

**STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>LANESBOROUGH FINANCIAL GROUP LLC</b>	)	<b>ADMINISTRATIVE ORDER</b>
<b>JAMES F. LIEBES</b>	)	<b>NO. CD-2014-00 10</b>
	)	
	)	
<u>                    <b>RESPONDENTS</b></u>	)	

**CEASE AND DESIST ORDER**

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

**RESPONDENT**

1. **LANESBOROUGH FINANCIAL GROUP, LLC ("LFG")** is an Arizona company with principal business address of 7373 E. Doubletree Ranch Road, #125, Scottsdale, Arizona 85258.
  
2. **JAMES FRIEND LIEBES ("LIEBES")** is the statutory agent and member of **LFG** with principal business address of 7373 E. Doubletree Ranch Road, #125, Scottsdale, Arizona 85258.

**STATEMENT OF FACTS**

3. According to a "Stock Purchase Agreement", dated June 23, 2011, **LFG** and **LIEBES** sold 39,683 shares of CareView Communications, Inc Common Stock to an Alabama investor for \$1.00 per share and a total purchase price of \$39,683. The Alabama investor never received any further documentation or stock certificates to

verify his purchase of the stock.

4. On March 7, 2013, **LIEBES** and the Alabama investor entered into a "Debt Settlement Agreement." **LIEBES** acknowledged in the agreement that he owed the investor \$64,461.00 for a previous stock purchase. **LIEBES** acknowledged that the investor had paid in full for the 39,683 shares of common stock and that he never delivered the stock to the investor. **LIEBES** agreed to transfer and assign 7,000 shares of LifeLock, Inc stock to settle the debt on or before April 12, 2013. **LIEBES** further agreed that if he failed to deliver the LifeLock, Inc stock as promised, he would provide additional LifeLock, Inc stock on or before April 26, 2013. The Alabama investor never received the LifeLock, Inc stock as promised by **LIEBES**.

5. According to the online records of the Arizona Corporations Commission, **LFG** was organized on October 21, 2008, by **LIEBES**. **LIEBES** is listed as the only "member" of **LFG**.

6. On January 28, 2013, the Arizona Corporation Commission issued an administrative order naming **LIEBES** and **LFG** as respondents. The order stated that the respondents had offered and sold securities within or from Arizona while not registered pursuant to Arizona law. Respondents were ordered to cease and desist from this activity.

7. On December 23, 2013, the Commission, with assistance from the Arizona Corporation Commission, served a subpoena for records to **LIEBES** at his office at 6720 N. Scottsdale Road, Suite 350, Scottsdale, Arizona 85253. His secretary signed for receipt of the subpoena. The due date for the subpoena response was January 3, 2014. As of the date of this order, **LIEBES** has not contacted the Commission or responded to the subpoena.

8. On March 4, 2014, a review of the Commission's registration files disclosed a current Reg. D Rule 506 notice filing for CareView Communications, Inc. in the State of Alabama.

9. On October 11, 2013 and March 4, 2014, a review of the Commission's registration files disclosed no record of registration for **LFG** or **LIEBES** as a broker dealer, broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama. Neither **LGF** nor **LIEBES** is currently registered nor has ever been registered with the Commission in any capacity.

10. On March 27, 2014, an official with CareView Communications, Inc. provided information to the Commission that **LIEBES** was never an Officer or Director of CareView Communications, Inc.; **LIEBES** was never a shareholder of CareView Communications, Inc.; **LIEBES** was the holder of a warrant for 39,683 shares of CareView stock at a strike price of \$0.52. **LIEBES** assigned the warrant shares to two entities, not related to the Alabama investor, in or about January 2012.

### **CONCLUSIONS OF LAW**

11. Pursuant to Section 8-6-2(10), Code of Alabama 1975, Alabama's statutory definition of a security includes any note, stock or evidence of indebtedness. The common stock and "Debt Settlement Agreement" offered and sold by **LFG** and **LIEBES** are securities under the Act.

12. Pursuant to Section 8-6-2(2), Code of Alabama 1975, the definition of "agent" includes any individual who represents a dealer or an issuer in effecting or attempting to effect sales of securities. **LIEBES** represented **LFG** in effecting a transaction of securities, to wit; the CareView Communications, Inc Common Stock, in Alabama and is an "Agent" as defined by the Act.

13. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a Dealer or Agent for securities unless he is registered under the Act. **LIEBES** offered and sold securities in the state of Alabama while not being registered with the Commission in violation of the Act.

14. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. **LFG** unlawfully acted in the capacity of a broker dealer while not registered under the Act.

15. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful to make any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. **LIEBES** omitted to tell the investor that he was never a shareholder of CareView Communications, Inc. **LIEBES** omitted to tell the investor that he was the holder of a warrant for 39,683 shares of CareView stock. **LIEBES** omitted to tell the investor that neither he nor LFG were registered to offer and sell securities in the state of Alabama. **LIEBES'** omissions concerning the stock are a violation of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

**ACCORDINGLY, IT IS HEREBY ORDERED** that **RESPONDENT** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 23rd day of May, 2014.



ALABAMA SECURITIES COMMISSION  
401 Adams Avenue, Suite 280  
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized and somewhat cursive.

Joseph P. Borg  
Director