

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: WEALTHBUILDERS.NAME, LLC
and JOHN LEE HUFFMAN

FILE NO. C1500560

NOTICE OF HEARING

TO RESPONDENTS: WEALTHBUILDERS.NAME, LLC
4385 Black River Road
Dalzell, SC 29040

WEALTHBUILDERS.NAME, LLC
P. O. Box 246
Dalzell, SC 29040

JOHN LEE HUFFMAN
4385 Black River Road
Dalzell, SC 29040

JOHN LEE HUFFMAN
P. O. Box 246
Dalzell, SC 29040

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 September 26, 2018, at the hour of 11:00 a.m. or as soon as possible thereafter, before George Berbas 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 prohibiting John Lee Huffman and WealthBuilders.Name LLC., from offering and selling 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(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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BACKGROUND FACTS

1. Respondent, WealthBuilders.Name LLC (hereinafter "WealthBuilders.Name" or collectively with Huffman "Respondents") has a last known address of 4385 Black River Road, Dalzell, South Carolina 29040.
2. Respondent, John Lee Huffman, (hereinafter "Huffman" or collectively with (WealthBuilders.Name LLC "Respondents") is the CEO/Founder of Respondent WealthBuilders.Name and has a last known address 4385 Black River Road, Dalzell, South Carolina 29040.
3. At all times relevant herein, Respondent Hoffman was a control person of Respondent WealthBuilders.Name.
4. At all times relevant herein, Respondent WealthBuilders.Name had an online address of <http://wealthbuilders.name/>.
5. Investor EP (hereinafter "Complainant") is an Illinois resident.
6. In 2015, Respondent Hoffman on behalf of Respondent WealthBuilders.Name solicited Complainant to invest with Respondents.
7. Respondent WealthBuilders.Name offered Complainant an opportunity to invest in a Residual Income Fortune Matrix whereby Complainant would receive checks base upon her position and the monthly sales from the matrix sales force, if complainant joined Respondent's membership.
8. After multiple discussions with Respondent Hoffman, Complainant purchased a membership in Respondent WealthBuilders.Name.
9. On or about February 16, 2015, Complainant mailed to Respondents a money order, made payable to Respondent WealthBuilders.Name in the amount of \$300.00 in exchange for two positions in a "3x5 matrix".
10. Respondent Hoffman told Complainant that commissions would be paid once Respondents placed three members under Complainant's position on the matrix.
11. Shortly thereafter, Complainant mailed to Respondents an additional money order, made payable to Respondent John Hoffman in the amount of \$45.00 in exchange for one position in bit coins.

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12. On October 1, 2015, after not receiving any return on the investments, Complainant sent an email to Respondent Hoffman asking for a refund of the monies invested with Respondents.
13. On October 1, 2015, Respondent Huffman sent email to Complainant stating “[w]e will place your name on the refund list and refund you accordingly.”
14. On October 2, 2015, Respondent Huffman sent a second email to Complainant stating that Respondent has a “No Refund Policy but still allow member’s (sic) to receive their refunds.” Respondents also informed Complainant that a refund will be issued when “member’s positions matures” or “if a person just making a purchase within a few weeks to 30 days request a refund.”
15. To date, Complainant has not received a refund of the funds invested.
16. The activities described above constitute the offer and sale of an investment contract and therefore a security 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”).

COUNT I

815 ILCS 5/12.A and D violations: Respondents offered and/or sold unregistered securities

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 above, as paragraphs 1 through 17 of this Count I.
17. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the “Act”) states that it shall be a violation of the provisions of this Act for any person to “offer or sell any security except in accordance with the provisions of this Act.”
18. 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.
19. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“the Act”) provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to

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comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.

20. 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 security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
21. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

**815 ILCS 5/12.F violation: Respondents engaged
in practices in connection with the sale of securities
that worked a fraud or deceit
on the purchaser thereof**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count II.
17. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (“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 conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
18. The facts alleged in paragraphs 1 through 17 above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: Respondents solicited money from complainant to invest in a pyramid type scheme that promised “commission” checks without doing anything except investing. However, after investing, complainant never received a return on investment, the promised commission checks or a refund of her investments.
19. By virtue of the foregoing, Respondents violated 12.F of the Act.

COUNT III

**815 ILCS 5/12.G violations: Respondents obtained
Complainants' money by making
untrue statement of material fact
and omission to state a material fact**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count III.
17. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions 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 light of the circumstances under which they were made, not misleading.”
18. The facts alleged in paragraphs 1 through 17 above allege facts that show conduct by the Respondents that violate Section 12.G of the Act. In particular: Respondents solicited money from complainant to invest in a pyramid type scheme that promised “commission” checks without doing anything except investing. However, Respondent did not disclose to complainant prior to her investment that payment of “commission checks” would not be paid unless sale to other investors beneath her position were made.
19. By virtue of the foregoing, Respondents violated 12.G of the Act.

COUNT IV

**815 ILCS 5/12.I violation: Respondent employed a
scheme to defraud in connection with the sale of securities**

- 1-16. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 16 of Count I, as paragraphs 1 through 16 of this Count IV.
17. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions 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.”
18. The facts alleged in paragraphs 1 through 17 above allege facts that show conduct by the Respondents that violate Section 12.I of the Act. In particular: Respondents solicited money from complainant to invest in a pyramid type scheme that promised “commission” checks without doing anything except investing. However, after investing, complainant never

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received a return on investment, the promised commission checks or a refund of her investments.

19. By virtue of the foregoing, Respondents violated 12.I 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 requested 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.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 7th day of August 2018.


JESSE WHITE
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

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