

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:)
AMERICAN METRO BANCORP, INC. and)
JAMES JH SONG, a/k/a JAMES JIN SONG, and)
WAN H. LEE,) No. 1400203
and their partners, officers and)
directors, agents, employees, affiliates, successors and)
assigns, members, and associated corporations,)
partnerships, and companies.)
)

NOTICE OF HEARING

TO RESPONDENTS: AMERICAN METRO BANCORP, INC.
4878 N BROADWAY
CHICAGO, IL 60640

And

JAMES JIN SONG (a/k/a JAMES JIN SONG)
414 COUNTY LINE ROAD
BARRINGTON HILLS IL 60010

And

WAN H. LEE
110 SAINT ANDREW DRIVE
SCHERERVILLE, IN 46375

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 June, 2017 at the hour of 10:00 a.m. or as soon thereafter as possible before James L. Kopecky, Esq. 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 Respondents AMERICAN METRO BANCORP, INC, JAMES JH SONG (a/k/a JAMES JIN SONG), WAN H. LEE and their partners, officers and directors, agents and employees, affiliates, successors and assigns, members, and associated corporations, partnerships and

Notice of Hearing

-2-

companies 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. Respondent American Metro Bancorp, Inc. (hereinafter at times "AMB" or together with James JH Song (a/k/a James Jin Song) and Wan H. Lee "Respondents") has a last known address of 4878 N. Broadway, Chicago, Illinois 60640.
2. Respondent James JH Song (a/k/a James Jin Song), (hereinafter at times "James Song" or together with AMB and Wan H. Lee "Respondents"), has a last known address of 414 County Line Road.
3. Respondent Wan H. Lee (hereinafter at times "Lee" or together with AMB, and James Song "Respondents") has a last known address of 110 Saint Andrew Drive, Schererville, IN 46375.
4. Between 2010 and 2013 Respondents offered to sell stock in AMB to certain Illinois residents ("Investors").
5. During that time frame the Investors paid Respondents a total of approximately \$8 Million for the purchase of AMB Stock.
6. At all relevant times stated hereinafter Respondents James Song and Wan H. Lee were agents of AMB.
7. At all relevant times stated hereinafter Respondents James Song and Wan H. Lee were agents of each other, and were authorized to act on behalf of one another.
8. The activities described above in paragraphs 4-6 constitute the offer and sale of stock in a corporation and the shares of stock are therefore securities 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 #1 (MISREPRESENTATION)

9. Many of the Investors were of Korean descent and Respondents knew this.
10. Respondents told the Korean investors that a main provision of the business plan was the acquisition of a "Chinese" Bank, AMB, and then converting it to Korean control.
11. Many Investors relied on this representation and made their investments because of their desire to establish a Korean Bank in their community.
12. Many Investors would not have invested but for Respondent's representation that their funds would be used to open a Korean controlled bank.

Notice of Hearing

-3-

13. Respondents failed to disclose to Investors that Respondents were likely to have difficulty converting AMB to Korean control, and that it was unlikely that Respondents would be successful in completing the conversion.
14. In fact, AMB was never converted to Korean control.
15. The failure to inform Investors that Respondents were likely to have difficulty converting AMB to Korean control was a misrepresentation and an omission of a material fact that was necessary for Investors to make an informed decision regarding the purchase of AMB stock.
16. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
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. By virtue of the foregoing, Respondents violated Sections 12.A, 12.F, and 12.G of the Act

FRAUD #2 (OMISSION)

20. At the time of the solicitations and investments Respondent AMB was insufficiently funded, and ineligible to legally operate as a Bank
21. Respondents failed to disclose to Investors that Respondent AMB was insufficiently funded, and ineligible to operate legally as a Bank.
22. Respondents' failure to inform Investors that AMB was insufficiently funded at the time of the solicitations and investments was the omission of a material fact that was necessary for Investors to make an informed decision regarding the purchase of AMB stock.
23. 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.
24. 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".

Notice of Hearing

-4-

25. 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.
26. By virtue of the foregoing, Respondents violated Sections 12.A, 12.F and 12.G of the Act.

FRAUD #3 (MISREPRESENTATION/OMISSION)

27. Respondents told Investors in 2010, at the time of solicitations and investments, that AMB stock had been independently valued at \$10 per share.
28. In fact at the time of Respondents' solicitation AMB stock was worth considerably less than \$10 per share.
29. Respondents knew, or should have known, that the AMB stock was worth considerably less than \$10 per share.
30. By 2012 AMB stock was worth approximately \$.83 per share.
31. Respondents' failure to inform Investors that AMB stock was worth considerably less than \$10 per share was a misrepresentation and an omission of a material fact that was necessary for Investors to make an informed decision regarding the purchase of AMB stock.
32. Between 2010-2011 Investors paid Respondents \$10 for each share of stock purchased.
33. 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.
34. 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".
35. 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.

FRAUD #4 (MISREPRESENTATION)

36. Respondent Lee told at least one Investor that that Lee guaranteed at least the continued \$10 value of the Investor's 2010 or 2011 investment in AMB, and that the Respondents, or other of Respondents' business entities, would "take the hit" for any lost value of the stock if the stock dropped in value, or if the Investor became dissatisfied due to loss in value of the stock.
37. Respondents failed to insure the \$10 value of Investor's stock as promised.
38. By 2012 the Investor's stock in AMB was worth approximately \$.83 per share.
39. Respondents have failed to repay Investor any of the lost invested funds.
40. Respondent Lee's failure to inform Investor, at the time of the solicitation, that there was a risk to Investor of loss of all, or a portion of, the value of the AMB stock was an omission of a material fact that was necessary for Investor to make an informed decision regarding the purchase of AMB stock.
41. 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.
42. 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".
43. 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.

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.

Notice of Hearing

-6-

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 21st day of April 2017.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
James J. Tierney
Illinois Securities Department
69 West Washington Street
Chicago, Illinois 60602
312-793-9650