

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

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IN THE MATTER OF: INDIANA OPERATOR PARTNERSHIP, )  
INDIANA AUCTION VENTURES, LLC, ) No. 1400334  
INDIANA AUCTION VENTURES II, LLC, )  
TREASURER'S AUCTION, LLC, and )  
DAN STAMER, their partners, officers and )  
directors, members, managers, agents, )  
employees, affiliates, successors and assigns. )

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**SECOND AMENDED NOTICE OF HEARING**

**TO RESPONDENTS: INDIANA OPERATOR PARTNERSHIP, and  
INDIANA AUCTION VENTURES, LLC, and  
INDIANA AUCTION VENTURES II, LLC, and  
TREASURER'S AUCTION, LLC.  
47 WEST POLK STREET  
SUITE 100-121  
CHICAGO, ILLINOIS 60605**

**AND**

**DAN STAMER  
47 WEST POLK STREET  
SUITE 100-121  
CHICAGO, ILLINOIS 60605**

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 25<sup>th</sup> and 27<sup>th</sup> days of June, 2017 at the hour of 10:00 a.m. or as soon thereafter as possible before James Kopecky, Esq. or such other designated Hearing Officer as the Secretary of State may appoint.

Said hearing will be held to determine whether a permanent Order shall be entered prohibiting Respondents **INDIANA OPERATOR PARTNERSHIP, INDIANA AUCTION VENTURES, LLC., INDIANA AUCTION VENTURES II, LLC., TREASURER'S AUCTION, LLC, and DAN STAMER** and their partners, officers and directors, members, managers, agents and employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not

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limited to, the imposition of a monetary fine in the maximum amount pursuant to Sec. 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

1. **INDIANA OPERATOR PARTNERSHIP** (or at times hereinafter when used collectively with all other Respondents, "Respondents"; or together with Indiana Auction Ventures, LLC, Indiana Auction Ventures II, LLC, and Treasurer's Auction, LLC "Companies") has a last known address of 47 West Polk Street, Suite 100-121, Chicago, Illinois 60605.
2. **INDIANA AUCTION VENTURES, LLC.** (or at times hereinafter Operator Partnership, Indiana Auction Ventures II, LLC., and Treasurer's Auction, LLC "Companies") has a last known address of 47 West Polk Street, Suite 100-121, Chicago, Illinois 60605.
3. **INDIANA AUCTION VENTURES II, LLC.** (or at times hereinafter when used collectively with all other Respondents, "Respondents"; or together with Indiana Operator Partnership, Indiana Auction Ventures, LLC, and Treasurer's Auction, LLC "Companies") has a last known address of 47 West Polk Street, Suite 100-121, Chicago, Illinois 60605.
4. **TREASURER'S AUCTION, LLC** (or at times hereinafter when used collectively with all other Respondents, "Respondents"; or together with Indiana Operator Partnership, Indiana Auction Ventures, LLC, and Indiana Auction Ventures, II, LLC "Companies") has a last known address of 47 West Polk Street, Suite 100-121, Chicago, Illinois 60605.
5. **DAN STAMER** (or at times hereinafter when used collectively with other Respondents "Respondents") has a last known address of 47 West Polk Street, Suite 100-121, Chicago, Illinois 60605.
6. At all relevant times herein Respondent **Dan Stamer (with controlling agent and member Kevin Koy)** was a controlling member/partner and agent of Respondents Indiana Operator Partnership, Indiana Auction Ventures, LLC, Indiana Auction Ventures II, LLC and Treasurer's Auction, LLC.
7. Between June 2012 and August 2012 Respondents, through controlling agents/members Kevin Koy and Dan Stamer solicited and sold an unspecified number of membership interests in Indiana Operator Partnership, Indiana Auction Ventures, LLC, Indiana Auction Ventures II, LLC and Treasurer's Auction, LLC to at least eight (8) investors ("Investors") receiving approximately \$479,395.00.
8. Respondents promised Investors that their funds would be placed into one or more of the following Respondent Companies: Indiana Operator Partnership, Indiana Auction Ventures, LLC, Indiana Auction Ventures II, LLC and Treasurer's Auction, LLC.

9. Respondents promised Investors that their invested money would be used to "purchase real estate tax liens" on properties in which the owners had fallen into arrears on tax payments.
10. Respondents further told Investors that once the redemption time frame for the owners had passed the real estate parcels would become the property of the Respondent Companies, and the Investors' interests would be reduced to cash.
11. Investors were promised that each Investor would receive a pro-rata share of the profits, including rents paid by existing tenants, and accordingly each Investor's return would be based on that Investor's amount invested.
12. Investor JL paid \$30,000 for a pro-rata share of the profits, and later paid an additional \$30,000 for a pro-rata share of the profits.
13. Investor AD paid \$10,000 for a pro-rata share of the profits.
14. Investor JK paid \$25,000 for a pro-rata share of the profits.
15. Investor WW paid \$80,000 for a pro-rata share of the profits, and later paid an additional \$149,430 for an additional pro-rata share of the profits.
16. Investor FM paid \$60,000 for a pro-rata share of the profits.
17. Investor HF paid \$40,000 for a pro-rata share of the profits.
18. Investor RC paid \$24,985 for a pro-rata share of the profits.
19. Investor NC paid \$29,980 for a pro-rata share of the profits.
20. Respondents' activities described above in paragraphs 7-20 involve the offer and sale of investment contracts, and are therefore securities, 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").

