

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

IN THE MATTER OF:)	
)	
)	
Richard Gonski;)	
Domer Properties,)	File Number: 0900372
its partners, members, officers, directors,)	
agents, employees, affiliates, successors)	
and assigns;)	
)	

NOTICE OF HEARING

TO RESPONDENTS:

Domer Properties
Richard C. Gonski (CRD # 1296039)
115 South Division St.
Braidwood, Illinois 60408

Richard Gonski
124 Elizabeth Street, 3B
Wilmington, Illinois 60481-1412

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 the 30th day of June, 2010 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos Esq., 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 pursuant to Section 11.E of the Act prohibiting Richard C. Gonski and Domer Properties, his/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, (the "Respondent ") from selling or offering for sale 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 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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I. FRAUD

1. Respondent Richard C. Gonski ("Gonski") is a natural person with the last known business address in Braidwood, Illinois.
2. Respondent Domer Properties is an unknown corporation with a last known business address in Braidwood, Illinois.
3. Respondent Gonski represented himself as a representative and owner of Domer Properties.
4. Beginning in 2002 and continuing through 2009, Respondents directly sold and offered to sell securities in the form of investment contracts to the general public, including residents and senior citizens of the State of Illinois ("Investors").
5. Respondents promised interest between 8% and 15% per annum with quarterly payments.
6. Respondents encouraged investors to liquidate their existing retirement funds from stock and mutual fund accounts to invest investment contracts of Domer Properties.
7. Respondents touted his investment contracts as pooled money that would be used to purchase property, including but not limited to foreclosure property, which then would generate an income.
8. Respondents stated in the invest contract that the principal "...shall be secured by real estate proceeds obtained by DOMER PROPERTIES."
9. Respondents in fact never purchased any property with the investor money.
10. Respondents perpetuated the fraud by sending the investors a quarterly statement which included the principle and interest, and included interest payments.
11. Respondents sent investors yearly 1099 interest income statements (internal revenue form 1099-int).
12. Respondents were sent a request for information from the Illinois Secretary of State Securities Department (the "Department") in the form of an 11.C letter dated August 31, 2009 and addressed as follows:

Domer Properties
Richard C. Gonski
115 South Division St.
Braidwood, Illinois 60408
13. Respondents sent a notarized Affidavit in response to the Department request dated October 21, 2009 and said document was signed by Richard C. Gonski.

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14. Respondents listed only four (4) investors in response to the Departments question, however Respondents failed to list all the investors.
15. Respondents' response concluded with the statement: "I swear on oath that this information is true".
16. Respondents refused or omitted, to inform Investors that they were not registered with the Illinois Secretary of State Securities Department.
17. The activities described above constitute the offer and sale of a stock and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
18. Section 12.E of the Act provides, *inter alia*, that it shall be a violation for any person "to make, or cause to be made, (1) in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact...". 815 ILCS 5/12.E
19. Section 12.F of the Act states that it shall be a violation of the provisions of this Act for any person "to engage in any transaction, practice or course of business which works or tends to work a fraud or deceit upon the purchaser or seller thereof." 815 ILCS 5/12.F
20. Section 12.G of the Act states that it shall be a violation of the provisions of this 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." 815 ILCS 5/12.G.
21. By virtue of this foregoing conduct, Respondents violated Sections 12.E, 12.F and 12.G of the Act.

II. FAILURE TO REGISTER SECURITIES

- 1-17. Paragraphs 1-17 are re-alleged and incorporated by reference.
18. The activities described above constitute the offer and sale of a Stock and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
19. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
20. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a

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result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.

21. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person “to offer or sell any security except in accordance with the provisions of the Act.”
22. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person “to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.”
23. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

Count III

UNREGISTERED DEALER/SALESPERSON

- 1-17. Paragraphs 1-17 are re-alleged and incorporated by reference.
18. Through the conduct described in paragraphs three (3) through eight (8), the respondent acted as a dealer and/or salesperson for the sale of investment contracts to investors.
19. 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.
20. That at all relevant times, the respondents were not registered as a dealer and/or salesperson under the Act.
21. That by acting as a salesperson and/or dealer and an investment advisor and/ or investment advisor in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
22. The aforementioned findings are based upon credible evidence.
23. 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.

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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 represented 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 link 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. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

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

Dated: This 6th day of May 2010.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department
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Hearing Officer:
Soula Spyropoulos
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Lincolnwood, Illinois 60712