

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

IN THE MATTER OF: GEORGE N. STOKAS,
his partners, officers and directors, agents, employees,
affiliates, successors, assigns and associated companies

)
) **No. 0900273**
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ORDER OF PROHIBITION

TO RESPONDENT:

**GEORGE N. STOKAS
11932 South Hobart Avenue
Palos Park, Illinois 60464
and
8632 West 103rd Street
Palos Hills, Illinois 60465
and
7515 West 105th Street
Palos Hills, Illinois 60465**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on September 1, 2009 which prohibited George N. Stokas, his partners, officers and directors, agents, employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative,

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

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order 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 Temporary Order.

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

1. Respondent George N. Stokas (hereinafter "Stokas" or "Respondent") has last known addresses of 11932 South Hobart Avenue, Palo Park, Illinois 60464, and 8632 West 103rd Street, Palos Hills, Illinois 60465; and 7515 West 105th Street, Palos Hills, Illinois 60465
2. Between about May 2006 and August 2009 (the Period) Respondent Stokas (in concert variously with R.I.C., LLC, R.I.C. of Illinois, LLC; and/or Oreprop, LLC) solicited Illinois residents to purchase REIT Certificates and/or promissory notes which paid varying interest rates to the holders, the proceeds of which were to be used for investment in real estate ventures
3. On about May 7, 2009, Stokas offered and sold a promissory note ("Note") to an Illinois resident (Investor) in the amount of \$75,000, with principal and accrued interest of 6% per annum, payable May 7, 2014
4. Respondents promised Investor that the \$75,000 proceeds would be used for investment in real estate ventures.
5. The activities set forth above in paragraphs 2-4 involve the offer and sale of a Note or Investment Contract and are 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](the "Act")

FRAUD

6. During the Period Stokas commingled investors' funds with Stokas' funds, and/or with associated entities' funds, and a substantial portion of such funds was converted to pay other investors, or to Stokas' personal use and benefit
7. Instead of placing Investor's \$75,000 in real estate ventures as promised, Respondent converted \$19,000 to re-pay another investor, and converted the remainder for Respondent's own use and benefit.
8. Respondent failed and refused to notify the Investor that the funds would be used for his own benefit rather than the Investor's
9. Section 12 F of the Act provides, *inter alia*, that it shall be a violation 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

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works or tends to work a fraud or deceit upon the purchaser or seller thereof”.

- 10 Section 12.G of the Act provides, *inter alia*, that it shall be a violation 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”.
- 11 Section 12.I of the Act provides, *inter alia*, that it shall be a violation 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”
- 12 By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12.I Act.

FAILURE TO REGISTER SECURITIES

13. Respondent Stokas never registered the Note with the Illinois Securities Department
14. Section 5 of the Act provides, *inter alia*, that “all securities except those set forth under Section 2a of this Act or those exempt ..shall be registered .prior to their offer or sale in this State ”
15. Respondent Stokas failed to file an application with the Secretary of State to register the Note as required by the Act, and as a result the Note was not registered as such prior to its offer or sale in the State of Illinois
16. That 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
- 17 That 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 ”

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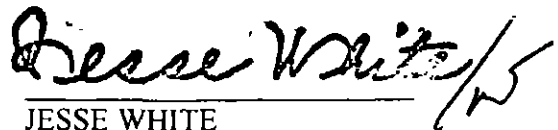
18. That by virtue of the foregoing Respondent violated Sections 12.A and 12.D of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT, pursuant to the authority granted by Section 11.F of the Act, Respondent **George N. Stokas** and his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

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 that 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 a Class 4 felony for each offence.

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. I 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.

Dated This 10th day of December 2009.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State

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