#### **FAILURE TO REGISTER SECURITIES**

21. 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.
22. Respondents failed to file an application with the Secretary of State to register the investment contracts as required by the Act, and as a result the securities were not registered as such prior to their offer or sale in the State of Illinois.
23. 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 provisions of the Act.

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24. 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 provisions of this Act or any rule or regulation made by the Secretary of State pursuant to the Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
25. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

**FRAUD AND DECEIT #1**

26. To date the Respondents have not made any payment, pro-rata or otherwise, to any Investor.
27. A portion of the Investor money was converted and used by Respondents to pay for Respondents' personal expenses
28. Respondents failed to disclose to the Investors that a portion of their money would not be used as promised, but instead would be converted to pay for the Respondents' personal expenses.
29. Respondents failed to disclose to the Investors that their investments could result in the loss of all their invested money.
30. 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 works or tends to work a fraud or deceit upon the purchaser or seller thereof".
31. 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 the light of the circumstances under which they were made, not misleading.
32. 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".
33. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

**FRAUD AND DECEIT #2**

34. Respondents falsified the price actually paid for many of the tax liens, thereby falsely representing the costs of those investments.

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35. Respondents used investor funds to purchase properties for companies and other entities, controlled by Respondents, and in which the investors had no interest, and could realize no profit.
36. Respondents received redemption funds for those properties that were redeemed in accounts controlled by Respondents, and in which the investors had no interest.
37. Respondents became owners of several real estate properties in the name of Indiana Operator Partnership and collected rent which they converted and deposited into their own accounts rather than distributing them pro-rata to investors, as promised.
38. Respondents failed to use all invested funds to purchase tax liens as promised, and instead converted a portion of the funds to their own business and personal purposes.
39. Respondents used funds from investors to be used exclusively in Indiana Auction Ventures II to pay back investors in other, non-related investment ventures without the knowledge or consent of Indiana Auction Ventures II investors.
40. Respondents used funds from investors to be used exclusively in Treasurer's Auction to pay back investors in other, non-related investment ventures without the knowledge or consent of Treasurer's Auction investors.
41. 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 works or tends to work a fraud or deceit upon the purchaser or seller thereof".
42. 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 the light of the circumstances under which they were made, not misleading.
43. 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".
44. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

**FRAUD AND DECEIT #3**

45. On or about August 24, 2011, Kevin Koy, a member and controlling agent of the Respondent companies, was barred from membership in the National Futures Association ("NFA") for a period of one year, in NFA case number 10BCC00041.
46. Respondents failed/omitted to inform Investors of Mr. Koy's temporary bar from membership in the NFA.
47. This failure/omission by Respondents to inform Investors of this temporary bar was the omission to state a material fact to Investors that was necessary for Investors to make an informed decision as to their anticipated purchase of the investment contracts set forth above.
48. 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 works or tends to work a fraud or deceit upon the purchaser or seller thereof".
49. 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 the light of the circumstances under which they were made, not misleading.
50. 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".
51. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

**FRAUD AND DECEIT #4**

52. The executed Terms of Agreement between Respondents and Investors provided, *inter alia*, that Respondent Stamer was to act as an "OPERATOR" with various duties to perform on behalf of the investors and the companies.
53. The executed Terms of Agreement between Respondents and Investors provided at paragraph #14: "OPERATOR will provide monthly compilation, regular support documentation and annual accounting as well as maintain books and records available for inspection".

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54. Respondent Stamer, as "OPERATOR" failed to provide monthly compilation, regular support documentation and annual accounting as well as maintain books and records available for inspection.
55. Respondent Stamer failed to offer any of the required documentation to the Investors for their review or inspection.
56. Respondents' representation to Investors that records would be "available for inspection" was untrue and misled Investors into believing that they would be granted reasonable permission to review the company books.
57. At least one Investor requested permission from Respondent Stamer to review the books and records of the companies but was denied reasonable access.
58. 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 works or tends to work a fraud or deceit upon the purchaser or seller thereof".
59. 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 the light of the circumstances under which they were made, not misleading.
60. 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".
61. By virtue of the foregoing, Respondents violated Sections 12.F, 12.G and 12.I of the Act.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Amended Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

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The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 26<sup>th</sup> day of May 2017.



JESSE WHITE  
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State of Illinois

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