



# Jesse White

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## SECRETARY OF STATE

# NEWS

**For Immediate Release:**  
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### **Secretary White Announces Chicago Man Sentenced For Stealing From Elderly Investors**

Illinois Secretary of State Jesse White announced today that a Chicago man who fraudulently sold promissory notes to elderly investors then gambled away the money at casinos, was sentenced to 56 months in prison and ordered to pay over \$465,000 in restitution to victims.

"We're proud of this joint effort between the United States Attorney's office, U.S. Postal Inspectors, and our Securities Department," White said. "We will continue to go after those people who scam innocent investors out of their hard-earned dollars."

Douglas Damon, president of Rothchild Leasing Services, Inc., which operated out of an office at 1212 S. Michigan Avenue, falsely represented to investors that he leased hospital equipment, such as dialysis machines, to numerous hospitals, had collateral for promissory notes and had registered with the State of Illinois.

Instead of investing the money as promised, Damon gambled away the investors' funds at casinos, causing a loss of at least \$465,415 to at least 14 investors, many of whom were elderly and immigrants.

Damon, who sold promissory notes to investors promising an 11% return, gave investors fraudulent documents with false information about his company. He was sentenced on July 29, 2005.

Damon plead guilty on May 6, 2005, to one count of devising and participating in a scheme to defraud and to obtain money and property by means of material false and fraudulent pretenses and misrepresentations in violation of 18 U.S.C. §§ 1341, 1342.

The Illinois Securities Department had previously issued an order of prohibition against Douglas Damon on August 31, 1990. Damon was permanently prohibited from offering or selling securities in the state of Illinois.

In the past year, the Secretary of State's Office issued over 300 administrative orders against violators of the Illinois Securities Act and assisted prosecutors in 13 criminal cases. Although over \$4.5 million was returned to investors through restitution actions, most investors in securities fraud cases never recover the full extent of their losses.

Brokers and investment advisers are required to register in order to conduct business in Illinois. Investors who have questions about an investment opportunity, a broker, or an investment adviser should contact the Illinois Securities Department at 800-628-7937.