

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

NOTICE OF HEARING

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

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on August 2, 2011, at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Daniel Andonovski and The Matomi Group, LLC., from offering, advising the sale of, and selling securities in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

BACKGROUND FACTS

1. 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.

2. Daniel Andonovski ("Respondent Andonovski" or collectively with Respondent Matomi, "Respondents") was the sole member of Respondent Matomi at all relevant times herein. Her last known address is 951 Brickell Avenue #411, Miami, Florida 33131-3932.
3. 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.

BACKGROUND FACTS COMMON TO ALL COUNTS

4. Investor MW and Investor AW are residents of the State of Illinois.
5. 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.
6. 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.
7. Between October 2005 through January 2006, Respondent Adonovski transferred and/or withdrew approximately \$31,000.00 from Respondent Matomi's bank account.
8. 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.
9. To date, despite demands, the Respondents have failed to pay the investors their principal and interest, pursuant to the terms of the Notes.
10. To date, despite demands, Investors have not received any monies back from their investments, pursuant to the terms of the Notes.
11. That the activities set forth in paragraphs 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.*

COUNT I

**815 ILCS 5/12.A and D violations: Respondents sold
unregistered securities**

- 1-11. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 11 above, as paragraphs 1 through 11 of this Count I.
12. 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.”
13. 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.
14. 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.
15. 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.
16. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

**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**

- 1-11. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 11 of Count I, as paragraphs 1 through 11 of this Count II.
12. 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

Notice of Hearing

- 4 -

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 paragraphs 1 through 12 above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: 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.

COUNT III

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

- 1-11. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 11 of Count I, as paragraphs 1 through 11 of this Count III.
12. 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.”
13. The facts alleged in paragraphs 1 through 12 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 Adonovski converted investors’ money for his own personal use and benefit.

COUNT IV

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

- 1-11. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 11 of Count I, as paragraphs 1 through 11 of this Count IV.

Notice of Hearing

- 5 -

12. 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.”
13. The facts alleged in paragraphs 1 through 12 above allege facts that show conduct by the Respondents that violate Section 12.I of the Act. In particular: Respondent Adonovski on the 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 Adonovski converted investors’ money for his own personal use and benefit.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the “Rules”), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this Notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be requested by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 20th day of June 2011.



JESSE WHITE
Secretary of State
State of Illinois

Notice of Hearing

- 6 -

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