

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: WILLIAM JAMES HOGAN

) File No. 0400748  
)

NOTICE OF HEARING

TO THE RESPONDENT: William James Hogan  
7813 Sunset Drive  
Elmwood Park, Illinois 60707

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 West Jefferson Street, Suite 300A, Springfield, Illinois 62702, on the 17<sup>th</sup> day of August, 2005 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon K. Ellis, or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order of Prohibition should be entered against William James Hogan (the "Respondent") in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

Count I (Violation of 12.A)

1. That Respondent, William James Hogan (hereinafter, "Hogan"), is an individual with a last known address of 7813 Sunset Drive, Elmwood Park, Illinois 60707;
2. That on or about September 18, 1997, Respondent Hogan offered and sold to GB, an Illinois Resident, an investment plan whereby Hogan represented that upon receiving \$20,000 from GB, Hogan would invest and manage said funds on behalf of GB in a Merrill Lynch "Blue Print" account, that said investment would yield a return of 15% per month, and that said funds could be withdrawn at any time without penalty upon demand;
3. That during the months of June and July, 2002, Hogan represented to GB that said account was still active and

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that he was attempting to obtain a withdrawal of GB's funds per GB's request;

4. That the above referenced investment plan is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
5. That 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;
6. That 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 securities except in accordance with the provisions of the Act;
7. That at all times relevant hereto, William James Hogan failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.A of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
11. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$10,000.00 per

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violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count II (Violation of 12.D)

- 1-5. Paragraphs 1-5 of Count I are re-alleged and incorporated as paragraphs 1-5 of this Count II;
6. That 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 provision of the Act;
7. That at all times relevant hereto, Respondent, William James Hogan, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

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12. That by virtue of the foregoing, the Respondent, William James Hogan is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count III (Violation of 12.G)

- 1-4. Paragraphs 1-4 of Count I are re-alleged and incorporated as paragraphs 1-4 of this Count III;
5. That Hogan never invested GB's \$20,000 investment in a Merrill Lynch Blue Print account as represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes without the knowledge of, or authority from, GB;
6. That during the months March and April, 2001, GB requested said funds be returned to her for her personal use at which time Hogan continued to represent to GB that her funds still remained in the aforesaid Blue Print account and that he was attempting to obtain those funds for her, when, in fact, Hogan knew that said funds no longer existed and were never placed in said purported account;
7. That during the months of June and July, 2002, in response to GB's continued requests for said funds, Hogan continued to represent said funds were still contained in the aforementioned account and that he was working to obtain those funds for her, when in fact, Hogan knew that said funds no longer existed and were never placed in said purported account;
8. That as of this date, GB has never received any money in regards to the aforesaid investment from Respondent Hogan, nor has she received the return of 15% per month as represented by the Respondent Hogan;
9. That 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;

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10. That at all times relevant hereto, Respondent William James Hogan obtained money or property from GB, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to GB that her investment would be invested in a Merrill Lynch Blue Print Account, would earn 15% interest per month and could be withdrawn without penalty upon demand, when in fact Respondent Hogan never invested GB's funds in any such investment account, but rather deposited said funds in his own personal bank account, whereupon Hogan used said funds for his own personal benefit and purposes; furthermore, after repeated requests for said funds by GB, Hogan continued to represent said funds still existed and were contained in the purported investment account, when in fact Hogan knew that said account did not exist and that said funds were never so invested and no longer existed;
11. That by virtue of the foregoing, William James Hogan has violated Sections 12.G of the Act;
12. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
13. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
14. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count IV (Violation of 12.A)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count IV;

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2. That on or about January 21, 2000, Respondent Hogan offered and sold to GB, an Illinois Resident, an investment plan whereby Hogan represented that for an investment of \$45,000 from GB, Hogan would invest and manage said funds in a Merrill Lynch "Blue Print" account, that one year from the aforesaid date, Hogan would pay GB the principal plus an additional \$15,000, and that said funds could be withdrawn at any time without penalty upon demand;
3. That during the months of June and July, 2002, Hogan represented to GB that said account was still active and that he was attempting to obtain a withdrawal of her funds per her request;
4. That the above referenced investment plan is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
5. That 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;
6. That 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 securities except in accordance with the provisions of the Act;
7. That at all times relevant hereto, William James Hogan failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.A of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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

