

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: )

PATRICK HOGAN and CMB EXPORT, LLC, )

RESPONDENTS. )

) File No. 1800442  
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)  
)  
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)

NOTICE OF HEARING

TO RESPONDENTS:

Patrick Hogan, CEO, Manager  
c/o Kenneth J. Joyce  
Lewis Brisbois Bisgaard & Smith LLP  
110 SE 6<sup>th</sup> Street, Suite 2600  
Fort Lauderdale, Florida 33301  
VIA EMAIL: Ken.Joyce@lewisbrisbois.com  
and CERTIFIED MAIL

CMB Export, LLC  
c/o Kenneth J. Joyce  
Lewis Brisbois Bisgaard & Smith LLP  
110 SE 6<sup>th</sup> Street, Suite 2600  
Fort Lauderdale, Florida 33301  
VIA EMAIL: Ken.Joyce@lewisbrisbois.com  
and CERTIFIED MAIL

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] ("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 24<sup>th</sup> day of February 2020, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, Esq. 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 against **Respondent Patrick Hogan** and **Respondent CMB Export, LLC** granting such relief as may be authorized under the Act.

The grounds for such proposed action are as follows:

**BACKGROUND**

1. Between 2011 and 2015, Respondent CMB Export, LLC (“CMB Export”) was an entity which acts as a general partner of certain limited partnerships (“CMB Limited Partnerships”) and is located at 7819 42<sup>nd</sup> Street West, Rock Island, Illinois 61201.
2. Between 2011 and 2014, Respondent Patrick Hogan (“Hogan”) was a resident of Milan, Illinois and between 2011 and 2015, Hogan was the CEO and Manager of CMB Export.
3. Between 2011 and 2015, Respondent CMB Export relied on individuals and entities (“Referrers”) to solicit foreign investors to purchase limited partnership interest (“EB-5 Securities”)<sup>1</sup> offered by certain CMB Limited Partnerships.
4. The EB-5 Securities as described above are securities offered for sale as defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (“Act”).

**FAILURE TO REGISTER**

5. The Illinois Securities Department (“Department”) re-alleges and incorporates herein the allegations contained in paragraphs 1 through 4 above.
6. Section 5 of the Act provides, *inter alia*, “all securities except those set forth under Section 2a of this Act ... or those exempt ... shall be registered ... prior to their offer or sale in this State.”
7. Between 2011 and 2015, Respondents failed to file an application for registration of the aforementioned EB-5 Securities with the Illinois Securities Department and as a result the EB-5 Securities were not registered prior to their offer and sale in the State of Illinois nor were any reports or filings filed to support an exemption from registration of the aforementioned EB 5 securities.

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<sup>1</sup>. The United States Congress created the Immigrant Investor Program, also known as the “EB-5 Program,” in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. The EB-5 Program offers EB-5 visas to foreign individual who invest \$1 million in new commercial enterprise that creates or preserves at least 10 full-time jobs for qualifying U.S. workers (or \$500,000 in a new enterprise located in a rural area or an area of high unemployment). A certain number of EB-5 visas are set aside for foreign investors in designated regional centers. A regional center is defined as “any economic unit, public or private, which is involved with the promotion or economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.” 8 C.F.R. §204.6(e) (2015).

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8. At all times relevant herein, Respondents failed to register as a dealer, salesperson, investment adviser or investment adviser representative pursuant to Section 8 of the Act.
9. At all times relevant herein, Respondent Hogan acted as a control person for Respondent CMB Export.
10. At all times relevant herein, Respondents acted as an unregistered dealer or relied upon unregistered salespersons and investment adviser representatives.

CONCLUSIONS OF LAW

11. The Department re-alleges and incorporates here the allegations contained in paragraphs 1 through 10 above.
12. The Department has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq.*] (the "Act").
13. Section 12.A of the Act provides, *inter alia*, it shall be a violation of any person to offer or sell any security except in accordance with the provisions of the Act.
14. Section 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where registration is required, under the provisions of the Act.
15. Section 12.D of the Act provides, *inter alia*, it shall be a violation for any person "[t]o 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 this Act ..."
16. Respondents violated Sections 12.A, 12.C and 12.D of the Act.
17. Relief is appropriate and in the public interest.
18. Respondents are jointly and severally liable for a fine for each violation and a charge of costs.

You are further notified that pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130 ("Rules")), **you may 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

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Hearing and waives your right to a hearing. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

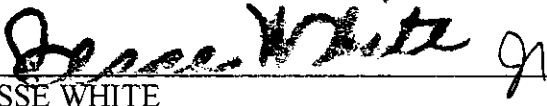
Paula K. Bouldon  
Enforcement Attorney  
Illinois Department of Securities  
69 West Washington, Suite 1220  
Chicago, Illinois 60602

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute a default. Unless the Respondents have upon due notice moved for and obtained a continuance or the matter has otherwise been resolved.

The Rules promulgated under the Act pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/lawrules.html>.

Delivery of notice to the designated representative of Respondents constitutes service upon such Respondents.

DATED: This 27<sup>th</sup> day of December 2019

  
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JESSE WHITE  
Secretary of State  
State of Illinois