

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

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**IN THE MATTER OF:** )

**Theodore "Ted" J. Hogan, a/k/a Ted  
Kills in the Fog,** )

**File No. 0900280**

**Theodore J. Hogan & Associates, LLC** )  
and its partners, members, officers, )  
directors, agents, employees, affiliates, )  
successors and assigns. )

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**ORDER OF PROHIBITION**

**TO THE RESPONDENTS:**

Theodore "Ted" J. Hogan  
a/k/a/ Ted Kills in the Fog  
460 Andante Road  
Sedona, AZ 86336

Theodore J. Hogan & Associates LLC  
460 Andante Road  
Sedona, AZ 86336

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on February 26, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents **Theodore "Ted" J. Hogan, a/k/a Ted Kills in the Fog and Theodore J. Hogan and Associates, LLC** have failed to request a hearing on the matters contained in the Temporary Order of Prohibition within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

**FRAUD IN THE OFFER AND SALE OF SECURITIES**

1. Respondent **Theodore "Ted" J. Hogan, a/k/a Ted Kills in the Fog**, ("Hogan") is the President of **Theodore J. Hogan and Associates, LLC**, an entity that was held out by Hogan as a company that facilitated the development of coal, oil and coal bed methane assets on the Crow Indian Reservation in Montana. Both Hogan and his company have a last known address of 460 Andante Road, Sedona, AZ 86336.
2. In 1990, Hogan was convicted of a number of federal crimes including Bank Fraud, Conspiracy to Commit Bank Fraud, Making False/Fraudulent Statements, and Embezzlement of Tribal funds.
3. Beginning in 2001, Hogan began soliciting investors in his company. In exchange for their investments, Hogan offered potential investors a percentage of the commissions generated from mineral exploration and natural resource development projects on the Crow Tribe reservation in Montana.
4. Several of the individuals that were solicited by Hogan to invest in his company were Illinois residents.
5. While soliciting investments, Hogan distributed literature to investors titled "Crow Indian Reservation Resource Utilization" ("sales literature") dated November 15, 2001. The sales literature gave a brief biography of Hogan and his background:

"... After high school [Hogan] joined the United States military, was recruited and trained by the Special Forces. He served three tours as a Green Beret in Vietnam and spent additional military time in Germany. Upon discharge, he returned to the Crow reservation to serve his people in leadership capacities... Ted also negotiated the syn-fuels plant project (coal gasification) that was accepted by the Department of the Interior in 1983. Ted moved to Sedona Arizona in 1994 and through the mission he was trying to define, he has recalled in overwhelming detail the teachings of his elder, grandfather, and his granduncles thoroughly shared with him from childhood. Ted's great grandfather was a scout for Custer and his great grandmother was a recognized shaman. Ted's mother is also internationally recognized as a medicine woman and herbologist."
6. Hogan's biography, as stated by the sales literature he was distributing to potential investors, failed to disclose the fact that in 1990, Hogan was convicted of a number of federal crimes including Bank Fraud,

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Conspiracy to Commit Bank Fraud, Making False/Fraudulent Statements, and Embezzlement of Tribal funds.

7. The sales literature also discussed the reasons why Hogan had decided to solicit funds from investors:

“This investment is to support the funds needed to close a “deal” that involves methane gas extraction and sale, coal mining, fossil fuel (coal) generation of electricity (including building power plants on the reservation), and wind generation of electricity on the Crow Indian Reservation in southeast Montana.”
8. The sales literature failed to disclose that the funds that Hogan was soliciting from investors was being used by Hogan to pay off personal credit cards, pay for personal living expenses and to make payments to his wife and other family members.
9. Investor A was an Illinois resident that received the sales literature and invested money with Hogan and his company.
10. In December 2001, Investor A invested \$10,000.00 in Hogan’s company and entered into an “Interest in Commissions Agreement” (“the Agreement”). The terms of the Agreement were that Investor A would invest \$10,000.00 in exchange for a two (2) percent interest of all commissions paid to Hogan for his mineral exploration and natural resource development projects.
11. The Agreement stated that the purpose of the investment was to facilitate mineral exploration and natural resource development projects between the Crow Tribe and one or more energy companies.
12. Despite informing Investor A that his investment would be used to facilitate mineral exploration and natural resource development projects, Hogan converted the majority of investor funds for his personal use and benefit, which he spent to pay for his own personal bills and expenses that were completely unrelated to these projects.
13. After making this initial \$10,000.00 investment in December of 2001, Hogan solicited an additional \$10,000.00 investment from Investor A.
14. After Investor A invested \$20,000.00 in Hogan’s company, Hogan made frequent and continuous contact with Investor A to solicit further investment in his company. As of March of 2006, Hogan was still contacting Investor A at least once a month to ask him to invest more funds with his company.

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15. Additionally, at least through March of 2006, Hogan continuously contacted Investor A and informed him that drilling for the mineral exploration and natural resource development projects was going to commence.
16. For example, in a June 6, 2004 email sent to Investor A and other investors, Hogan stated:

“I returned from my trip to Oklahoma City, OK on Friday and the good news is that we have an energy company who have (sic) committed to commence the drilling operation for coal-bed-methane beginning on the 5<sup>th</sup> of July 2004 and the drilling company is standing at the ready... The date of commencement was given to me by the energy company. I will continue to expedite and explorer (sic) other avenues of development. It is all good.”
17. Additionally, in a March 18, 2005 email sent to Investor A and other investors, Hogan stated:

“Thank you for hanging in there with me. This coming week I am going to Montana to begin identifying the land plots where we will make arrangements to commence with drilling and proving up. I will let everyone know a time table after I get there.”
18. In fact, no drilling operation for coal bed methane ever commenced on July 5, 2004 or at any point thereafter.
19. Investor A never received any commissions generated from mineral exploration and natural resource development projects and never received any of his \$20,000.00 investment back from Hogan.
20. The activities described above constitute the offer and sale of 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”).
21. Section 12.A of the Act provides 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.F of the Act provides 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 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.
23. Section 12.G of the Act provides 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

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material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

24. Section 12.I of the Act provides that it shall be a violation of the provisions of this 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.

**OFFER AND SALE OF UNREGISTERED SECURITIES**

25. 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 qualification prior ... to their offer or sale” in the State of Illinois.
26. 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 securities were not registered pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
27. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
28. 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.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State’s Conclusions of Law as follows:

1. Respondents Theodore “Ted” J. Hogan, a/k/a Ted Kills in the Fog and Theodore J. Hogan and Associates, LLC violated Sections 12.A, 12.D, 12.F, 12.G, and 12.I of the Act.

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2. Respondents **Theodore "Ted" J. Hogan, a/k/a Ted Kills in the Fog and Theodore J. Hogan and Associates, LLC**, and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are subject to, pursuant to Section 11.F of the Act, an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondents **Theodore "Ted" J. Hogan, a/k/a Ted Kills in the Fog and Theodore J. Hogan and Associates, LLC** and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 31st day of March, 2010.



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:

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