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prohibit the person from offering or selling any securities in this State;

10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
11. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count V (Violation of 12.D)

- 1-5. Paragraphs 1-5 of Count IV are re-alleged and incorporated as paragraphs 1-5 of this Count V;
6. That 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 provision of the Act;
7. That at all times relevant hereto, Respondent, William James Hogan, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;

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10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count VI (Violation of 12.G)

- 1-4. Paragraphs 1-4 of Count IV are re-alleged and incorporated as paragraphs 1-4 of this Count VI;
5. That Hogan never invested GB's \$45,000 investment in a Merrill Lynch Blue Print account as represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes without the knowledge of, or authority from, GB;
6. That as of January 21, 2001, a year after the aforesaid agreement, GB did not receive the return of principle or the additional \$15,000 return as represented by Hogan;
7. That during the months March and April, 2001, GB requested said funds be returned to her for her personal use at which time Hogan continued to represent to GB that her funds still remained in the aforesaid Blue Print account and that he was attempting to obtain those funds for her, when, in fact, Hogan knew that said account did not exist and that said funds no longer existed and were never placed in said purported account;
8. That during the months of June and July, 2002, in response to GB's continued requests for said funds, Hogan continued



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to represent said funds were still contained in the aforementioned account and that he was working to obtain those funds for her, when in fact, Hogan knew that said account did not exist and that said funds no longer existed and were never placed in said purported account;

9. That as of this date, GB has never received any money in regard to the aforesaid investment from the Respondent Hogan, nor has she received the \$15,000 return as represented by the Respondent Hogan;
10. That 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;
11. That at all times relevant hereto, Respondent William James Hogan obtained money or property from GB, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to GB that her investment would be invested in a Merrill Lynch Blue Print Account and would earn 15% interest per month and could be withdrawn without penalty upon demand, when in fact said account did not exist and Respondent Hogan never invested GB's funds in any such investment account, but rather deposited said funds in his own personal bank account, whereupon Hogan used said funds for his own personal benefit and purposes; furthermore, after repeated requests for said funds, Hogan continued to represent said funds still existed and were contained in the purported investment account, when in fact Hogan knew that said account did not exist and said funds were never so invested and no longer existed;
12. That by virtue of the foregoing, William James Hogan has violated Sections 12.G of the Act;
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

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14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
15. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of prohibition, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count VII (Violation of 12.A)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count VII;
2. That on or about May 6, 1997, and January 26, 1998, Respondent Hogan offered and sold to TP, an Illinois Resident, an investment plan whereby Hogan represented that upon receiving a total of \$7,717.01 from TP, Hogan would invest and manage said funds on behalf of TP in a Merrill Lynch "Blue Print" account and that said investment would yield a return of 15% per month, and that said funds could be withdrawn without penalty upon demand;
3. That on or about September 30, 2002, Hogan supplied TP with a document purporting to be financial account statements called "Blueprint Account Status", representing that TP's account contained total principal and interest in the amount of \$21,144.06;
4. That during the months of April through August, 2003, Hogan represented to TP that said account was still active and that he was attempting to obtain a withdrawal of TP's funds per TP's request;
5. That the above referenced investment plan is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
6. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or

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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;

7. That 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 securities except in accordance with the provisions of the Act;
8. That at all times relevant hereto, William James Hogan failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That by virtue of the foregoing, William James Hogan has violated Sections 12.A of the Act;
10. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count VIII (Violation of 12.D)

- 1-6. Paragraphs 1-6 of Count VII are re-alleged and incorporated as paragraphs 1-6 of this Count VIII;

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7. That 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 provision of the Act;
8. That at all times relevant hereto, Respondent, William James Hogan, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That by virtue of the foregoing, William James Hogan has violated Sections 12.D of the Act;
10. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
11. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
12. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
13. That by virtue of the foregoing, the Respondent, William James Hogan is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count IX (Violation of 12.G)

