

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

IN THE MATTER OF: DANIEL ANDONOVSKI;
AND THE MATOMI GROUP, LLC.

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File No. C0800443

ORDER OF PROHIBITION

TO THE RESPONDENTS: THE MATOMI GROUP, LLC.
c/o Daniel Andonovski
951 Brickell Avenue #411
Miami, Florida 33131-3932

DANIEL ANDONOVSKI
951 Brickell Avenue #411
Miami, Florida 33131-3932

WHEREAS, the above-captioned matter came to be heard on September 28, 2011, pursuant to the Notice of Hearing dated June 20, 2011, filed by Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, attorney Felicia Simmons-Stovall appeared on behalf of the Illinois Securities Department ("Department") and introduced documentary evidence and witness testimony in support of the allegations contained in the Notice of Hearing;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State;

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, in the above-captioned matter have been read and examined;

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WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct in part and incorrect in part and are hereby adopted as modified as the Findings of Fact of the Secretary of State:

1. The Department served Respondents with a Notice of Hearing on or about June 20, 2011.
2. The Respondents failed to answer, appear, or submit a responsive pleading.
3. The Respondents did not appear at the Hearing.
4. The Matomi Group, LLC. ("Respondent Matomi" or collectively with Respondent Daniel Andonovski, "Respondents") was an Illinois limited liability company. Its last known address is 2 N. LaSalle, Ste 1776, Chicago, Illinois 60602.
5. Daniel Andonovski ("Respondent Andonovski" or collectively with Respondent Matomi, "Respondents") was the sole member of Respondent Matomi at all relevant times herein. His last known address is 951 Brickell Avenue #411, Miami, Florida 33131-3932.
6. Between November 2005 and October 2006, Respondent Lakeland issued promissory notes that promised investors a 20 percent rate of return due within one year of the investment ("Notes" or "Note"). Respondent Andonovski on the behalf of Respondent Matomi sold the Notes for the stated purpose of investing in residential real estate along with some retail and mixed-use projects in Chicago.
7. Investor MW and Investor AW are residents of the State of Illinois.
8. On or about November 15, 2005, on behalf of Respondent Matomi, Respondent Adonovski sold a \$10,000 20% Note to Investor MW, with principal and interest due in one year. In exchange, MW gave Respondent Adonovski a check for \$10,000.00, which was deposited into Respondent Matomi account at Bank of America.
9. In October 2006, on behalf of Respondent Matomi, Respondent Adonovski sold a \$50,000 20% Note to Investor AW, with principal and interest due in one year.
10. Between October 2005 through January 2006, Respondent Adonovski transferred and/or withdrew approximately \$31,000.00 from Respondent Matomi's bank account.
11. According to Investors, Respondent Adonovski told them that the investor funds would be used for the purpose of investing in residential real estate along with some retail and mixed-use projects in Chicago.
12. Despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the Notes.

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13. Despite demands, Investors have not received any monies back from their investments, pursuant to the terms of the Notes.

WHEREAS, the Secretary of State finds the proposed Conclusions of Law of the Hearing Officer to be correct in part and incorrect in part and are hereby adopted as modified, based on the law and the record in this matter, and adopts them as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondents on or about June 20, 2011.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
4. Because of Respondents' failure to file a timely answer, special appearance or other responsive pleading in accordance with Section 130.1104:
 - a. The allegations contained in the Amended Notice of Hearing are deemed admitted;
 - b. Respondent waived his right to a hearing; and
 - c. Respondent is subject to an Order of Default.
5. Because the Respondents failed to appear at the time and place set for hearing, in accordance with Section 130.1109 of the Rules, they:
 - a. waived their right to present evidence, argue, object or cross examine witnesses; or
 - b. otherwise participate at the Hearing.
6. The activities set forth in the Findings of Fact above constitute the offer and sale of Notes, 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.*
7. 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."

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8. 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.
9. 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 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.
10. 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.
11. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.
12. Section 12.F of the Act provides, *inter alia*, 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.”
13. The facts alleged in the Proposed Findings of Fact paragraphs above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. Respondents did not invest Complainants' funds for the benefit of Complainants and instead, Respondents converted Complainants' money for Respondents' own personal use and benefit. In particular, Respondent transferred and/or withdrew approximately \$31,000.00 from the Respondent Matomi account.
14. 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.”
15. The facts alleged in the Proposed Findings of Fact paragraphs above allege facts that show conduct by the Respondents that violate Section 12.G of the Act. In particular, Respondents represented that the investors' funds would be used for the purpose of investing in residential real estate along with some retail and mixed-use projects in Chicago. Instead, Respondent Andonovski converted investors' money for his own personal use and benefit.

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16. 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.”
17. The facts alleged in the Proposed Findings of Fact paragraphs above allege facts that show conduct by the Respondents that violate Section 12.I of the Act. In particular, Respondent Andonovski, on behalf of Respondent Matomi, solicited and sold Notes to Complainants purporting that the Complainants' funds would be used for the purpose of investing in residential real estate along with some retail and mixed-use projects in Chicago. Instead, Respondent Andonovski converted investors' money for his own personal use and benefit.
18. By virtue of the foregoing, Respondents Daniel Andonovski and The Matomi Group LLC violated Sections 12.A, 12.D, 12.F, 12.G and 12.I of the Act.

WHEREAS, the Hearing Officer recommended that:

1. An order be entered permanently prohibiting Respondent Daniel Andonovski from selling, advising the sale of, or offering for sale securities in the State of Illinois;
2. An order be entered permanently prohibiting Respondent The Matomi Group, LLC from selling, advising the sale of, or offering for sale securities in the State of Illinois;
3. Respondent Daniel Andonovski be fined \$10,000;
4. Respondent The Matomi Group, LLC be fined \$10,000.

WHEREAS, the Hearing Officer found the Respondents in default and recommended that the Secretary of State PROHIBIT Respondents Daniel Andonovski and The Matomi Group LLC from offering or selling securities in the state of Illinois; and the Department accepts the recommendation of the Hearing Officer.

WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer and has determined based upon the Findings of Fact and Conclusions of Law that an Order shall be entered permanently PROHIBITING Respondents Daniel Andonovski and The Matomi Group LLC from offering or selling securities in the State of Illinois.

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WHEREAS, the Secretary of State accepts the Recommendations of the Hearing Officer and has determined based upon the Findings of Fact and Conclusions of Law that an Order shall be entered that Respondents Daniel Andonovski and The Matomi Group LLC each be fined in the amount of \$10,000.00.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Daniel Andonovski is **PROHIBITED** from offering, and/or selling securities in the State of Illinois;
2. The Matomi Group LLC is **PROHIBITED** from offering, and/or selling securities in the State of Illinois;
3. Daniel Andonovski is **FINED** in the amount of \$10,000.00.
4. The Matomi Group LLC is **FINED** in the amount of \$10,000.00.

ENTERED: This 4th day of November 2011.


JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

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Hearing Officer:
James L. Kopecky
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Chicago, IL 60601