

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: BART ANDREW NEWMAN )  
(CRD# 5296778) )  
\_\_\_\_\_ )

Case No.0800198

TO THE RESPONDENT: BART ANDREW NEWMAN  
318 WEST BALTIMORE DRIVE  
VERNON HILLS, ILLINOIS  
60061

BART ANDREW NEWMAN  
C/O NISHAY K. SANAN, ESQ.  
327 S. PLYMOUTH COURT  
SUITE 201  
CHICAGO, ILLINOIS  
60604

NOTICE OF HEARING

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 (the "Rules"), a public hearing is scheduled to be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 18<sup>th</sup> day of February, 2009, at 10:00 a.m., or as soon thereafter as counsel may be heard, before **George P. Berbas, Esq.**, or another duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered Finding Respondent Bart Andrew Newman in violation of the Act and 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 of \$10,000.00 per violation pursuant to Section 11.F of the Act, for each and every violation, 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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1. Bart Andrew Newman ("Respondent" or "Newman") is an individual residing at 318 West Baltimore Drive in Vernon, Illinois.
2. Newman was registered in Illinois with Pavek Investments, Inc. ("Pavek") as a securities salesperson until December 3, 2007.
3. On or about December 7, 2007, Newman recommended and sold three Consolidated Wealth Holdings, Inc. Life Settlement contracts ("Contracts") to two Illinois investors ("Investors") for approximately \$200,000.00.
4. A life settlement is a financial investment transaction in which a third party (the issuer) purchases a life insurance policy from the policy owner (the seller) for more than the policy's cash surrender value. The issuer becomes the beneficiary of the seller's insurance policy and finds an investor, or group of investors, that invest in the policy for the promise of annual compound interest on the investment to be paid along with the principal upon either the death of the seller or, in some contracts, on the seller's life expectancy date, whichever occurs first.
5. In Illinois a life settlement contract constitutes an Investment Contract, and therefore, a security, pursuant to Section 2.1 of the Illinois Securities Law of 1953. 815 ILCS 5/1 *et seq.* (the "Act").
6. The activities described in paragraphs 4 and 5, above, constitute the activities of a salesperson, pursuant to Sections 2.9 of the Act, and the offer and sale of securities, pursuant to Sections 2.5(a) and 2.5 of the Act.
7. Section 8.A of the Act states, in pertinent part, that every salesperson, investment advisor and investment advisor representative shall be registered as such with the Secretary of State.
8. Section 12.A of the Act states, in pertinent part, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.
9. Section 12.C of the Act states, in pertinent part, that it shall be a violation of the Act for any person to act as a salesperson unless registered as such, where such registration is required, under the provisions of the Act.
10. Section 12.D of the Act states, in pertinent part, 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.
11. Newman had not filed his application for registration as a salesperson or dealer with the Secretary of State prior to his sale of the above-described securities.

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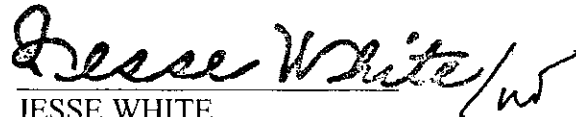
12. Newman was not registered as a salesperson of securities with the Secretary of State at the time of the sale of the above-described securities.
13. Respondent Newman was not registered as a salesperson of securities with the Secretary of State at the time of Newman's above described recommendation to purchase and sale of securities as required by Section 8.A of the Act, and therefore, was in violation of Sections 12.A, 12.C and 12.D 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 represented 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.

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

DATED: This 8<sup>th</sup> day of December, 2008.



JESSE WHITE  
Secretary of State  
State of Illinois

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