

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

IN THE MATTER OF:)
)
CHADWICK CREECH, YUWEN)
CREECH, STREAMONE FS, LLC)
and STREAMONE, LLC.,)
their partners, officers and directors,)
agents, employees, affiliates, successors,)
and assigns.)
)

File No. 1100294

ORDER OF PROHIBITION AND FINE

TO THE RESPONDENTS: Chadwick Creech
2627 Evelyn Drive
Apopka, Florida 32703

Yuwen Creech
2627 Evelyn Drive
Apopka, Florida 32703

Streamone, LLC
C/o Chadwick & Yuwen Creech
2627 Evelyn Drive
Apopka, Florida 32703

Streamone FS, LLC
C/o Chadwick & Yuwen Creech
2627 Evelyn Drive
Apopka, Florida 32703

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WHEREAS, the above-captioned matter came on to be heard over three days: September 5, 2013, April 10, 2014, and August 1, 2014 pursuant to the Notice of Hearing dated December 16, 2011 and an Amended Notice of Hearing dated May 21, 2014 filed by Petitioner Illinois Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact 1-27 and 29-32 of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. Respondent, Chadwick Creech, ("Chadwick") is an individual with a last known address of 2627 Evelyn Drive, Apopka, Florida.
2. Respondent, Yuwen Creech, ("Yuwen") is an individual with a last known address of, 2627 Evelyn Drive, Apopka, Florida.
3. At all relevant times, Respondent StreamOne FS, LLC was a Florida Limited Liability Company. StreamOne FS was voluntarily dissolved on April 26, 2010.
4. At all relevant times, Respondent, StreamOne, LLC ("StreamOne") was a Florida Limited Liability Company.
5. Respondents Yuwen and Chadwick owned StreamOne, LLC.
6. Respondent Yuwen was a managing member of Respondent StreamOne during the relevant time, including January 2, 2008 and December 31, 2009. Yuwen was also a signor on StreamOne bank accounts.
7. Respondent Chadwick was a member of StreamOne FS from December 1, 2007 through April 26, 2010.
8. Respondent StreamOne was the managing member of StreamOne FS, from January 2, 2008 through April 26, 2010.

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9. Respondent Chadwick exercised control and management over StreamOne FS during the relevant period of time and was the sole signor on its bank accounts.
10. Respondent Yuwen Creech performed primarily administrative services for StreamOne. She was not employed by StreamOne FS, LLC. Yuwen Creech's relationship to StreamOne FS, LLC was through her membership interest in its managing member, StreamOne, LLC.
11. In or about December 2007, Respondent Chadwick solicited Chris and Cynthia Viruet (collectively "Investor A") to invest \$500,000 in StreamOne FS. Respondent Chadwick described StreamOne FS to Investor A as a bank or mortgage company that would lend money to qualified real estate investors for the purchase and rehabilitation of real estate. At the time, Respondents and Investor A had no prior business dealings.
12. Investor A was a resident and citizen of the State of Illinois residing in Prospect Heights, Illinois, at the time that these representations and recommendations were made to Investor A.
13. On or about January 9, 2008, Respondents offered and sold a note, titled "Agreement to Invest" to Investor A on behalf of StreamOne FS.
14. On or about January 16, 2008, Respondent Chadwick executed the note to Investor A on behalf of StreamOne FS, and Respondent Yuwen Creech signed as a witness. The note paid an annualized return of 13% for a minimum period of not less than 12 calendar months, automatically renewable until terminated by the investor in writing 60 days in advance or by the StreamOne FS.
15. After the initial investment in January 2008, Respondent Chadwick recommended that Investor A increase their investment by an additional \$200,000.00 by claiming that a total investment of \$700,000.00 would, in turn, generate a return or yield from which Investor A would be able to pay all of their living expenses throughout retirement.
16. On or about September 19, 2008, Investor A followed the recommendation of Respondents and invested another \$200,000.00 with StreamOne FS.
17. On or about September 22, 2008, Respondent Chadwick executed and Yuwen witnessed another note for an additional \$200,000.00 investment to Investor A on behalf of StreamOne FS.

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18. The Respondents failed to file with the Secretary of State an application for registration of the notes, securities described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
19. The Respondents did not register as salespersons in the State of Illinois.
20. In selling the StreamOne FS note to Investor A, Respondent Chadwick described StreamOne FS as a bank or mortgage company that would lend money to qualified real estate investors for the purchase and rehabilitation of real estate. Respondents represented to Investor A:
 - a. The notes issued by StreamOne FS generated a rate of return sufficient to cover all internal operating expenses of StreamOne FS and to pay Investor "A" an annualized return of 13% on their capital investment.
 - b. An investment in StreamOne FS was liquid in that they could elect to terminate their investment in StreamOne FS and receive the return of their entire capital investment within sixty days after electing to terminate the investment.
 - c. In the event that they were to elect to terminate the investment in StreamOne FS, Investor A not only would receive the return of their entire capital investment, but they also would be entitled to retain all payments which accrued prior to the date of termination.
 - d. That prior the \$200,000.00 investment referenced above Respondent Chadwick Creech told Investor A that everything was going good.
21. Respondents furthermore failed to disclose to Investor A material facts that were needed to make the previous statements not misleading, including but not limited to the following:
 - a. That no credit check was done on any of the mortgagors;
 - b. That specific mortgages would be assigned to the investment made by Investor A instead of being an investor with other investors in the total portfolio of loans;
 - c. That in addition to points of 4%, additional undisclosed fees were charged on the loan amounts;

