

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

**IN THE MATTER OF:     JACQUELINE BOYKIN**

**) FILE NO. 0800014  
)**

**NOTICE OF HEARING**

**TO THE RESPONDENTS:**

**Jacqueline Boykin  
2015 W. 82<sup>nd</sup> Place  
Chicago, Illinois 60628**

**Jacqueline Boykin  
1803 95<sup>th</sup> Street, Suite 194  
Chicago, Illinois 60643**

You are hereby notified that pursuant to Section 11.E 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 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 13th day of July, 2010, at the hour of 10:00 a.m., or as soon as possible thereafter, before , Soula J. Spyropoulos, Esq. or such duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether the Respondent Boykin acted in accordance with 12.A, 12.C, 12.F. and 12.G of the Illinois Securities Law of 1953, as amended the ("Act"). Prohibition of the Respondent from offering or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2), 12.A, 12.C, 12.F, and 12.G of the Act. Imposition of fines not to exceed \$10,000 against the Respondent for each violation of the Act described below; entry of orders of public censure; and charging costs of the investigation and all reasonable expenses, including attorney's fees and witness fees, in accordance with Section 11.E(4) of the Act.

The grounds for such proposed action are as follows:

### **INTRODUCTION**

1. Respondent Jacqueline Boykin (“Boykin”) is a natural person with a last known address of 2015 W. 82<sup>nd</sup> Place, Chicago, Illinois 60628.
2. Respondent Boykin was affiliated with Innovative Projects, Inc. (“IP”), doing business as American Investors Network (“AIN”), whose principal place of business was in Englewood, Colorado.
3. On December 19, 2007, the United States Securities and Exchange Commission (“SEC”), filed a complaint against IP, Jarrod W. McMillin (“McMillin”), Laurence Young (“Young”), Anne B. Liebermann (“Liebermann”) and Jason A. Kolakowski (“Kolakowski”), alleging a classic Ponzi scheme conducted from February 2007 and continuing through 2008 in which the defendants fraudulently solicited investors to finance purported advertising programs with the promise of monthly profits of \$10,000.00 to \$20,000.00 on an individual’s investment of \$2,000.00.
4. On January 8, 2009, United States District Court for the District of Colorado entered a final judgment against IP, McMillin, Young, Liebermann, and Kolakowski. They were found to be jointly and severally liable for disgorgement in the amount of \$673,983.00 representing profits from the conduct alleged in the SEC’s complaint plus pre-judgment interest of \$19,349.00 for a total of \$693,332.00
5. Respondent Boykin solicited at least one Illinois Investor (“Investor”) and convinced him to invest \$16,000.00 with AIN. Respondent Boykin represented to the Investor that the initial investment of \$16,000.00 was to pay for advertising AIN sold and setup including toll free numbers.
6. At the time of sale, Respondent Boykin did not disclose to the Investor the existence of a Cease and Desist Order entered by the Missouri Securities Department, Office of Secretary of State on May 12, 2006. The Order against Respondent Boykin is based upon the violation of the Anti-Fraud provision of the Missouri Securities Act (“MS Act”).

7. On August, 30, 2007, the Investor entered into a Limited Partner Agreement with AIN and wired \$16,000.00 from his Bank of America account to AIN's Academy Bank account. The Investor was guaranteed to earn 50% of all profits earned through the agreement. Payments would be made the first week of each month for sales made through the 15<sup>th</sup> of the previous month.
8. Initially, Respondent Boykin proposed to the Investor a \$10,000.00 commission on the \$16,000 investment contract with AIN. The Investor told the Respondent that that was an unreasonable amount and agreed to a \$4,000.00 fee. On October 1, 2007, the Investor wired \$4,000.00 to Jacqueline Boykin's personal bank account at Bank of America.
9. At all relevant times, the Investor did not receive any type of payment from AIN the first week of each month or any time thereafter. Approximately one year after the initial investment, AIN refunded the Investor \$16,000.00, which was the total amount invested.
10. To date, Respondent Boykin has failed to pay back to the Investor the \$4,000.00 commission fee.
11. Respondents' activities described above involve the offer and sale of a promissory note/investment contract as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS] (the "Act").

## COUNT I

### FRAUD

#### **FAILURE TO DISCLOSE MISSOURI SECURITIES DEPARTMENT**

#### **CEASE AND DESIST ORDER**

12. On May 12, 2006, the State of Missouri, Securities Division ("Missouri Securities Division") issued a Cease and Desist Order ("Order") against the Respondent Boykin based upon the violation of the Anti-Fraud provision of the MS Act.
13. The Order prohibited Respondent Boykin from selling securities in the state of Missouri.
14. At all relevant times, Respondent Boykin never disclosed to the Investor that there was an Order against her by the Missouri Securities Division.

15. As a result, the above-mentioned omissions of fact address the honesty, integrity, competency, and the financial capabilities of the Respondent to pay back to the Investor the stated interest payments and principal.
16. 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.
17. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
18. 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.
19. By virtue of the foregoing, Respondent violated Section 12.G of the Act.

## **COUNT II**

### **UNREGISTERED SALESPERSON**

20. Paragraphs 1-15 are re-alleged and incorporated by reference.
21. Section 8.A of the Act states that every salesperson, investment advisor, and investment adviser representative shall be registered as such with the Illinois Secretary of State.
22. The activities of Respondent Boykin at paragraphs 2-11 constitute the activities of a salesperson as defined at Section 2.9 of the Act.
23. Section 12.A of the Act provides that it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
24. Section 12.C of the Act provides that it shall be a violation of the provisions of this Act for any person to act as a salesperson, investment adviser or investment adviser representative, unless registered as such, where such registration is required under the Act.
25. Respondent Boykin failed to file an application for registration as a salesperson with the Illinois Secretary of State, pursuant to Section 8 of the Act prior to the sale of securities.

26. By virtue of the foregoing, Respondent Boykin violated Section 12.A and 12.C of the Act

### **COUNT III**

#### **FAILURE TO REGISTER SECURITIES**

27. Paragraphs 1-15 are re-alleged and incorporated by reference.
28. Section 5 of the Act provides, *inter alia*, that “all securities except those set forth under Section 2a of this Act...or those exempt...shall be registered...prior to their offer or sale in this State.
29. Respondents Boykin failed to file an application with the Secretary of State to register the Investment Contract as required by the Act, and as a result the Investment Contract was not registered as such prior to their sale in the State of Illinois.
30. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the provisions of the Act.
31. Section 12.D of the Act provides, *inter alia*, 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 or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
32. By virtue of the foregoing, Boykin violated Sections 12.A and 12.D of the Act.

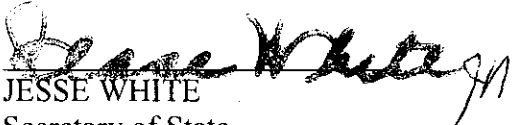
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (“the rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Maria Pavone  
Enforcement Attorney  
Illinois Department of Securities  
69 West Washington, Suite 1220  
Chicago, Illinois 60602

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 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 appear shall constitute default. Unless the Respondent has upon due notice moved for and

obtained a continuance. The Rules promulgated under the Act and pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 13th day of May 2010.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Maria A. Pavone  
Office of the Secretary of State  
Illinois Securities Department  
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Hearing Officer:  
Soula Spyropoulos  
4125 West Lunt Street  
Lincolnwood, Illinois 60712