

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

IN THE MATTER OF: MATHEW ELISCU

FILE NO. 11-00257

ORDER OF PROHIBITION

TO RESPONDENT: **Mathew Eliscu**
 1030 N. State Street, Suite 33A
 Chicago, Illinois 60610

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on April 7, 2014, temporarily prohibiting the Respondents from offering or selling securities in or from the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent Mathew Eliscu failed to request a hearing on the matters contained in the Temporary Order of Prohibition 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 said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's.

Findings of Fact are as follows:

FRAUD

FAILURE TO DISCLOSE REGULATORY ACTIONS

1. In or around June 2011, Respondent Eliscu solicited Investor A, an Illinois resident, to purchase shares in a pink sheet penny stock by the name of Vega Biofuels, Inc. ("VGPR").
2. As advised by Respondent Eliscu, Investor A purchased over 70 million shares of VGPR for a total amount of \$30,000.00.
3. Despite repeated requests by Respondent Eliscu to open a joint account, Investor A made the purchase in her personal account with Fidelity Investments.
4. As soon as Investor A purchased the VGPR stocks, Respondent Eliscu informed Investor A that his commission for the investment advice is fifty percent 50% of the profits for his services.
5. Respondent Eliscu pressured Investor A to transfer to his control \$15,000.00 worth of the VGPR stock to represent fifty percent 50 % of the profits, an arrangement he claimed he had with many other clients, even though there were no profits.
6. Shortly after purchasing the VGPR stocks, the share price tumbled costing Investor A approximately a fifty percent 50% loss.
7. Respondent Eliscu misrepresented to Investor A that he was licensed by the State of Illinois and twenty five other states as an investment adviser representative and/or salesperson.
8. At all relevant times, Respondent Eliscu was not licensed by the State of Illinois or by twenty five other states as an investment adviser representative and/or salesperson.
9. At all relevant times, Respondent Eliscu never disclosed to Investor A the existence of the following regulatory actions:
 - a. On May 17, 1999, the National Association of Securities Dealers, Inc. ("NASD") entered an Order that censured, fined \$5,000.00 and suspended Respondent Eliscu from association with any NASD member in any capacity for 10 business days. Respondent Eliscu purchased call options in his personal cash account maintained by his member firm at a total cost of \$1,824.50. The option expired worthless and Respondent Eliscu failed to make full payment until a later date; and,

Order of Prohibition

-3-

- b. On October 23, 2000, the Florida Securities Division entered a Cease and Desist Order that fined Respondent Eliscu \$5,000.00 for selling securities without being registered in the State of Florida.
10. As a result, the above-mentioned omissions of fact address the honesty, integrity, and competency of the Respondent Eliscu who was acting as an unregistered investment adviser.
11. 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 conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
12. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
13. 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.
14. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

COUNT II

FAILURE TO REGISTER AS AN INVESTMENT ADVISER REPRESENTATIVE

15. Counts 1-14 are re-alleged and incorporated by reference.
16. The activities of Respondent Eliscu, described above, constitute the activity of an investment adviser representative.
17. Section 8 of the Act provides, *inter alia*, that all investment advisers and investment adviser representatives, except as otherwise provided, shall be registered with the Secretary of State.
18. At all relevant times, Respondent Eliscu failed to file an application for registration as an investment adviser representative with the Illinois Secretary of State.

Order of Prohibition

-4-

19. Section 12.C of the Act provides, *inter alia*, that it shall be a violation for any person to act as an investment adviser or investment adviser representative, unless registered as such.
20. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
21. By virtue of the foregoing, Respondent violated Sections 8, 12.C and 12.D of the Act.

COUNT III

FAILURE TO RESPOND TO AN ILLINOIS SECURITIES DEPARTMENT

INQUIRY LETTER

22. On January 9, 2012, pursuant to Section 11.C of the Act, the Department sent an Inquiry Letter to Respondent Eliscu requiring that a written response be forwarded to the Department within ten days of receipt of this letter.
23. The Inquiry Letter identified above was sent to Respondent Eliscu's last known address at 1030 N. State Street, #33A, Chicago, Illinois 60610.
24. Respondent Eliscu failed to respond within ten days or any time thereafter.
25. The Inquiry Letter was issued pursuant to Section 11.C of the Illinois Securities law of 1953 (815 ILCS 5/1 et. seq.) (the "Act").
26. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act.
27. At all relevant times, Respondent Eliscu failed to file a response to the aforesaid Inquiry Letter with the Department pursuant to the Department's lawful investigation of this matter and as required by the Act.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

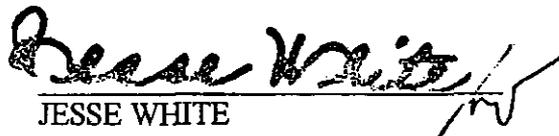
Order of Prohibition

-5-

1. By virtue of this conduct, Respondent Mathew Eliscu violated Sections 8, 12.C, 12.D, 12.F, and 12.G of the Act.
2. By virtue of the foregoing, Respondent Mathew Eliscu, pursuant to Section 11.F of the Act, are subject to an Order which permanently prohibits him from offering or selling securities in or from the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondent Eliscu is hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 16th day of May 2014.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of 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 the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 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.

Attorney for the Secretary of State:
Maria Pavone
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3022