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5. Szostek was identified as St. Pierre's "business associate" in the sample letter
6. The sample letter was clearly intended to be sent to individuals with whom none of the Respondents had any prior relationship. It began as follows:

My name is Marc St. Pierre local Real Estate investor in Geneva, IL. I have a business idea to show you. You may or may not be interested, but please take a few moments to review. It may be what you or colleague [sic] are seeking. It's just an idea to show someone how to grow their money. You will be handsomely compensated upon completion of each deal.

7. The sample letter made several representations regarding the Respondents' past performance, future plans, and qualifications.
 - a. "We buy, renovate, and sell residential properties in Fox Valley area [sic]."
 - b. "There is currently a buying frenzy in the real estate market where we are getting multiple offers on our completed homes. We'd like to take advantage of current conditions and do more homes."
 - c. "We buy a residential property, renovate to move-in ready condition, and sell quickly. Usually 90 days or less."
 - d. "We also invest with passion focusing on Senior Affordable Housing [sic]."
 - e. "We both strongly believe that Real Estate investing can be fulfilled in an ethical manner integrating moral and religious principles."
8. The sample letter stated that \$5,000 was the minimum required to invest and directed potential investors to the Respondents' website, saintpropertiesonline.com.
9. The Department reviewed the website and found that it purported to feature photographs of Respondents' properties in Elgin and St. Charles, Illinois, listed with a Baird & Warner real estate broker.
10. The website contained the following representations about Respondents' ability to quickly flip single-family home properties for profit:

Saint Properties locates undervalued, distressed homes in need of repair. We borrow funds from private investors to purchase and renovate these properties. We are also in full acquisition mode of revenue producing commercial properties; primarily distressed motels built in the 1970s and 1980s. These properties need renovating due to neglect and are available at substantial discounts.

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We buy homes at substantially below market value because they are in need of repair. We then renovate the property and re-sell quickly for a profit. Our focus is primarily on single family homes under 200k, which represents the largest available buying pool. We purchase properties for 70% or less of the After Repaired Value (ARV), ensuring that the lender is protected with sufficient equity. Single family homes offer cash investors a short investment term (4-6 months) and a full share of the proceeds from each project.

11. The Respondents also made the following representations on the website about their past performance, future plans, and qualifications in regards to buying and operating motel properties:

Saint Properties is capitalizing on [] bargain priced motels by purchasing at 50% and below market values. We take control of [sic] the property and increase occupancy levels with aggressive marketing and pricing. Revenues are reinvested into the property restoring it back to its original luster. We now offer a better product at a better price.

The key to our success is the marketing of weekly and monthly rates. No longer relying on tourism we focus toward hard working blue collar workers looking for safe, affordable housing.

12. Both the website and sample letter encouraged potential investors to use their self-directed IRAs to invest and provided Respondents' contact information.
13. On or about May 8, 2013, the Department suggested that St. Pierre consult a securities attorney about registration of Respondents' offering(s).
14. St. Pierre insisted that the Respondents' offering(s) were exempt from registration as long as they used disclaimers, made disclosures for the protection of investors, did not make a public offering, limited the offering to Illinois investors, and limited investors to investing 5% of their annual income or 10% of their net worth.
15. The Department informed St. Pierre that the offering(s) was in fact public due to the letters and publicly available website and warned that the offering would not be exempt under such circumstances. Again, it was suggested that he consult a securities attorney.
16. On or about July 19, 2013, Special Agents for the Department attempted to interview St. Pierre and Szostek, but only located Szostek. Szostek told the Special Agents that he and St. Pierre had looked up people who had bought in the area recently and sent letters to them, hoping that they would want to invest in the Respondents' offering(s). He informed the Special Agents that the Respondents' had no investors, owned no properties, and were operating the business out of their homes.

