

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

**IN THE MATTER OF: ANDREW PAISLEY; AND)
PAISLEY ENTERTAINMENT LLC)**
_____)

File No. C1700203

CONSENT ORDER

TO THE RESPONDENTS: PAISLEY ENTERTAINMENT LLC
c/o Andrew Paisley
218 W. Slade Apt #2
Palatine, Illinois 60067

ANDREW PAISLEY
218 W. Slade Apt #2
Palatine, Illinois 60067

WHEREAS, Respondents on the 4th day of September 2019 executed a certain Stipulation to Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated August 31, 2018 in this proceeding (the "Notice") and Respondents have consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, Respondents acknowledge the following allegations contained in the Notice of Hearing shall be deemed admitted and adopted as the Secretary of State's Findings of Fact for all purposes in this proceeding only:

1. Paisley Entertainment LLC ("Respondent Paisley LLC" or collectively with Respondent Andrew Paisley, "Respondents") last known address is 2922 N. Mango, Chicago, Illinois 60634.
2. At all relevant times herein, Respondent Paisley LLC was purportedly in the entertainment business and promoted concerts in the Chicagoland area.

Consent Order

-2-

3. Andrew Paisley ("Respondent Paisley" or collectively with Respondent Paisley LLC, "Respondents") last known address is 2922 N. Mango, Chicago, Illinois 60634.
4. At all relevant times herein, Respondent Paisley held himself out to have worked as a financial analyst and investment advisor. There is no record of Respondent Paisley being registered to offer or sell securities or offer investment advice.
5. Investors BM, TV, BS and WE are Illinois residents.
6. Respondent Paisley befriended WE, TV and the son of BM while they were incarcerated.
7. In or around December 2015, shortly after being released from prison, Respondent Paisley contacted BM to "thank" her for sending investment books to her son while they both were incarcerated. Thereafter, Respondent Paisley telephoned BM every Monday to talk about "life in general." According to BM, Respondent Paisley told her that he had been a very successful stock trader in Chicago and New York.
8. In early 2016, Investor BM met with Respondent Paisley who attempted to persuade her to invest in an entertainment venture. Investor BM told Respondent Paisley that she was not interested in any types of investments in the entertainment industry.
9. In or around February 2016, Investor BM again met with Respondent Paisley when Paisley offered BM an opportunity to invest \$5,000.00 in the stock market for a short period of time with the "guarantee" to receive \$1,250.00 per month for three (3) months, with the initial investment also to be returned in the third month on June 1, 2016.
10. On or about February 26, 2016, Investor BM and Respondent Paisley entered into the above-referenced agreement and Investor BM tendered to Respondent Paisley a cashier's check made payable to Respondent Paisley, in the amount of \$5,000.00, which was deposited into Paisley's Chase bank account.
11. In or around May 2016, Respondent Paisley again persuaded Investor BM to invest an additional \$25,000.00 in "the stock market." Respondent Paisley promised Investor BM an opportunity to invest \$25,000.00 in the stock market for a short period of time, "guaranteed" to receive \$6,250.00 per month for three (3) months, with the initial investment also to be returned in the third month on August 16, 2016.
12. On or about May 12, 2016, Investor BM and Respondent Paisley entered into the above-referenced agreement and Investor BM tendered to Respondent Paisley a

Consent Order

-3-

cashier's check, made payable to Respondent Paisley, in the amount of \$25,000.00, which was deposited into Respondent Paisley's Chase bank account.

