

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

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**IN THE MATTER OF: ALEXANDER HOLDINGS LLC > ) Case No. C0700229**  
**TERRENCE T. ALEXANDER )**

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**AMENDED NOTICE OF HEARING**

**TO RESPONDENTS:** Terrence T. Alexander  
89 Lawrence Lane  
Matteson, Illinois 60443

Alexander Holdings, LLC  
C/o Terrence T. Alexander  
89 Lawrence Lane  
Matteson, Illinois 60443

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "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 22nd day of October, 2008, 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 which would prohibit Terrence T. Alexander d/b/a Alexander Holdings, LLC, from engaging in the business of selling or offering for sale securities in the State of Illinois, and/or 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 pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Terrence T. Alexander, ("Alexander" or together with Alexander Holdings, LLC, "Respondents") is an individual whose last known address is 89 Lawrence Lane, Matteson, Illinois 60443.
2. That at all relevant times, Respondent Alexander was registered as a salesperson and investment advisor with the State of Illinois until November 7, 2007.

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3. That Alexander Holdings, LLC (“Alexander Holdings” or together with Terrence T. Alexander “Respondents”) is a business entity with the last known address of 7919 S. Mozart, Chicago, Illinois 60652. Respondent Alexander is the sole member of Alexander Holdings.
4. At all relevant times, Respondent Alexander was registered with the Illinois Secretary of State Securities Department as a Salesperson.
5. That in December 2005, Respondent Alexander was Illinois Investor’s personal investment representative at Chase Investment Services Corp.
6. That in December 2005, Respondent Alexander met with Illinois Investor, who is a senior citizen, and solicited the Illinois Investor to invest \$29,000.00 with Respondent Alexander Holdings.
7. Respondent Alexander represented that the proceeds of the investment would be used for the purchase and rehabilitation of investment property.
8. In or around December 2005, Illinois Investor wrote a check payable to “Alexander Holdings” in the amount of \$29,000.00. Illinois Investor delivered the check to Respondent Alexander.
9. That in exchange for the \$29,000.00, Respondents secured the investment with a promissory note, which was signed by Respondent Alexander and Illinois Investor on December 30, 2005.
10. That the promissory note states that Respondents promised to pay the principal in full together with any accrued interest to Illinois Investor by the “maturity date” of January 1, 2007. Respondents were to pay interest to Illinois Investor quarterly, with the amount of each interest payment being \$375. Respondents were to make those payments quarterly until he had paid the principal and all of the interest that was due, and any other charges that he owed under the note.
11. That, in addition, Attachment 1 to the promissory note states Respondents and Illinois Investor agreed to the promissory note concerning borrowed funds for the purchase and rehabilitation of property, and that Illinois Investor will receive 30% of net revenue from the sale of said properties.
12. Respondent Alexander, between December 2005 and March 2007, repeatedly withdrew monies from Respondent Alexander Holdings, LLC bank account.
13. Contrary to Respondents’ representations that the proceeds would be used to purchase and rehab investment property, Respondent Alexander used a substantial portion of the investment proceeds to purchase clothing, food, airfare and otherwise fund Respondent Alexander’s personal living expenses.

14. Respondent Alexander did not get written authorization from his employer, Chase Investment Services Corp. to make the note with Illinois Investor.
15. That Respondent Alexander omitted to inform Illinois Investor that it was a violation of NASD Conduct Rules which prohibit a registered representative from borrowing monies from customers, without written authorization of his/her employer and that such a violation would result in the loss of Respondent Alexander's employment and thereby impact his ability to repay the principal and/or any quarterly interest payments of the note.
16. Respondent Alexander omitted to inform Illinois Investor that the note was not an investment product of Chase Investment Services Corp.
17. Investor has received only one interest payment as a return on his investment and has not received any refund of the monies he invested.
18. That the activities set forth in paragraphs 3 through 11 above constitute the offer and sale of a note and/or investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").

**COUNT I-FRAUD IN THE OFFER OR SALE OF SECURITIES**  
**815 ILCS 5/12.F--Respondents engaged in practices in connection**  
**with the sale of securities that worked a fraud or deceit**  
**on the purchaser thereof**

19. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 18 above as paragraph 19 of this Count I.
20. Section 12.F of the Act provides that it shall be a violation of the provisions of this 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.
21. Paragraphs 1 through 20 allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: 1) Respondents has not repaid Illinois Investor the principal Respondents promised to pay on the note, nor more than one of the promised interest payments; 2) Respondents misled the Investor into believing that his funds would be used and had been invested for Investor's benefit in Respondent Alexander Holding LLC; and 3) Respondent Terrence Alexander converted Investor's funds for his own personal use and benefit.

**COUNT II-OBTAINING MONEY BY UNTRUE  
STATEMENTS AND MISLEADING FACTS**  
**815 ILCS 5/12.G--Respondents obtained Complainants' money  
by making untrue statement of material fact  
and omission to state a material fact**

22. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 18 above as paragraph 22 of this Count II.
23. That Section 12.G of the Act provides that it shall be a violation of the provisions of this 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.
24. Paragraphs 1 through 23 allege facts that show conduct by the Respondents that violate Section 12.G of the Act.

**COUNT III – REVOCATION OF REGISTRATION**  
**815 ILCS 5/8(E)(1)(b) & (g)**

25. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 18 above as paragraph 25 of this Count III.
26. The Act states in pertinent part: “[T]he registration of a dealer, limited Canadian dealer, salesperson, investment advisor, or investment advisor representative may be denied, suspended or revoked if the Secretary of State finds that the...investment advisor, or investment advisor representative:
  - a. Has engaged in any unethical practice in connection with any security, the offer or sale of securities, or in any fraudulent business practice (815 ILCS 5/8(E)(1)(b)); and
  - b. Has violated any provisions of this Act (815 ILCS 5/8(E)(1)(g)).
27. Paragraphs 1 through 26, above, allege facts that support revocation of Respondent’s registration as an investment advisor and investment advisor representative. In particular, Respondent’s failing to invest Investor’s funds (sections 5/8(E)(1)(b) and (g)), not informing Investor that the money was not invested entirely in Respondent Alexander Holding LLC (sections 5/8(E)(1)(b) and (g)), and converting Investor’s funds for his own personal use and benefit (sections 5/8(E)(1)(b) and (g)).

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28. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-sections A, D, F, or G of Section 12 of this Act, the Secretary of State may by written order permanently prohibit or suspend the person from offering or selling any securities, any mineral investment contract, or any mineral deferred delivery contract in this state, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change in circumstances justifying the amendment or termination of the order or permanent prohibition.
29. That by virtue of the foregoing violations of sub-sections 12.A, D, F, and G, Respondents are subject to an order of permanent prohibition from offering or selling any securities in the this state pursuant to Section 11.F(2) of the Act.
30. That Section 11.E(4) of the Act provides, *inter alia*, 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.
31. That by virtue of the foregoing, Respondents are subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) 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.

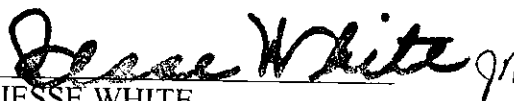
A [link](http://www.cyberdriveillinois.com/departments/securities/lawrules.html) of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice: <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

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

Dated: This 9<sup>th</sup> day of September 2008.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Felicia H. Simmons-Stovall  
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Illinois Securities Department  
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