

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

IN THE MATTER OF: Steve Axelbaum,
Rosalie Barrett, Brian Bucher, Vickie Ham,
Astoria Gardens & Rehab Center LLC,
AKA AG & RC, its partners, members, officers, directors,) **File Number: 1100445**
agents, employees, affiliates, successors, and assigns,)
The Investment Group, its partners, members, officers,)
directors, agents, employees, affiliates,)
successors, and assign, and **Astoria Gardens LLC,**)
its partners, members, officers, directors, agents,)
employees, affiliates, successors, and assign,)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS:

Steven Axelbaum
7805 Stanford Avenue
St. Louis, MO 63130

Astoria Gardens & Rehab Center LLC
Attention Paula Taylor (agent)
1008 East Broadway
Astoria, Illinois 61201

Astoria Gardens LLC
Attention Paula Taylor (agent)
1008 East Broadway
Astoria, Illinois 61201

The Investment Group
1008 East Broadway
Astoria, Illinois 61201

Rosalie Barrett
P.O. Box 354
Astoria, Illinois 61501

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Vickie Ham
12 Apple Tree Lane
East Peoria, IL 61611

Brian D. Bucher
120 N Logan St
Astoria, IL 61501

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. Steven Axelbaum (Respondent “Axelbaum” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent Astoria Gardens LLC, Respondent The Investment Group, Respondent Brian Bucher, Respondent Rosalie Barrett and Respondent Vickie Ham “Respondents”) is a natural person. His last known address is St. Louis, Missouri.
2. Astoria Gardens and Rehab Center LLC (“Respondent AG&RC” or collectively with Respondent Astoria Gardens LLC, Respondent The Investment Group, Respondent Steven Axelbaum, Respondent Brian Bucher, Respondent Rosalie Barrett and Respondent Vickie Ham “Respondents”) is an active Illinois corporation. Its last known business address was in Astoria, Illinois.
3. Respondent Astoria Gardens LLC (“Respondent Astoria LLC” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent The Investment Group, Respondent Steven Axelbaum, Respondent Brian Bucher, Respondent Rosalie Barrett and Respondent Vickie Ham “Respondents”) is an Illinois corporation not in good standing. Its last known business address was in Astoria, Illinois.
4. Respondent The Investment Group (“Respondent Investment Group” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent Astoria Gardens LLC, Respondent Steven Axelbaum, Respondent Brian Bucher, Respondent Rosalie Barrett and Respondent Vickie Ham “Respondents”) is an unknown entity, with a last known address in Astoria, Illinois.
5. Respondent Rosalie Barrett (“Respondent Barrett” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent Astoria Gardens LLC, Respondent The Investment Group, Respondent Steven

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Axelbaum, and Respondent Vickie Ham “Respondents”) is a natural person. Her last known address is in Astoria, Illinois

6. Respondent Vickie Ham (“Respondent Ham” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent Astoria Gardens LLC, Respondent The Investment Group, Respondent Steven Axelbaum, Respondent Rosalie Barrett and Respondent Brian Bucher “Respondents”) is a natural person. Her last known address is East Peoria Illinois.
7. Respondent Brian D. Bucher (“Respondent Bucher” or collectively with Respondent Astoria Gardens & Rehab Center LLC, Respondent Astoria Gardens LLC, Respondent The Investment Group, Respondent Steven Axelbaum, Respondent Rosalie Barrett and Respondent Vickie Ham “Respondents”) is a natural person. His last known address is Astoria Illinois.
8. Respondent Axelbaum represented himself as the Manager of both Astoria Gardens LLC and Astoria Gardens & Rehab Center LLC, at all relevant times herein.
9. Respondents Ham & Bucher represented themselves to be the agents for the Investment Group at Astoria Gardens & rehab Center and signed investment documents as “agent”.
10. Respondents Axelbaum and Rosalie Barrett recruited investors into an investment pool.
11. Respondent Rosalie Barrett circulated flyers stating:

“I am trying to get our investment group together for the coming year. I plan to reinvest my \$5,000.00, as it has been a great investment for me. I invested in 2004 and plan to do so again. If it is possible I would like to have the investments in by November. Thank you for your cooperation.”
12. Respondent Axelbaum and Barrett solicited the family members of residents in the Astoria Gardens & Rehab Center, who were both unaccredited and unsophisticated investors.
13. Respondents solicited investors citing that the State of Illinois was delinquent on payments to the Nursing Home and that by their investing, the Home could remain open stating:

“The Investment Group is organized for the purpose of providing short term financing for the operations of Astoria Gardens & Rehab Center. The Group is aware of the difficulties encountered by health-care providers and other organizations that depend on the

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State of Illinois for Medicaid reimbursements. The group accumulates funds that may be accessed on a need basis by AG&RC for normal operating expenses.”