13. In or around June 2016, Respondent Paisley approached Investor BM with a third and "final" opportunity. According to Investor BM, Respondent Paisley recommended that she reinvest her previous investment of \$25,000.00 and suggested that Investor BM to invest an additional \$75,000.00.
14. Respondent Paisley persuaded Investor BM to invest \$100,000.00 for three months with Respondent Paisley Entertainment. Respondent Paisley promised Investor BM an opportunity to invest the \$100,000.00 for a short period of time and "guaranteed" to receive \$25,000.00 per month for three (3) months, with the initial investment also to be returned in the third month on September 22, 2016.
15. On or about June 20, 2016, Investor BM and Respondent Paisley entered into the above-referenced agreement and Investor BM tendered to Respondent Paisley cashier's checks and money orders made payable to Respondent Paisley in totaling \$75,000.00, which was deposited into Respondent Paisley's Chase bank account.
16. Between February 2016 and June 2016, Investor BM tendered a total of \$105,000.00 to Respondent Paisley to be invested in the "stock market". All of the respective funds were deposited into Respondent Paisley's Chase bank account.
17. Investor TV and Respondent Paisley were cellmates while they were incarcerated at Dixon Correctional Center. During this time, Respondent Paisley told Investor TV that he had worked for Merrill Lynch as a financial analyst prior to being incarcerated.
18. In March 2016 after their release, Respondent Paisley contacted Investor TV to inform TV that he purportedly was starting his own investment firm and was currently working at the "Board of Trade" with investments and conducting liquidation sales.
19. In or around March 2016, Investor TV met with Respondent Paisley where Paisley offered TV an opportunity to invest \$25,000.00 in "stock or liquidation sales" for a short period of time and "guaranteed" to receive \$10,000.00 per month for three (3) months, with the initial investment also to be returned in the third month, on June 28, 2016.
20. On or about March 19, 2016, Investor TV and Respondent Paisley entered into the above-referenced agreement and Investor TV tendered to Respondent Paisley and Investor TV tendered to Respondent Paisley a cashier's check in the amount of \$25,000.00, made payable to Respondent Paisley, which was deposited into Respondent Paisley's Chase bank account.

Consent Order

-4-

21. Investor BS was introduced to Respondent Paisley through her husband, Investor WE. According to Investor BS, Respondent Paisley told her that he was an investment advisor prior to going to prison and that he was also a concert promoter.
22. In or around May 2016, Investor BS met with Respondent Paisley where Paisley offered BS an opportunity to invest \$5,000.00 for a short period of time and "guaranteed" to receive \$1,250.00 per month for three (3) months, with the initial investment also to be returned in the third month on August 17, 2016.
23. On or about May 13, 2016, Investor BS and Respondent Paisley entered into the above-referenced agreement and Investor BS tendered to Respondent Paisley a cashier's check for the \$10,000.00; \$5,000.00 to be used as her investment with Respondents and \$5,000.00, to be used as investment for her husband, Investor WE.
24. Investor BS invested a total of \$5,000.00 with Respondent Paisley.
25. Investor WE met Respondent Paisley while they were incarcerated. Respondent Paisley told Investor WE that he had worked for Merrill Lynch prior to being incarcerated.
26. In or around May 2016, after their release from prison, Respondent Paisley contacted Investor WE to arrange a meeting with WE to discuss possible investment opportunities in Respondent Paisley LLC.
27. In or around May 2016, Investor WE met with Respondent Paisley where Paisley offered WE an opportunity to invest \$15,000.00 for a short period of time and receive \$3,750.00 per month for three (3) months, with the initial investment also to be repaid in the third month, on August 17, 2016.
28. On or about May 13, 2016, Investor WE and Respondent Paisley entered into the above-referenced agreement and Investor WE tendered to Respondent Paisley an additional cashier's check in the amount of \$10,000.00, made payable to Respondent Paisley, which was deposited into Respondent Paisley's Chase bank account.
29. Investor WE invested a total of \$15,000.00 with Respondent Paisley.
30. Respondents' activities described above, constitute the offer and sale of investment contracts, and therefore are securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

Consent Order

-5-

31. Between February 2016 and May 2016, Respondent Paisley swindled his victims out of approximately \$150,000.00.
32. Between February 2016 and May 2016, Respondent Paisley withdrew \$26,899.00 from ATM from the Chase account in which investors' funds were deposited and spent \$28,500.00 with a gambling and horse racing company and \$45,400.00 with an online betting company after the funds had been deposited into the account.
33. Additionally, between February 2016 and May 2016, Respondent Paisley withdrew approximately \$94,150.00 from the Chase account in which investors' funds were deposited.
34. 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."
35. Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
36. Section 12.D 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 "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
37. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
38. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.
39. Section 12.C 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 "act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act."
40. Section 8 of the Act provides, inter alia, that except as otherwise provided, every dealer, limited Canadian dealer, salesperson investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.