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17. After the interview, Szostek supplied the Special Agents with a sample of the current letter being sent to potential investors, featuring the Respondents' contact information and the website address.
18. Szostek was again identified as St. Pierre's "business associate" in the second sample letter.
19. The second sample letter was similar to the first and was also clearly intended to be sent to individuals with whom none of the Respondents had any prior relationship. It began as follows:

My name is Marc St Pierre and I am an active real estate investor in the Fox Valley area. I noticed your private money property loan in Kane County Since you are already an active private lender, I would like to share a business idea with you I put together profitable Real Estate deals so that my investor partners can make safe consistent profits and diversify their portfolio by providing short term funds for investment purposes. One popular method is to use a self directed IRA, thereby minimizing tax implications on the profits All funds are channeled thru [sic] and disbursed by a closing attorney

20. The second sample letter also made further representations regarding the Respondents' past performance, future plans, and qualifications
 - a. "We are seeing multiple offers on move-in ready homes. We'd like to take advantage of current conditions to do more homes."
 - b. "We know where to look, what to buy, what not to buy, and how to renovate a property to maximize investor dollars."
 - c. "We both strongly believe that Real Estate investing can be fulfilled in an ethical manner integrating moral and religious principles "
21. At the end of the second sample letter, it stated that a securities disclaimer was available upon request. Szostek provided the disclaimer to the Special Agents. It stated the following

This is not an offer to purchase or sell securities Any person, entity or organization must first be qualified by the company and read all of the offering documents and attest to reading and fully understanding such documents Saint Properties is not a licensed securities broker-dealer and as such, do not hold themselves to be The following presentation and all material therein should be construed as informational only and not as an advertisement soliciting for any particular purpose or product All securities herein discussed have not been

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registered or approved by any securities regulatory agency in accordance with the securities act of 1933 or any state securities laws [sic].

- 22 On or about November 18, 2013, Szostek was asked by a Special Agent to respond to several follow up questions
- 23 On or about November 22, 2013, the Department received a reply from St. Pierre in which he made the following representations
 - a. Saint Properties is a dissolved S Corporation. The only current agreement between St. Pierre and Szostek is a "handshake agreement."
 - b. St. Pierre and Szostek sent letters to lenders, but made no claims or promises of returns
 - c. No properties have been bought
 - d. No properties have been identified for purchase
 - e. There is no performance history.
- 24 At least as of December 17, 2013, the Respondents have not filed registration documents with the Department and Respondents' website with the Respondents' contact information is still publicly available
- 25 The above-mentioned activity constitutes the public offering of securities, as those terms are defined pursuant to Section 2.1 and 2.5a of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.], (the "Act").
26. Section 5 of the Act provides, *inter alia*, that all securities, unless otherwise provided in Section 2a, 3, 4, 6 or 7 of the Act, shall be registered prior to their offer or sale in this State of Illinois
- 27 Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act to offer or sell any security except in accordance with the Act
- 28 At all times relevant hereto, the securities publicly offered by the Respondents were unregistered in the State of Illinois
- 29 Section 12 D of the Act provides, *inter alia*, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the Act.
- 30 At all times relevant hereto, the Respondents failed to file any registration applications with the Secretary of State

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31. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act 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
32. At all times relevant hereto, the Respondents' engaged in practices and a course of business in connection with the sale of a security offering(s) which worked or tended to work a fraud or deceit upon the potential purchasers thereof. The Respondents, as a course of business, refused to register their security offering(s) in the State of Illinois, despite being given ample opportunity. Furthermore, the Respondents created a website and mailed solicitation letters to potential investors which were designed to deceive investors into believing the Respondents had a successful performance history
33. Section 12 H of the Act provides, *inter alia*, that it shall be a violation of the Act to sign or circulate any statement, prospectus or other paper or document pertaining to any security, knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
34. At all times relevant hereto, the Respondents knew or had reasonable grounds to know that the letters soliciting Illinois investors contained untrue and/or false and misleading material representations.
35. By virtue of the foregoing, the Respondents, Marc St. Pierre and Randy Szostek, doing business as Saint Properties, have violated Section 12.A, 12.D, 12.F, and 12.H of the Act.
36. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend, by an order effective immediately, the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
37. Based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits the Respondents, Marc St. Pierre and Randy Szostek, doing business as Saint Properties, from offering and/or selling securities in the State of Illinois.
38. Based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act

NOW THEREFORE, IT IS HEREBY ORDERED THAT pursuant to the authority granted by Section 11 F of the Act, Marc St. Pierre and Randy Szostek, doing business as Saint

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Properties, are hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to the Securities Director, Illinois Securities Department, 300 W. Jefferson St., Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. A request for hearing will not stop the effectiveness of this Temporary Order, but will extend the effectiveness of this Temporary Order for sixty (60) days from the date the request is received by the Department

FAILURE BY THE RESPONDENTS TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTE SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 10th day of December 2013


JESSE WHITE
Secretary of State
State of Illinois

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