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- 1-5. Paragraphs 1-5 of Count VII are re-alleged and incorporated as paragraphs 1-5 of this Count IX;
6. That Hogan never invested TP's \$7,717.01 investment in a Merrill Lynch Blue Print account as represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes without the knowledge of, or authority from, TP;
7. That Hogan continued to send purported account statements to TP up to and including the aforesaid account statement of September 30, 2002, and with each statement, Hogan represented to TP that the purported "Blue Print" account contained the principle of TP's investment plus interest, while in fact, Hogan knew that no such account existed, that said funds no longer existed and were never placed in said purported account;
8. That despite repeated requests by TP for return of the investment and interest, Hogan continued to represent to TP during the months of April through August, 2003, that TP's investment was still located in the aforesaid account and that Hogan was making efforts to withdraw said funds, when in fact, Hogan knew that no such account existed, that said funds no longer existed and were never placed in said purported account;
9. That as of this date, TP has never received any money in regards to the aforesaid investment from Respondent Hogan, nor has he received the return of 15% per month as represented and promised by the Respondent Hogan;
10. That 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;
11. That at all times relevant hereto, Respondent William James Hogan obtained money or property from TP, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to TP that his investment would be invested in a Merrill Lynch Blue Print Account and would earn 15% interest per month and

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could be withdrawn without penalty upon demand, when in fact Respondent Hogan never invested TP's funds in any such investment account, but rather deposited said funds in his own personal bank account, whereupon Hogan used said funds for his own personal benefit and purposes; furthermore, after repeated requests for said funds, Hogan continued to represent said funds still existed and were contained in the purported investment account, when in fact Hogan knew that said funds were never so invested and no longer existed;

12. That by virtue of the foregoing, William James Hogan has violated Sections 12.G of the Act;
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
15. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count X (Violation of 12.A)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count X;
2. That on or about September 16, 1999, Respondent Hogan offered and sold to JP, an Illinois Resident, an investment plan whereby Hogan represented that for an investment of \$4,753.99 from JP, Hogan would invest and manage said funds in a Merrill Lynch "Blue Print" account, that said investment would yield a return of 15% per month, and that said funds could be withdrawn without penalty upon demand;

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3. That on or about June 30, 2002, Hogan supplied JP with a document purporting to be financial account statements called "Blueprint Account Status", representing that JP's account contained total principal and interest in the amount of \$9,480.24;
4. That the above referenced investment plan is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
5. That 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;
6. That 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 securities except in accordance with the provisions of the Act;
7. That at all times relevant hereto, William James Hogan failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.A of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
10. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

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11. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count XI (Violation of 12.D)

- 1-5. Paragraphs 1-5 of Count X are re-alleged and incorporated as paragraphs 1-5 of this Count XI;
6. That 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 provision of the Act;
7. That at all times relevant hereto, Respondent, William James Hogan, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
8. That by virtue of the foregoing, William James Hogan has violated Sections 12.D of the Act;
9. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
10. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for



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each violation of the Act, as well as the costs of investigation and reasonable expenses;

12. That by virtue of the foregoing, the Respondent, William James Hogan is subject to a fine of up to \$10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count XII (Violation of 12.G)

- 1-4. Paragraphs 1-4 of Count X are re-alleged and incorporated as paragraphs 1-4 of this Count XII;
5. That Hogan never invested JP's \$4,753.99 investment in a Merrill Lynch Blue Print account as represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes without the knowledge of, or authority from, JP;
6. That Hogan continued to send purported account statements to JP up to and including the aforesaid account statement of June 30, 2002, and with each statement, Hogan represented to JP that the purported "Blue Print" account contained the principle of JP's investment plus interest, while in fact, Hogan knew that no such account existed, that said funds no longer existed and were never placed in said purported account;
7. That as of this date, JP has never received any money in regards to the aforesaid investment from Respondent Hogan, nor has he received the return of 15% per month as represented by the Respondent Hogan;
8. That 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;
9. That at all times relevant hereto, Respondent William James Hogan obtained money or property from JP, an Illinois resident, by means of an untrue statement of material fact

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or an omission to state a material fact by representing to JP that her investment would be invested in a Merrill Lynch Blue Print Account and would earn 15% interest per month and could be withdrawn without penalty upon demand, when in fact Respondent Hogan never invested JP's funds in any such investment account, but rather deposited said funds in his own personal bank account, whereupon Hogan used said funds for his own personal benefit and purposes;

10. That by virtue of the foregoing, William James Hogan has violated Sections 12.G of the Act;
11. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
12. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
13. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count XIII (Violation of 12.A)

