

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

IN THE MATTER OF:

**Adley Wahab, AKA Adley Husni Abdulwahab;
A&O Life Fund, LLC;
A&O Bonded Life Settlements, LLC;
A&O Life Fund Management, LLC;
A&O Bonded Life Assets.**

No. C0700042

NOTICE OF HEARING

TO RESPONDENT:

A&O Life Fund, LLC
221 N. LaSalle Street, Suite 1137
Chicago, Illinois 60601

A&O Bonded Life Settlements, LLC
221 N. LaSalle Street, Suite 1137
Chicago, Illinois 60601

A&O Bonded Life Assets
221 N. LaSalle Street, Suite 1137
Chicago, Illinois 60601

A&O Life Fund Management, LLC
221 N. LaSalle Street, Suite 1137
Chicago, Illinois 60601

Adley Husni Abdulwahab
221 N. LaSalle Street, Suite 1137
Chicago, Illinois 60601

Adley Husni Abdulwahab
3007 E. Lake Falls C1
Spring, Texas 77386-2905

Haynes and Boone
Attorneys for the Respondent
1615 L Street NorthWest
Suite 800
Washington D.C. 20036
Attention David Fielder

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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 7th day of March, 2008 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos 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 pursuant to Section 11.F of the Act prohibiting Adley Wahab, AKA Adley Husni Abdulwahab; A&O Life Fund Management, LLC; A&O Bonded Life Settlements, LLC; A&O Bonded Life Assets, LLC; and A&O Life Fund LLC, his/its partners, members, officers and directors, agents, employees, affiliates, successors and assigns, (the "Respondent ") from selling or offering for sale securities in the State of Illinois and Prohibiting Respondents Adley Wahab and A&O Life Fund Management, LLC, from engaging in the business of offering investment advice; 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. Respondent Adley Wahab is a natural person, also known as Adley Husni Abdulwahab, ("AW") with a last known business address of 221 N. LaSalle Street, Suite 1137, Chicago, Illinois 60601 and a home address of 3007 E. Lake Falls C1, Spring, Texas 77386-2905.
2. Respondent, A&O Life Fund Management, LLC (F.K.A. Life Fund Management), is an Illinois entity, registered with the Illinois Secretary of State Business Services Department, listing a business address of 221 N. LaSalle Street, Suite 1137, Chicago, Illinois 60601, AW is it's agent at the same address.
3. Respondent, A&O Bonded Life Settlements, LLC, is an Illinois entity, registered with the Illinois Secretary of State Business Services Department, listing a business address of 221 N. LaSalle Street, Suite 1137, Chicago, Illinois 60601, AW is it's agent at the same address.
4. Respondent, A&O Bonded Life Assets, is an Illinois entity, registered with the Illinois Secretary of State Business Services Department, listing a business address of 221 N. LaSalle Street, Suite 1137, Chicago, Illinois 60601, AW is it's agent at the same address.
5. Respondent, A&O Life Fund, LLC, is an Illinois entity, registered with the Illinois Secretary of State Business Services Department, listing a business address of 221 N. LaSalle Street, Suite 1137, Chicago, Illinois 60601, AW is it's agent at the same address.

6. Respondents AW and A&O Life Fund Management, LLC, manage and invest: A&O Life Fund, LLC, A&O Bonded Life Settlements, LLC, and A&O Bonded Life Assets, (A&O Funds) in life settlements, which are interests in life insurance policies.

Sale of Unregistered Securities

7. Respondents AW and A&O Fund Management, LLC, pool investor funds to purchase interests in A&O Funds, which in turn is used to purchase life settlements.
8. Between 2006 and 2007, Respondents offered and sold A&O Capital Appreciation Bonds in the form of A&O Funds to the public, including residents of the State of Illinois ("Investors").
9. A&O Funds sold Capital Appreciation Bonds to Illinois Investors as follows:

Date	A&O Life Fund LLC	A&O Bonded Life Settlements	A&O Bonded Life Assets
January 2007	\$100,000.00		
April 2007	\$207,944.48		\$143,233.36
June 2007	\$79,653.25	\$363,041.11	

10. One or more of the above Illinois residents were sold A&O Funds by means of a "cold-call". Cold calling constitutes a general solicitation.
11. The activities described above constitute the offer and sale of an investment fund share or investment contract and therefore 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 5/1 *et. seq.*] (the "Act").
12. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 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.
13. Section 12.A of the Act states that it shall be a violation of the provisions of the Act to offer or sell any security except in accordance with the provisions of this Act.

14. Section 12.D of the Act states that it shall be a violation of the provisions 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 the Act or any rule or any regulation made by the Secretary of State.
15. Respondents failed to register the securities referenced above in paragraph nine (9) prior to their offer and sale in the State of Illinois in accordance with the provisions of this Act.
16. By virtue of the foregoing, Respondents Adley Wahab, AKA Adley Husni Abdulwahab; A&O Life Fund Management, LLC; A&O Bonded Life Settlements, LLC; A&O Bonded Life Assets, LLC; and A&O Life Fund LLC, violated Sections 12.A and 12.D of the Act.

