



Order of Prohibition

-1400118-

**FACTS COMMON TO ALL COUNTS**

WHEREAS, the Secretary of State, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact which are as follows:

1. Respondent Robert J. Loncar ("Loncar") is an Illinois resident with the last known address of 3803 Royal Dornach Court, Naperville, IL 60564, but may also be residing at 3460 Redwing Drive, Naperville, IL 60564.
2. Respondent Loncar was recently indicted by a Grand Jury in the Circuit Court of the Eighteenth Judicial Circuit of Du Page County, Wheaton, Illinois for: Financial Exploitation of an Elderly Person, Theft over \$100,000, Theft by Deception over \$100,000, Two Counts of Securities Fraud, and Three Counts of Wire Fraud arising from facts alleged herein.

**COUNT I**

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

3. On or around May 26, 2010, Investor A, an Illinois resident, invested with Respondent Loncar and wire transferred the sum of \$400,000, to an account designated by Respondent Loncar.
4. That sometime in or around July 2010, Investor B, an Illinois resident, invested with Respondent Loncar the sum of \$74,000, which was purported to be used in the purchasing, rehabbing, and selling of a property available through a Short Sale. Respondent Loncar stated that Investor B could earn up to a 6% profit on this investment.
5. Months went by without either Investor A or Investor B receiving any proceeds from their investments with Respondent Loncar.
6. Sometime between December 2010 and January 2011, Investor A began contacting Respondent Loncar inquiring about her investment, and explaining to Respondent Loncar that Investor A was desperate for funds and needed her investment back.
7. In response to this inquiry, Respondent Loncar contacted Investor C, an Illinois resident, whom he had known for years. Respondent Loncar had helped Investor C obtain a mortgage for his home in the past and had filed Investor C's Federal Income Tax returns the last few years. Through these dealings, Respondent Loncar built up a trust with Investor C.
8. Investor C had a 401(k) plan located at Equity Trust Company. Respondent Loncar iterated to Investor C that he was a financial adviser and had many clients. Respondent Loncar convinced Investor C that he could get Investor C a good return on his 401(k) plan if Investor C invested with Respondent Loncar. Investor C stated that he did not

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want to invest in anything too risky because it was his retirement savings, to which Respondent Loncar replied that he would not let Investor C down.

9. On February 18, 2011, Investor C agreed to invest with Respondent Loncar, and filled out a four page note at Respondent Loncar's Naperville office.
10. On March 1, 2011, Respondent Loncar affected a \$224,000 wire transfer from Investor C's 401(k) account to a Florida limited liability company's bank account.
11. On March 2, 2011, Respondent Loncar instructed the Florida LLC to wire transfer \$74,850 to the bank account of Investor B.
12. On March 4, 2011, Respondent Loncar instructed the Florida LLC to wire transfer \$128,000 to the bank account of Investor A.
13. Respondent Loncar took funds invested by Investor C to pay back Investor's B principal with interest. Respondent Loncar also took funds invested by Investor C to partially repay Investor A's investment with Respondent Loncar.
14. Respondent Loncar had no intention of investing Investor C's funds into a safe investment, as was iterated to Investor C, but his objective was to make whole Investor B and partially satisfy Investor A to keep the façade that he was a successful financial adviser.
15. To date, Investor C has not received the return of his principal, or any interest payments on his investment with Respondent Loncar.
16. But for the \$128,000 of Investor C's investment, Investor A has not received the remainder of her principal, or any interest payments on her investment with Respondent Loncar.
17. The offer or sale of investments with Respondent Loncar created an investment contract which constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
18. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
19. Section 12.F states *inter alia* 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 of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

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20. Section 12.I of the Act states *inter alia* 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.
21. By virtue of the Foregoing, Respondent Loncar violated Sections 12.A, 12.F, and 12.I of the Illinois Securities Law of 1953.

**COUNT II**

**ACTING AS AN UNREGISTERED DEALER, SALESPERSON, AND  
INVESTMENT ADVISER**

22. The facts alleged in paragraphs 1 through 20 are herein incorporated by reference.
23. Section 8.A of the Act states *inter alia* that every dealer, salesperson, investment adviser, and investment adviser representative shall be registered with the State as such.
24. Respondent Loncar has been acting as a dealer, salesperson, or investment adviser in the State of Illinois by selling investments to Investors A, B, and C, and holding himself out as a financial adviser.
25. Respondent Loncar has never registered in Illinois as a broker-dealer, a salesperson, investment adviser or investment adviser representative or in any other capacity in the securities business in the State of Illinois.
26. Section 12.A of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
27. Section 12.C of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of the Act.

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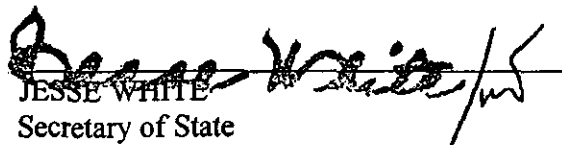
28. By virtue of the Foregoing, Respondent Loncar violated Sections 12.A and 12.C of the Illinois Securities Law of 1953.

NOW IT IS HEREBY ORDERED THAT:

Respondent **ROBERT J. LONCAR** is PROHIBITED from doing business in any capacity as an investment adviser or investment adviser representative in the State of Illinois; and is PROHIBITED from the offer or sale of securities in or from the state of Illinois effective June 26, 2014.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 26th day of June, 2014.

  
JESSE WHITE  
Secretary of State  
State of Illinois

**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 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 Act (14 111. 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.**

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