

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: Bank Watch, Frank Panice, Brian  
Jines.

FILE NO. 0700082

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS: Bank Watch  
2304 Olde Mill Road  
Plainfield, Illinois 60544

Bank Watch  
227 E. Main St.  
Suite 204  
Niles, Michigan 49120

Brian Jines  
2304 Olde Mill Road  
Plainfield, Illinois 60544

Brian Jines 18346-424  
MCC Chicago  
Metropolitan Correctional Center  
71 W. Van Buren St.  
Chicago, IL 60605

Frank Panice  
227 E. Main St.  
Suite 204  
Niles, Michigan 49120

Frank Panice 18347-424  
MCC Chicago  
Metropolitan Correctional Center  
71 W. Van Buren St.  
Chicago, IL 60605

## Temporary Order of Prohibition

On information and belief, I Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

**BACKGROUND FACTS**

1. Respondent Brian Jines (hereinafter "Jines" or collectively Frank Panice and Bank Watch "Respondents") has a last known address of 2304 Olde Mill Road, Plainfield, IL 60544, and Metropolitan Correctional Center, 71 W. Van Buren St., Chicago, IL 60605.
2. Respondent Frank Panice (hereinafter "Panice" or collectively Brian Jines and Bank Watch "Respondents") has a last known address of 227 E. Main St., Niles, MI 49120, and Metropolitan Correctional Center, 71 W. Van Buren St., Chicago, IL 60605.
3. Respondent Bank Watch (hereinafter "Bank Watch" or collectively with Brian Jines and Frank Panice "Respondents") has a last known address of 227 E. Main St., Niles, MI 49120.
4. At all times relevant to this Temporary Order of Prohibition, Respondents Jines and Panice were control persons of Respondent Bank Watch.
5. Investor is a Florida resident.

**Failure to Register Securities**

6. From October 2003 through August of 2006, Respondents solicited investors by placing ads in newspapers across the country including the Oregonian Newspaper in Portland, Oregon, the Arizona Republic newspaper in Phoenix, Arizona, and the Orlando Sentinel in Orlando, Florida.
7. The Ads detailed an investment opportunity whereby an investor could earn an annual rate of return of over five percent by investing in certificates of deposit, which were insured up to \$100,000 per person by the Federal Deposit Insurance Corporation (FDIC). The Ads listed a phone number for investors to call.
8. Upon seeing one of the Ads placed around January of 2005, Investor contacted the Respondents by calling the telephone number posted in the Ad (the "Phone Call").

## Temporary Order of Prohibition

9. During the Phone Call Respondents solicited Investor to purchase a Certificate of Participation in a plan in which Respondents pooled participants' monies and purchased various certificated of deposit with various rates and terms.
10. On January 27, 2005 Respondents sold to Investor a Certificate of Participation (Certificate of Participation #1), in the amount of \$50,000 which promised an annual interest rate of 5.69 percent.
11. On February, 28 2005 Respondents sold to Investor a Certificate of Participation (Certificate of Participation #2), in the amount of \$40,000 which promised an annual interest rate of 5.19 percent.
12. In January of 2005, Investor sent Respondents a check in payment of Certificate of Participation #1 as instructed by Respondents.
13. In February of 2005, Investor sent Respondents a check in payment of Certificate of Participation #2 as instructed by Respondents.
14. Both checks were deposited into Respondents' account (Bank Account), which was opened and maintained by Brian Jines at a Bank in Crest Hill, Illinois.
15. The activities described above constitute the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
16. Section 5 of the Act provides, *inter alia*, that all securities except those set forth under Section 2a of this Act exempt under Section 3 of this Act or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
17. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
18. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("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.
19. By virtue of the foregoing, Respondents violated 12.D of the Act.

## Temporary Order of Prohibition

**Fraud**

20. In fact, Respondents never deposited Investor's money in a pool that purchased certificates of deposit.
21. In fact, Investor's funds were spent for Respondents' own use and benefit.
22. Up until December of 2006 Respondents sent monthly account statements to Investor reflecting the Investor's principal and accrued interest.
23. To date, Respondents have failed and refuse to pay the Investor his principal and interest on Certificate of Participation #1.
24. To date, Respondents have failed and refuse to pay the Investor his principal and interest on Certificate of Participation #2.
25. 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.
26. By virtue of the foregoing, Respondent violated Section 12.F of the Act.
27. 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.
28. By virtue of the foregoing, Respondent violated Section 12.G of the Act.
29. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
30. By virtue of the foregoing, Respondent violated Section 12.I of the Act.
31. Section 11.F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, ("the Act") provides, *inter alia*, that the Secretary of State may temporarily prohibit for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities by any person, or the business of rendering investment advice, without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the

## Temporary Order of Prohibition

Secretary of State reasonably believes will occur as a result of a prior violation of this Act.

32. The entry of this Temporary Order prohibiting Respondents Bank Watch, Frank Panice and Brian Jines, from offering or selling securities in the State of Illinois, and prohibiting Respondents Bank Watch, Frank Panice and Brian Jines, from engaging in the business of rendering investment advice in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Bank Watch**, its predecessors, successors, assigns, and present and former partners, is **PROHIBITED** from offering or selling securities in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Bank Watch**, its predecessors, successors, assigns, and present and former partners, is **PROHIBITED** from engaging in the business of rendering investment advice in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Frank Panice** is **PROHIBITED** from offering or selling securities in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Frank Panice** is **PROHIBITED** from engaging in the business of rendering investment advice in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Brian Jines** is **PROHIBITED** from offering or selling securities in or from the State of Illinois until the further Order of the Secretary of State.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Brian Jines** is **PROHIBITED** from engaging in the business of rendering investment advice in or from the State of Illinois until the further Order of the Secretary of State.

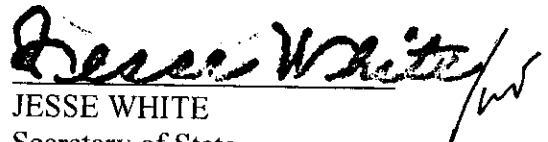
NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within

## Temporary Order of Prohibition

thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 30<sup>th</sup> day of November 2007



JESSE WHITE  
Secretary of State  
State of Illinois

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