14. Respondents made material misrepresentations to investors in order to induce them to purchase, stating that the funds were held in an account at Farmers State Bank and the investors would have FDIC insurance coverage up to \$100,000.00
15. Respondents made material misrepresentations to investors, stating that they had been collecting money from investors since 2004 and that past investors had made a profit.
16. Respondents offered and sold investors short term financing notes and offered a “competitive rate of return”.
17. Respondents have not responded to investors who have requested payment on their investment; however one investor, Barrett (also a Respondent) did receive all her money back.
18. Respondents continued to solicit investors and receive money from investor’s just weeks prior to the closing of AG&RC.
19. Respondents Axelbaum and Barrett failed to disclose to investors that he was not licensed to offer or sell securities by the Illinois Secretary of State Securities Department (the “Department”) and that the product Unregistered.
20. Respondents sold to investors, including senior citizens that were unaccredited and unsophisticated.
21. Respondents sold to investors that had family members as residents in AG&RC.
22. Respondent Axelbaum used investor money for purposes other than for AG&RC.
23. Respondents failed to inform investors of any and all risks associated with investment.
24. Respondents failed to inform investors that Astoria Gardens and Rehab Center owed on several loans, and failed to inform investors what the loans were for.
25. The Respondents failed to provide investors with relevant information as to the poor performance of Astoria Gardens and Rehab Center and

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eminent closure of Astoria Gardens and Rehab Center and continued to take investor money within days of the closure.

26. That the activities set forth in paragraphs above constitute the offer and sale of investment contract and/or note and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

COUNT I

815 ILCS 5/12.F violation: Respondents engaged in practices in connection with the sale of securities that worked a fraud or deceit on the purchaser thereof

- 1-26. Paragraphs 1-2 of the “Background Facts” are re-alleged and incorporated by reference.
27. Respondent Axelbaum made multiple fraudulent, misleading and material misstatements to investors to that tended to work a fraud or deceit on the investor.
28. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the 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.”
29. By virtue of the foregoing, Respondents violated Sections 12.F of the Act.

COUNT II

815 ILCS 5/12.I violation: Respondent employed a scheme to defraud in connection with the sale of securities

- 1-26. Paragraphs 1-26 of the “Background Facts” are re-alleged and incorporated by reference.
27. Respondent made multiple fraudulent, misleading and material misstatements to investors in a scheme to defraud the investors.
28. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions 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.”
29. By virtue of the foregoing, Respondents violated Sections 12.I of the Act.

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COUNT III

**815 ILCS 5/12.G violation: Respondents obtained
Complainants' money by making
untrue statement of material fact
and omission to state a material fact**

- 1-26. Paragraphs 1-26 of the "Background Facts" are re-alleged and incorporated by reference.
27. Respondent made multiple fraudulent, misleading, untrue statements, omissions and material misstatements to investors to induce investors to purchase investment contracts and/or notes; including but not limited to
28. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions 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 light of the circumstances under which they were made, not misleading."
29. By virtue of the foregoing, Respondents violated Sections 12.G of the Act.

COUNT IV

**815 ILCS 5/12.A and D violations: Respondents are
Unregistered Securities.**

- 1-26. Paragraphs 1-26 of the "Background Facts" are re-alleged and incorporated by reference.
27. Respondents Astoria Gardens LLC, Astoria Gardens & Rehab Center and The Investment Group are an unregistered security.
28. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that 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."
29. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
30. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or

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document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.

31. Respondents failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.

COUNT V

815 ILCS 5/12.C violation: Unregistered Dealer/Salesperson

- 1-26. Paragraphs 1-26 of the "Background Facts" are re-alleged and incorporated by reference.
27. Respondents Axelbaum, Ham, Bucher, and Barrett offered and sold investment contracts and/or notes from the State of Illinois to investors in the State of Illinois.
28. Respondents Axelbaum, Ham, Bucher, and Barrett have never been registered with the Illinois Secretary of State Securities Department to offer or sell securities in the State of Illinois.
29. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson unless registered such, where such registration is required under this Act.
30. That at all relevant times, the respondents were not registered as a dealer and/or salesperson under the Act.
31. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondents violated section 12.C of the Act.
31. The aforementioned findings are based upon credible evidence.
32. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
33. The entry of this **Temporary Order of Prohibition** prohibiting Respondents, or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest

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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, Respondents Steven Axelbaum, Astoria Gardens & Rehab Center LLC, his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, Astoria Gardens LLC, his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, The Investment Group, his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, Brian Bucher, Rosalie Barrett and Vickie Ham are **Temporarily Prohibited** from offering or selling securities in or from this State 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 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within 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 of Prohibition and will extend the effectiveness of this Temporary Order of Prohibition for ninety (90) 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 15th day of June 2012.



JESSE WHITE
Secretary of State
State of Illinois

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