded the return of his investment and has not received it as of the date of this action.
12. That Respondents did not file an application for registration with the Secretary of State for the investments sold to Investor A.

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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 Respondents failed to appear at the time and place set for hearing, in accordance with Section 1109, they:
 - (a) waived their right to present evidence, argue, object or cross-examine witnesses; or
 - (b) otherwise participate at the hearing.
6. That an application for registration of the securities described was 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.
7. 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.
8. 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,

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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.

9. 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.
10. 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.
11. 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 prohibiting each Respondent from selling or offering for sale securities in the State of Illinois.
3. An Order be entered against each Respondent that each be fined in the amount of \$10,000.00.

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:

1. That the facts alleged in the Notice of Hearing are deemed admitted.
2. That Respondents C22 Capital, Inc., Mack Machen and Anthony David Millan are **PROHIBITED** from selling or offering for sale securities in the State of Illinois.
3. That Respondents C22 Capital, Inc., Mack Machen and Anthony David Millan are each fined \$10,000.

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ENTERED This 9th day of June 2016



JESSE WHITE
Secretary of State
State of Illinois

Date of Mailing: 9th day of June 2016

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who 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.

This is a Final Order subject to judicial 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. I, 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. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

Attorney for the Secretary of State:
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