Consent Order

-6-

41. Respondents failed to file an application for registration as a salesperson with the Secretary of State, pursuant to Section 8 of the Act prior to the sale of securities to investors. By virtue of the foregoing, Respondents violated Section 12.C of the Act.
42. Section 12.F 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 “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.” 815 ILCS 5/12.F.
43. Respondent Paisley never invested the investors’ funds in the manner in which was agreed or for the benefit of investor but instead used the funds for gambling and his own expenses/entertainment and thus converted funds for his own personal use and benefit. By virtue of the foregoing, Respondents violated Section 12.F of the Act.
44. 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 light of the circumstances under which they were made, not misleading”. 815 ILCS 5/12.G.
45. Respondent Paisley mislead the investors into believing that he had once worked for Merrill Lynch as a financial analyst and their monies would be invested in the stock market. Instead used the funds for gambling and his own expenses/entertainment, thus converting the funds for his own personal use and benefit. By virtue of the foregoing, Respondents violated Section 12.G of the Act.
46. Section 12.H 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 “sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.”
47. Respondent Paisley, on behalf of Respondent Paisley LLC, tendered to investors an “Investment Agreement” guaranteeing profits on investor’s funds and return of initial monies within a specified time period. Respondents failed to return either the investors’ funds or pay the “guaranteed” profits. Instead used the funds for gambling and his expenses/entertainment, personal use and benefit. By virtue of the foregoing, Respondents violated Section 12.H of the Act.
48. 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.”

49. Respondents solicited and sold securities in the form of investment contracts to Complainants and purported their funds would be invested in the stock market. Instead, Respondents converted Complainants' money for Respondents' own personal use and benefit. Particularly, Respondent Paisley used the funds for gambling and his own expenses/entertainment. By virtue of the foregoing, Respondents violated Section 12.I of the Act.
50. Section 11.E(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person engaging or has engaged in the business of selling or offering for sale securities as a salesperson, without prior thereto and at the time thereof having complied with the registration or notice filing requirements of this Act, the Secretary of State may by written order prohibit or suspend the person from engaging in the business of selling or offering for sale securities, in this State.
51. Section 11.E (4) of the Act provides that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.

WHEREAS, by means of the Stipulation, Respondents acknowledge the following shall be deemed admitted and adopted as the Secretary of State's Conclusions of Law, for all purposes in this proceeding:

1. Respondents Andrew Paisley and Paisley Entertainment LLC have violated Sections 12.C, 12.D, 12.F, 12.G, 12.H. and 12.I of the Illinois Securities Law of 1953 (815 ILCS 5/1 *et seq.*);
2. Respondents Andrew Paisley and Paisley Entertainment LLC are subject to an order that permanently prohibits them from offering and/or selling securities in or from the State of Illinois, in accordance with Sections 11.E(3) and 11.F(1) of the Act.
3. Respondents Andrew Paisley and Paisley Entertainment LLC are subject to a FINE pursuant to Section 11.E(4) of the Act.

WHEREAS, by means of the Stipulation, Respondents Andrew Paisley and Paisley Entertainment LLC have acknowledged and agreed that they shall comply with all provisions of

the Illinois Securities Law of 1953 (815 ILCS 5/1 et seq., as amended) and the Rules and Regulations of the Under the Illinois Securities Law of 1953.

WHEREAS, by means of Stipulation, Respondents Andrew Paisley and Paisley Entertainment LLC have acknowledged and agreed that Andrew Paisley and Paisley Entertainment LLC, his/its affiliates, employees, successors and assigns, shall be permanently prohibited from offering or selling securities in the State of Illinois.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Respondents Andrew Paisley and Paisley Entertainment LLC shall comply with all applicable provisions of the Illinois Securities Law of 1953 (815 ILCS 5/1 et seq., as amended) and the Rules and Regulations of the Under the Illinois Securities Law of 1953.
2. Respondent Andrew Paisley is permanently **PROHIBITED** from offering and/or selling securities in or from the State of Illinois.
3. Respondent Paisley Entertainment LLC is permanently **PROHIBITED** from offering and/or selling securities in or from the State of Illinois.
4. The Notice of Hearing issued in this matter is hereby dismissed.

ENTERED: This 11th day of September.



JESSE WHITE
Secretary of State
State of Illinois

Consent Order

-9-

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 [815 ILCS 5] (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.

Attorney for the Secretary of State:

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