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- d. That at least 4 of the 11 loans that were assigned to Investor A were in default pursuant to the original terms of the mortgage which called for a payoff prior to the \$200,000.00 investment on September 16, 2008; and
 - e. That Respondents had no intention of foreclosing on mortgages in default.
22. Respondent Yuwen Creech did not individually make representations to Investor A in January, 2008.
23. On or about July 28, 2009, Investor A elected to terminate their investment in the notes and served a written request upon Respondent Chadwick *for return of their \$700,000.00 within the time frames set forth in the notes.*
24. After receipt of the notice of election to terminate, Respondents StreamOne, Chadwick and Yuwen continued to operate StreamOne FS and continued to collect funds, assets and property belonging to StreamOne FS.
25. As of December 31, 2009, the \$700,000.00 investment in StreamOne FS notes had not been returned to Investor A.
26. On or about April 26, 2010, Respondents StreamOne and Chadwick filed documents with the Florida Department of State, Division of Corporations, in order to voluntarily dissolve StreamOne FS.
27. On April 30, 2013, the Department issued a letter pursuant to Section 11. C of the Act ("11.C Letter"), wherein the Department requested that Respondents file an affidavit setting forth, among other things, the following information: A listing of any and all properties in which Investor As' investments in StreamOne, LLC, StreamOne FS, LLC and Coast2Coast Private Lending, LLC were invested in together with a copy of the deed; a copy of the note and mortgage; copy of the title policy and a copy of the HUD-1 statement for those properties.
28. The Respondent acknowledged receipt of the 11.C Letter of April 30, 2013. Respondents failed to provide the documents and information requested.
29. On May 8, 2013, the Department issued an additional 11.C Letter, wherein the Department requested that Respondents file an affidavit setting forth, among other things, the following information: A listing of all bank accounts in the name of or related to StreamOne FS, LLC. between December 1, 2007 and December 31, 2011. Include the names

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and addresses of the bank(s), account name(s), account number(s), and signatories on the account(s).

30. The Respondents acknowledged receipt of the May 8, 2013 11.C Letter. The Respondents failed to provide the documents and information requested.

WHEREAS, the proposed Finding of Fact 28 ("As of today's date, Respondent StreamOne FS, had failed to return the \$700,000.00 to Investor A") of the Hearing Officer is rejected and the Secretary of State makes the following Finding of Fact:

That as of the date of the final day of hearing in this matter, August 1, 2014, Respondents StreamOne FS, had failed to return the \$700,000 to Investor A.

WHEREAS, the Secretary of State makes the following additional Finding of Facts based on the testimony and documents contained in the record:

1. That Yuwen Creech and Chadwick Creech were married to each other since 2001.
2. That StreamOne provided services to StreamOne FS and in fact any profits of StreamOne FS were distributed to StreamOne.
3. That Yuwen Creech on occasion received a paycheck from StreamOne.
4. That StreamOne loaned money to StreamOne FS.
5. That Yuwen Creech was a signer on the StreamOne checking account.
6. That Yuwen Creech while not making any oral representations to the Investor A at a meeting in January, 2008, prior to his investment that month, she was, in fact, present in the same room during that meeting.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct as modified are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing and Amended Notices of Hearing on Respondents.
2. The Notice of Hearing and amendments included the information required under Section 1102 of the Code.

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3. The Secretary of State has jurisdiction over the subject matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
4. The activities described in the Findings of Fact demonstrate that the Agreements to Invest, the notes, are each a security, and the activities constitute the offer and sale of a note as those terms are defined in sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5].
5. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or 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.
6. 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.
7. That 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.
8. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to provide, obtain money or property through the sale of securities by means of any untrue statement of 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.
9. That by virtue of the foregoing Findings of Fact, Respondents Chadwick Creech, StreamOne FS, LLC and StreamOne, LLC, its officers agents, employees, sales representatives, and affiliates, successors and assigns violated Sections 12.D, 12.F, and 12.G of the Act.

WHEREAS, the Secretary of State makes the following additional Conclusions of Law:

1. That Yuwen Creech as a managing member, control person and employee of StreamOne, which was a managing member of StreamOne FS, knew or should have known the misrepresentations

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and omissions of material facts perpetrated by Chadwick Creech and StreamOne FS on Investor A.

2. That Yuwen Creech, by virtue of the foregoing Findings of Facts, violated Section 12.D and 12.F of the Act.

WHEREAS, the Hearing Officer recommended that:

1. A Permanent Order of Prohibition be entered against Respondents Chadwick Creech, StreamOne FS, LLC and StreamOne, LLC, its officers agents, employees, sales representatives, and affiliates, successors and assigns prohibiting it from selling or offering for sale securities in or from the State of Illinois.
2. Respondents Chadwick Creech, StreamOne FS, LLC and StreamOne, LLC each be fined \$10,000.00.


WHEREAS, the Secretary of State adopts in its entirety the Recommendations made by the Hearing Officer as modified by the following paragraph:

1. A Permanent Order of Prohibition be entered against Yuwen Creech from selling or offering for sale securities in or from the State of Illinois.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That a Permanent Order of Prohibition be entered against Respondents Chadwick Creech, Yuwen Creech, StreamOne FS, LLC and StreamOne, LLC, its officers agents, employees, sales representatives, and affiliates, successors and assigns prohibiting them from selling or offering for sale securities in or from the State of Illinois.
2. That Respondents Chadwick Creech, StreamOne FS, LLC and StreamOne, LLC each be fined \$10,000.00.

ENTERED This 18th day of May 2015


JESSE WHITE
Secretary of State
State of Illinois

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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. 1 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.

Attorney for the Secretary of State:
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