1. Paragraph 1 of Count I is re-alleged and incorporated as paragraph 1 of this Count XIII;
2. That on or about August 24, 1998 and September 19, 1999, Respondent Hogan offered and sold to KP, an Illinois Resident, an investment plan whereby Hogan represented that for a total investment of \$8,412.98 from KP, Hogan would invest and manage said funds in a Merrill Lynch "Blue Print" account, that said investment would yield a return of 15% per month, and that said funds could be withdrawn without penalty upon demand;

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3. That on or about September 30, 2002, Hogan supplied KP with a document purporting to be financial account statements called "Blueprint Account Status", representing that KP's account contained total principal and interest in the amount of \$17,116.48;
4. That during the months of April through August, 2003, Hogan represented to KP's brother, TP, that said account was still active and that he was attempting to obtain a withdrawal of KP's funds per TP's request;
5. That the above referenced investment plan is an investment contract and therefore is a security as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
6. That 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;
7. That 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 securities except in accordance with the provisions of the Act;
8. That at all times relevant hereto, William James Hogan failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That by virtue of the foregoing, William James Hogan has violated Sections 12.A of the Act;
10. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;

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11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
12. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count XIV (Violation of 12.D)

- 1-6. Paragraphs 1-6 of Count XIII are re-alleged and incorporated as paragraphs 1-6 of this Count XIV;
7. That 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 provision of the Act;
8. That at all times relevant hereto, Respondent, William James Hogan, failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That by virtue of the foregoing, William James Hogan has violated Sections 12.D of the Act;
10. That Section 11.E.(3) of the Act provides, inter alia, that if the Secretary of State shall find that any person is engaging or has engaged in the business of selling or offering for sale securities as a dealer or 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 the person from offering or selling any securities in this State;
11. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the

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Secretary of State may by written order prohibit the person from offering or selling any securities in this State;

12. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
13. That by virtue of the foregoing, the Respondent, William James Hogan is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

Count XV (Violation of 12.G)

- 1-5. Paragraphs 1-4 of Count XIII are re-alleged and incorporated as paragraphs 1-4 of this Count XV;
6. That Hogan never invested KP's \$8,412.98 investment in a Merrill Lynch Blue Print account as represented, but rather deposited said funds in his personal account and used said funds for his own personal benefit and purposes without the knowledge of, or authority from, KP;
7. That Hogan continued to send purported account statements to KP up to and including the aforesaid account statement of September 30, 2002, and with each statement, Hogan represented to KP that the purported "Blue Print" account contained the principle of KP's investment plus interest, while in fact, Hogan knew that no such account existed, that said funds no longer existed and were never placed in said purported account;
8. That despite repeated requests by TP on behalf of KP for return of KP's investment and interest, Hogan continued to represent to TP during the months of April through August, 2003, that KP's investment was still located in the account and that Hogan was making efforts to withdraw said funds, when in fact, Hogan knew that no such account existed, that said funds no longer existed and were never placed in said purported account;

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9. That as of this date, KP has never received any money in regards to the aforesaid investment from Respondent Hogan, nor has she received the return of 15% per month as represented by the Respondent Hogan;
10. That 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;
11. That at all times relevant hereto, Respondent William James Hogan obtained money or property from KP, an Illinois resident, by means of an untrue statement of material fact or an omission to state a material fact by representing to KP that her investment would be invested in a Merrill Lynch Blue Print Account and would earn 15% interest per month and could be withdrawn without penalty upon demand, when in fact Respondent Hogan never invested KP's funds in any such investment account, but rather deposited said funds in his own personal bank account, whereupon Hogan used said funds for his own personal benefit and purposes; furthermore, after repeated requests for said funds, Hogan continued to represent said funds still existed and were contained in the purported investment account, when in fact Hogan knew that said funds were never so invested and no longer existed;
12. That by virtue of the foregoing, Integrity Financial Group, its Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns and Steve Wireman have violated Sections 12.G of the Act;
13. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection G of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
14. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;

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15. That by virtue of the foregoing, the Respondent, William James Hogan, is subject to a fine of up to \$ 10,000.00 per violation, costs of investigation, reasonable expenses, an order of censure, and an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois.

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 or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a 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.

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 Respondents.

Dated this 14<sup>th</sup> day of June, 2005.



Jesse White  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Johan Schripsema