



Notice of Hearing

- 2 -

not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act.

The grounds for such proposed action are as follows:

**BACKGROUND**

1. Respondent Jan F. Tatman ("Respondent Tatman") is an individual with a last known address of 5201 Sale Ave. Woodland Hills, CA 91364.
2. Respondent Que-Corp. ("Respondent Que-Corp. ") is an entity with a last known address of 22817 Ventura Blvd., Ste. 400, Woodland Hills, CA 91364.
3. Respondent Queensway Companies. ("Respondent Queensway Companies ") is an entity with a last known address of P.O. Box 10537 Canoga Park, CA 91309.
4. During the summer of 2017, Respondents offered for sale by mail and telephone, an investment which would "Triple Your Capital in Just Three Years"!.. plus you must receive regular "Cash Pay-Outs Starting Immediately"!..".
5. During the summer of 2017, Respondents offered for sale by mail and telephone a "principal protected investment" in a "fixed duration fund" which would allow investors to "exercise priority 'Stock Options'!".
6. At all time relevant herein, Respondents offered for sale by mail and telephone an investment transaction which included "highly valuable stock options."
7. At all times relevant herein, Respondents offered for sale said investment transactions to at least one Illinois resident via United States mail.
8. The investment offering as described above is a security offered for sale as defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] ("Act").

**FAILURE TO REGISTER**

9. The Illinois Securities Department ("Department") re-alleges and incorporates herein the allegations contained in paragraphs 1 through 8 above.

Notice of Hearing

- 3 -

10. Section 5 of the Act provides, *inter alia*, "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."
11. Respondents failed to file an application for the aforementioned investment transaction with the Illinois Securities Department and as a result the investment transactions were not registered as such prior to their offer and sale in the State of Illinois. Said securities were not exempt.
12. Section 12.A of the Act provides, *inter alia*, it shall be a violation of any person to offer or sell any security except in accordance with the provisions of the Act.
13. Section 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment advisor, or investment adviser representative, unless registered as such, where registration is required, under the provisions of the Act.
14. Section 12.D of the Act provides, *inter alia*, it shall be a violation for any person "[t]o 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 this Act ..."
15. At all times relevant herein, Respondents failed to register as either a dealer, salesperson, investment adviser or investment adviser representative pursuant to Section 8 of the Act.
16. Pursuant to the foregoing, Respondents violated Sections 5, 12.A, 12.C and 12.D of the Act.

**FRAUD AND DECEIT**

17. The Department re-alleges and incorporates herein the allegations contained in paragraphs 1 through 16 above.
18. At all times relevant herein, Respondents failed to notify potential investors that Respondent Tatman had previously filed for bankruptcy.
19. At all times relevant herein, Respondents failed to notify potential investors that on March 29, 2010, The Securities Commissioner of the State of North Dakota issued a Cease and Desist Order against Respondent Que-Corp. for engaging in conduct similar to the conduct alleged herein.

Notice of Hearing

- 4 -

20. At all times relevant herein, Respondents failed to notify potential investors that Respondents were not in compliance with the Illinois Securities Law of 1953 [815 ILCS 5 *et seq.*].
21. At all times relevant herein, Respondents have attempted to sell the above-referenced securities by use of material misrepresentations and/or omissions, have engaged in a scheme or artifice to defraud investors and/or have otherwise engaged in fraudulent or deceptive practices.
22. Section 12.F of the Act provides, *inter alia*, it shall be a violation of the Act for any person “[t]o 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.”
23. Section 12.I of the Act provides, *inter alia*, it shall be a violation of the Act for any person, “[t]o employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.”
24. Respondents’ actions, as stated herein, violated Sections 12.F and 12.I of the Act.

**VIOLATIONS & RELIEF**

25. The Department re-alleges and incorporates here the allegations contained in paragraphs 1 through 24 above.
26. Section 12.A of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
27. Section 12.D of the Act provides, *inter alia*, it shall be a violation for any person “[t]o 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 this Act ...”
28. Section 12.F of the Act provides, *inter alia*, it shall be a violation of the Act for any person “[t]o 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.”

Notice of Hearing

- 5 -

29. Section 12.I of the Act provides, *inter alia*, it shall be a violation of the Act for any person, "[t]o employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
30. Respondents violated Sections 12.A, 12D, 12.F and 12.I of the Act.
31. Section 11.E(1) of the Act provides, *inter alia*, if the Secretary of State finds that the offer or sale or proposed offer or sale of any securities by any person is fraudulent, or would work or tend to work a fraud or deceit, or is being offered or sold in violation of Section 12 of the Act, the Secretary of State may by written order permanently prohibit or deny the registration of the securities or the exemption from registration for the securities.
32. Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State finds that any person has violated subsections C,D,E,F,G,H,I,J or K of Section 12 of the Act, the Secretary of State may by written order permanently prohibit the person from offering or selling any securities in Illinois.
33. Section 11.E(4) of the Act provides, *inter alia*, the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation, or order not to exceed \$10,000, for each violation of the Act and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
34. Respondents are subject to permanent prohibition against offering or selling any securities in Illinois permanent prohibition from registering any securities or any exemptions from registration for any securities until such time as Respondents petitions the Secretary of State for a hearing to present evidence of rehabilitation or change in circumstances justifying the amendment or termination of the order of permanent prohibition pursuant to Section 11.E(2) of the Act.
35. Respondents are jointly and severally liable for a fine of \$10,000 for each violation and a charge of costs.

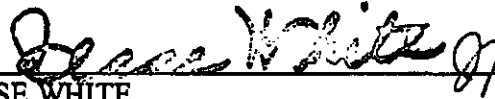
**You are further notified that pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130 ("Rules")), you are required to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:**

Notice of Hearing

- 6 -

Paula K. Bouldon  
Enforcement Attorney  
Illinois Department of Securities  
69 West Washington, Suite 1220  
Chicago, Illinois 60606

DATED: This 19<sup>th</sup> day of September, 2017



JESSE WHITE  
Secretary of State  
State of Illinois

A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing. Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default. Unless the Respondents have upon due notice moved for and obtained a continuance.

The Rules promulgated under the Act pertaining to Hearings held by the office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/lawrules.html>. Delivery of Notice to the designated representative of any Respondent constitutes service upon such Respondent.

Attorney for the Secretary of State:

Paula K. Bouldon  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington, Suite 1220  
Telephone: (312) 793-3164