

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

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

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**CONSENT ORDER OF PROHIBITION**

**TO RESPONDENTS:**      Domer Properties ,  
                                 Richard C. Gonski (CRD # 1296039)  
                                 124 Elizabeth Street, 3B  
                                 Wilmington, Illinois 60481-1412

WHEREAS, Respondents Richard C. Gonski and Domer Properties ("Respondents"), on the 16<sup>th</sup> day of June, 2010, executed a certain Stipulation to Enter Consent Order of Prohibition (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Richard C. Gonski and Domer Properties have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, issued May 6, 2010 and the Amended Notice of Hearing issued dated September 17, 2009, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Prohibition ("Consent Order").

WHEREAS, by means of the Stipulation, Richard C. Gonski and Domer Properties have acknowledged that the following Findings of Fact are intended to be a final determination of the issues and Respondents agree that they shall be estopped from making arguments contrary to the Findings of Fact in any collateral proceeding(s).

WHEREAS, by means of the Stipulation, Richard C. Gonski and Domer Properties have acknowledged that the following shall be adopted as the Secretary of State's Findings of Fact, and has admitted to the truth thereof:

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### FRAUD

- 1) Respondent Richard C. Gonski ("Gonski") is a natural person with the last known business address in Wilmington, Illinois.
- 2) Respondent Domer Properties is an unknown corporation with a last known business address in Wilmington, 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 refused or omitted, to inform Investors that they were not registered with the Illinois Secretary of State Securities Department.
- 13) The activities described above constitute the offer and sale of a investment contract 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").
- 14) 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

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- 15) 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.
- 16) By virtue of this foregoing conduct, Respondents violated Sections 12.F and 12.G of the Act.

### FAILURE TO REGISTER SECURITIES

- 1-13) Paragraphs 1-13 are re-alleged and incorporated by reference.
- 14) The activities described above constitute the offer and sale of a investment contract 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").
- 15) 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.
- 16) 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 result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- 17) 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."
- 18) 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."
- 19) By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

### Count III

#### UNREGISTERED DEALER/SALESPERSON

- 1-13) Paragraphs 1-13 are re-alleged and incorporated by reference.
- 14) 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.

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- 15) 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.
- 16) That at all relevant times, the respondents were not registered as a dealer and/or salesperson under the Act.
- 17) 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.
- 18) The aforementioned findings are based upon credible evidence.

WHEREAS, by means of the Stipulation Respondents have acknowledged that the following shall be adopted as the Secretary of State's Conclusion of Law:

The Respondents violated Sections 12F and 12G of the Act.

The Respondents violated Sections 12.A and 12.D of the Act.

The Respondents violated section 12.C of the Act.

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall be PROHIBITED from offering and selling of securities in or from the State of Illinois in compliance with the Illinois Securities Law of 1953 815 ILCS 5/1 et seq. (The "Act").

WHEREAS, by means of the Stipulation Respondents have acknowledged and agreed that they shall be levied costs incurred during the investigation of this matter in the amount of Two Hundred Fifty Dollars (\$250.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall be PROHIBITED from offering and selling securities in or from the State of Illinois in compliance with the Illinois Securities Law of 1953.

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2. The Respondent is levied costs of investigation in this matter in the amount Two Hundred Fifty Dollars (\$250.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on June 22, 2010 has submitted Two Hundred Fifty Dollars (\$250.00) in payment thereof.
3. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein.
4. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This <sup>22<sup>nd</sup></sup> day of June, 2010  
<sub>20<sup>th</sup></sub>



JESSE WHITE  
Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the 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 the Order, shall be guilty of a 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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 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.

Attorney for the Secretary of State:  
Mary A. Lopez  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3023