

Order of Prohibition

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3. WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;
4. WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:
 - (1) Todd Jones (at times hereinafter "Jones" or together with First Class Investments, LLC. "Respondents") has a last known address of 1236 Spring Valley Drive, Carol Stream, Illinois 60188.
 - (2) First Class Investments, LLC. (at times hereinafter "FCI" or together with Todd Jones "Respondents") is/was a Nevada limited liability company, with a last known address of 1236 Spring Valley Drive, Carol Stream, Illinois 60188.
 - (3) At all relevant times herein Respondent Todd Jones was the manager and controlling member and agent of First Class Investments, LLC.
 - (4) On or about July 1, 2014 Jones solicited at least one Illinois resident ("Investor") to pay \$35,000 for a promissory note ("Note #1").
 - (5) The Note was dated July 1, 2014, signed by both Jones (signed as "Borrower) and Investor (signed as "Note Holder"), and provided in part:

"For value received, the undersigned (Borrower) promises to pay to the order of XXXXXX (Investor), the principal sum of Thirty Five Thousand dollars (\$35,000), at the end of 180 days from the date of this note. Monthly interest only payment will be \$400.00 that will start on August 1, 2014 and each 1st day of the month fterwards (sic) until principal sum is paid in full..."
 - (6) Jones promised Investor that the \$35,000 would be used by Respondents Jones and First Class Investments, LLC to purchase, rehabilitate and resell real estate that would generate profits thereby allowing Investor to be repaid with interest as promised in Note #1.
 - (7) On or about July 1, 2014 Investor tendered to Jones a cashier's check in the amount of \$35,000 payable to First Class Investments,

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LLC, which Jones deposited on July 2, 2014 into a bank account in the name of First Class Investments, LLC.

- (8) On or about August 7, 2014 Jones solicited the Investor to pay \$5,000 for a promissory note ("Note #2").
- (9) The Note was dated August 7, 2014, signed by both TJ (signed as "Borrower) and Investor (signed as "Note Holder"), and provided in part:

"For value received, the undersigned (Borrower) promises to pay to the order of XXXXX (Investor), the principal sum of Thirty Thousand dollars (sic) (\$5,000), at the end of 180 days from the date above..."

- (10) Jones promised Investor that the \$5,000 would be used by Respondents Jones and First Class Investments, LLC to purchase, rehabilitate and resell real estate that would generate profits thereby allowing Investor to be repaid with interest as promised in Note #2.
- (11) On or about August 7, 2014 Investor tendered to Jones a check in the amount of \$5,000 payable to First Class Investments, LLC, which Jones deposited on August 7, 2014 into a bank account in the name of First Class Investments, LLC.
- (12) Respondent's activities described above involve the offer and sale of promissory notes 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").

FRAUD AND DECEIT

- (13) To date Respondents Jones and First Class Investments, LLC have made only one interest payment of \$400.00 to the Investor, and the Investor has received no payment since 2014.
- (14) In spite of numerous attempts by Investor to achieve repayment of his principal of \$40,000, and of the corresponding interest payable on Note #1 and Note #2, Respondents have failed to repay principal or interest beyond \$400.00
- (15) Instead of re-loaning Investor's funds to new investors as promised, the Respondents converted the funds to their own use and benefit.

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- (16) Respondents, at the time of the agreement, failed and refused to notify the Investor that the principal would be converted to their own benefit rather than used to generate interest for the Investor's benefit.
- (17) 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".
- (18) Section 12.G of the Act provides, *inter alia*, that it shall be a violation 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 the light of the circumstances under which they were made, not misleading.
- (19) Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly".
- (20) By virtue of the foregoing, Respondents Jones and First Class Investments, LLC violated Sections 12.F, 12.G and 12.I of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Todd Jones and First Class Investments, LLC**, and their partners, officers and directors, managers, agents, members, employees, affiliates, successors and assigns, are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

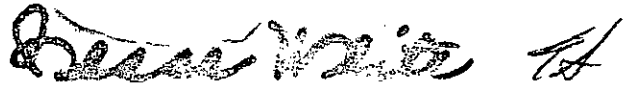
NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

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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.

Dated: This 14th day of October 2016.



JESSE WHITE
Secretary of State
State of Illinois

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