

BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

SECURED INCOME RESERVE, INC.,
ILONA ALEXIS MANDELBAUM,
MATTHEW H. SAGE, DAVID A.
ZIMMERMAN, AND TAMDA
MARKETING, INC.,

Respondents.

PETITION FOR ORDER

File S-230115 (EX)

The staff of the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin has conducted an investigation in this matter pursuant to Wis. Stat. § 551.602, and as a result thereof alleges as follows:

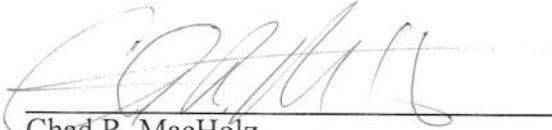
1. Secured Income Reserve, Inc. ("SIR") is a Delaware corporation organized on March 15, 2012 with a last known business address of 4440 PGA Boulevard, Suite 600, Palm Beach Gardens, Florida 33410.
2. Ilona Alexis Mandelbaum¹ ("Mandelbaum") (CRD # 11015819) is an individual who at all times material hereto has been the President, CEO and a director of SIR, with a last known address of 8504 Man-O-War Road, Palm Beach Gardens, Florida 33418.
3. Matthew H. Sage ("Sage") (CRD # 1312065) is an individual who at all times material hereto has been an officer, director and controlling person of SIR, with a last known address at 8641 Falcon Green Drive, West Palm Beach, Florida 33412.
4. Tamda Marketing, Inc. ("Tamda") is a Florida corporation organized on March 6, 1998 with a last known address of 23172 Via Stel, Boca Raton, Florida 33433.
5. David A. Zimmerman ("Zimmerman") (CRD # 11019712) is an individual who at all times material hereto has been an agent of SIR through his business Tamda Marketing, Inc., with a last known address of 23172 Via Stel, Boca Raton, Florida 33433.
6. In early 2013 through 2014, Zimmerman, acting as an agent of Tamda and SIR, offered and sold shares of SIR to at least one person in Wisconsin.
7. Pursuant to the February 15, 2013 Confidential Private Placement Memorandum of SIR created by Mandelbaum and Sage, and provided by Zimmerman and Tamda to the Wisconsin investor, SIR will engage in the business of providing "Senior Lifetime Loans" to senior citizen borrowers collateralized by an assignment of death benefit on the borrowers' life insurance policy.
8. The SIR shares offered by Respondents to the Wisconsin investor are securities as defined by Wis. Stat. § 551.102(28).
9. The SIR shares have never been registered for offer and sale in Wisconsin pursuant to Wis. Stats. Ch. 551.

¹ a/k/a Ilona Roza Mandelbaum.

10. All of the Respondents have violated Wis. Stat. § 551.301 by offering unregistered securities in Wisconsin.
11. In connection with the offer and sale of the securities described above, Tamda transacted business in Wisconsin as a "broker-dealer," as that term is defined by Wis. Stat. § 551.102(4).
12. At no time has Tamda been registered as a broker-dealer pursuant to Wis. Stats. Ch. 551.
13. Tamda has violated Wis. Stat. § 551.401(1) by transacting business in Wisconsin as a broker-dealer without registration.
14. In connection with the sale of the securities described above, Zimmerman transacted business in Wisconsin as an "agent" for Tamda and SIR, as that term is defined by Wis. Stat. § 551.102(2).
15. Zimmerman has never been licensed as a securities agent pursuant to Wis. Stats. Ch. 551.
16. Zimmerman violated Wis. Stat. § 551.402(1) by transacting business in Wisconsin as a securities agent without a license.
17. SIR, Mandelbaum and Sage violated Wis. Stat. § 551.402(4) by employing an unlicensed agent to represent them in Wisconsin.
18. On December 4, 2001, the U.S. District Court in the Southern District of Florida entered a final judgment of permanent injunction and other relief against Mandelbaum for violations of the anti-fraud provisions of the federal securities laws.
19. Mandelbaum filed for bankruptcy relief on February 14, 2007 and again on August 10, 2011; however, no discharge was granted in either case for reasons related to her cooperation and candor with the court.
20. On September 23, 1993, Sage consented to the entry of a final judgment of permanent injunction by the U.S. District Court in the Southern District of Florida for violations of the anti-fraud provisions of the federal securities laws.
21. On October 5, 2004, the U.S. District Court in the Southern District of Florida entered a final judgment of permanent injunction and other relief against Zimmerman for violations of the anti-fraud provisions of the federal securities laws.
22. In connection with the offer and sale of the securities described above, the Respondents omitted to disclose the existence of the permanent injunctions against Mandelbaum, Sage or Zimmerman, nor did they disclose Mandelbaum's bankruptcy filings to the Wisconsin investor.
23. All Respondents violated Wis. Stat. § 551.501(2) by omitting 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, in connection with the offer and sale of securities to person in Wisconsin.

Therefore, the staff of the Bureau of Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Wis. Stats. Ch. 551.

Dated this 17th day of November, 2014.



Chad R. MacHolz
Securities Examiner
Bureau of Enforcement



Leslie M. Van Buskirk
Attorney Supervisor
Bureau of Enforcement