

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF: *

AIM HOLDINGS I, LLC. *

and *

EDWARD J. KILA, * Securities Division No. 2010-0343

RESPONDENTS. *

* * * * *

FINAL ORDER TO CEASE AND DESIST

WHEREAS, the Securities Division of the Office of the Maryland Attorney General, pursuant to the authority granted in section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2007 Repl. Vol. & Supp. 2011) (the "Securities Act" or "Act"), undertook an investigation into the securities-related activities of Edward Kila and AIM Holdings I, LLC (collectively "Respondents"); and

WHEREAS, on the basis of that investigation the Securities Commissioner ("Commissioner") found grounds to allege that Respondents have violated the registration and anti-fraud provisions set forth in sections 11-301, 11-401(a), 11-402(a), and 11-501 of the Act; and

WHEREAS, the Commissioner issued an Order To Show Cause to both respondents, ordering each to show cause why each should not be ordered to cease and desist from soliciting, offering, or selling investments in or from Maryland, and to show cause why a fine of up to \$5,000 per violation should not be imposed on each and why each should not permanently be barred from engaging in the securities business in Maryland; and

WHEREAS, that Order gave respondents notice of opportunity for a hearing in this matter, if requested in writing within fifteen days of service of that Order, and gave notice that as to either respondent not requesting a hearing, a Final Order To Cease And Desist would be issued imposing a bar from engaging

in securities transactions on behalf of others and a statutory civil penalty; and

WHEREAS, neither respondent has filed an Answer or requested a hearing;

NOW, THEREFORE, the Commissioner finds it to be in the public interest to issue this Final Order To Cease And Desist, and THE COMMISSIONER FINDS AND ORDERS:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding and over respondents pursuant to section 11-701.1 of the Securities Act.

II. RESPONDENTS

2. Edward J. Kila (“Kila”) at all relevant times was the principal and manager of AIM Holdings I, LLC, and a resident of Maryland.

3. AIM Holdings I, LLC (“AIM”), at all relevant times was a Maryland LLC with an address in Maryland.

III. STATEMENT OF FACTS

4. AIM was founded in Maryland in 2006, with the stated purpose, among others, of providing commercial purpose private money real estate loans.

5. In 2006, Kila, on behalf of AIM, sought investment capital to provide funds for the acquisition of specific real property in Maryland.

6. Kila sought an investment from one Maryland investor for the purpose of investing in or acquiring an interest in the “Sasscer Estate” in Maryland.

7. A Private Placement Memorandum offered the investor a one-year promissory note paying a rate of 15%, with the funds to be drawn from a self-directed IRA to be established by the investor.

8. In August 2007, the investor transferred \$47,000 to Kila/AIM, expecting that the money would be returned at the end of a year with interest or, absent her objection, rolled into another like term.

9. At the end of the first year, the investor found she had no access to Kila or her money. There

was no payment of interest, and no return of principal. There has been no subsequent return of or accounting for her investment.

10. The PPM stated that this investment was intended for accredited investors, but this investor is not accredited, and indicated that on the investment application.

11. The investor believes there were other investors, but Kila and AIM have not produced that information to the Division.

12. AIM's charter was forfeited on October 1, 2010.

13. There is no record with the Division of the registration of the notes of AIM, and no claim of exemption or as a federal-covered security.

14. Kila is not registered with the Division as a broker-dealer, agent, or investment adviser or investment adviser representative.

15. AIM is not registered with the Division as a broker-dealer, agent, or investment adviser or investment adviser representative.

IV. CONCLUSIONS OF LAW

16. Respondents violated section 11-501 of the Securities Act by offering or selling unregistered securities in Maryland in the form of promissory notes, for which no claim of preemption or exemption has been filed.

17. Respondents violated section 11-401(a) of the Act by transacting business in the offer or sale of securities in Maryland as a broker-dealer or securities agent, without being registered pursuant to the Act.

18. Aim violated section 11-402(a) of the Act by employing unregistered agents for the offer or sale of securities in Maryland.

19. Respondents violated section 11-301 of the Act by making material omissions and misrepresentations in connection with the offer or sale of securities.

V. ORDER

IT IS HEREBY ORDERED THAT:

20. Respondents, and each of their employees, agents, and all persons acting under their control, permanently shall cease and desist from offering or selling securities in or from Maryland in violation of the Securities Act, from offering and selling any securities whether registered or exempt from registration, and from engaging in any transaction exempted under the Act; and it is further ORDERED that

21. Respondents are permanently barred from engaging in the securities business in Maryland for or on behalf of others, or from acting as a principal or consultant in any entity so engaged; and it is further ORDERED that

22. Respondents, jointly and severally, are assessed a civil penalty of \$50,000.00 for violations of the Securities Act pursuant to section 11-701.1(b) of the Act, payable by certified check to the Office of the Attorney General.

VI. JURISDICTION RETAINED

23. Jurisdiction is retained by the Commissioner for the purpose of enabling any party to this Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

VII. NOTICE OF APPEAL RIGHTS

24. Pursuant to the Code of Maryland Regulations, COMAR 02.02.06.24, each Respondent has the right to file an appeal of this Order with the circuit court of Maryland. Any appeal must be filed within 30 days from the date this Order is mailed by the Division.

IT IS SO ORDERED:

**Commissioner's Signature is
On File with Original Document**

MELANIE SENTER LUBIN
Securities Commissioner

April 23, 2012