Unregistered Investment Advisors

17. Respondent AW, acting through Respondent A&O Life Fund Management, LLC, selects and manages the portfolios for A&O Funds to fulfill their invest objectives:

“The principal objective of the Company is to use the Company’s assets to acquire a portfolio of life insurance policies in the life settlement after-market. In general, the Company will purchase life insurance policies in the life settlement after-market on numerous insured individuals of sixty-five (65) years of age or older (“Seniors”) who have a life expectancy between two (2) to ten (10) years. **The Manager will also attempt to control risk through the diversification of investments. The Manager anticipates that the typical life expectancy of the insured of a life settlement policy in the Company’s portfolio will range between four (4) and six (6) years, although the Manager reserves the right to select policies of shorter or longer life expectancies.**

The Company was formed to invest in and manage a diversified portfolio of life settlement policies in order to combine in a single investment vehicle the returns potentially offered by life settlement investments with the statistical mitigation of maturity risk that a managed pool of multiple and diversified life settlement policies can offer.”

18. Section 8.A of the Act provides, *inter alia*, that except as otherwise provided in this subsection A, every investment adviser and investment adviser representative shall be registered as such with the Secretary of State.
19. The activities set forth in paragraphs 8 through 13 above constitute engaging in the business of rendering investment advice by Respondents AW and A&O Fund, as those terms are defined at Sec 2.11, 2.12b, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the “Act”).

20. Since 2006, Respondents AW and A&O Life Fund Management, LLC, were not and are not registered as investment advisers or investment adviser representatives in the State of Illinois.
21. Section 12.A of the Act provides, *inter alia*, 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.
22. Section 12.D of the Act provides, *inter alia*, it shall be a violation of the provisions of this Act for any person to fail to file 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 this Act.
23. By virtue of engaging in the business of rendering investment advice without registration, Respondents AW and A&O Life Fund Management, LLC, violated Sections 12.A and 12.D of the Act.
24. Respondent AW's credentials as managing member of A&O Life Funds Management, LLC, which provides management to the A&O Funds, are listed in the private offering memoranda for the A&O Funds in certain part:

Mr. Wahab's primary area of expertise is marketing and consulting. In 1996, he founded Adwords Advertising Agency, a Houston, Texas-based full-service advertising agency that served a number of Fortune 500 companies throughout the US. Mr. Wahab remained at Adwords as president until the sale of the company in 2002. Mr. Wahab went on to join **BHC Marketing** as a Senior Marketing Consultant before taking on his current position as a consultant marketing products for life settlement providers. Mr. Wahab is a graduate of Louisiana State University where he was awarded his Bachelor's Degree in Economics in 1996.

However they failed disclose to investors that on April 23, 2004, respondent, AW, was charged with the felony of forgery of a financial instrument in the State of Texas, and sentenced to five years of probation; and was on probation during the time he offered for sale and sold A&O Funds.

25. The A&O Life Fund, LLC, private offering memorandum also includes among the duties and responsibilities of the Manager's administrative functions such as expenses, transferability of bonds, and indemnification.
26. The Private Offering Memorandum cover states, in bold print, "A&O Life Fund, LLC an Illinois Private Investment Fund Offering \$50,000 Capital Appreciation Bonds paying interest of 9.5% per annum backed by life insurance policies...", but not until page twenty-two does the memorandum disclose:

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“Rates of return may be projected but cannot be guaranteed since as advances in science and medicine may increase a senior insured’s life beyond that which can be foreseen...remember that the rate of return on an investment in life settlements cannot actually be calculated since the longer a senior insured lives, the lower the rate of return on your investment will be.”

27. Section 12.G of the Act states 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 light of the circumstances under which they were made, not misleading.” 815 ILCS 5/12.G.
28. Section 12.E of the Act states that it shall be a violation of the provisions of this Act for any person to, “make, or caused to be made, (1) in any application, report or document filed under this Act or any rule or regulation make by the Secretary of State pursuant to this Act, any statement which is false or misleading with respect to any material fact or (2) any statement to the effect that a security ... has been in any way endorsed or approved by the Security of State or the State of Illinois.” 815 ILCS 5/12.E
29. Section 12.F of the Act states 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.” 815 ILCS 5/12.F.
30. By virtue of the foregoing, Respondents Adley Wahab, AKA Adley Husni Abdulwahab; A&O Life Fund Management, LLC; A&O Bonded Life Settlements, LLC; A&O Bonded Life Assets, LLC; and A&O Life Fund LLC, violated Sections 12.E, 12.F, and 12.G 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.


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A copy 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.

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

Dated: This 25th of January, 2008.


JESSE WHITE
Secretary of State
State of Illinois

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