

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

**IN THE MATTER OF: GEORGE N. STOKAS,  
his partners, officers and directors, agents, employees,  
affiliates, successors, assigns and associated companies**

)  
) **No. 0900273**  
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**TEMPORARY ORDER OF PROHIBITION**

**TO RESPONDENT:**

**GEORGE N. STOKAS  
11932 South Hobart Avenue  
Palos Park, Illinois 60464  
and  
8632 West 103<sup>rd</sup> Street  
Palos Hills, Illinois 60465  
and  
7515 West 105<sup>th</sup> Street  
Palos Hills, Illinois 60465**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent George N. Stokas (hereinafter "Stokas" or "Respondent") has last known addresses of 11932 South Hobart Avenue, Palo Park, Illinois 60464; and 8632 West 103<sup>rd</sup> Street, Palos Hills, Illinois 60465; and 7515 West 105<sup>th</sup> Street, Palos Hills, Illinois 60465.
2. Between about May 2006 and August 2009 (the Period) Respondent Stokas (in concert variously with R.I.C., LLC; R.I.C. of Illinois, LLC; and/or Oreprop, LLC) solicited Illinois residents to purchase REIT Certificates and/or promissory notes which paid varying interest rates to the holders, the proceeds of which were to be used for investment in real estate ventures.
3. On about May 7, 2009, Stokas offered and sold a promissory note ("Note") to an Illinois resident (Investor) in the amount of \$75,000, with principal and accrued interest of 6% per annum, payable May 7, 2014.

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4. Respondents promised Investor that the \$75,000 proceeds would be used for investment in real estate ventures.
5. The activities set forth above in paragraphs 2-4 involve the offer and sale of a Note or Investment Contract and are therefore a security 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").

### FRAUD

6. During the Period Stokas commingled investors' funds with Stokas' funds, and/or with associated entities' funds, and a substantial portion of such funds was converted to pay other investors, or to Stokas' personal use and benefit.
7. Instead of placing Investor's \$75,000 in real estate ventures as promised, Respondent converted \$19,000 to re-pay another investor, and converted the remainder for Respondent's own use and benefit.
8. Respondent failed and refused to notify the Investor that the funds would be used for his own benefit rather than the Investor's.
9. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the provisions 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."
10. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the provisions 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 circumstance under which they were made, not misleading."
11. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the provisions 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."
12. By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12.I of the Act and will violate the Act again if they make further security offers, or if they make any sales of securities, in the State of Illinois.

### FAILURE TO REGISTER SECURITIES

13. Respondent Stokas never registered the Note with the Illinois Securities Department.

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14. 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."
15. Respondent Stokas failed to file an application with the Secretary of State to register the Note as required by the Act, and as a result the Note was not registered as such prior to its offer or sale in the State of Illinois.
16. That Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
17. 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."
18. That by virtue of the foregoing Respondents violated Sections 12.A and 12.D of the Act.
19. The aforementioned findings are based upon credible evidence.
20. Section 11.F (2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the rendering of investment advice or the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
21. The entry of this Temporary Order of Prohibition prohibiting Respondent Stokas, and his partners, officers and directors, agents, employees, affiliates, successors, assigns and associated companies from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **George N. Stokas** and his partners, officers and directors, agents, employees, affiliates, successors and assigns, and associated companies are temporarily **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and will extend the


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effectiveness of this Temporary Order of Prohibition for sixty (60) days from the date the hearing request is received by the Department.

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

Dated: This 31<sup>st</sup> day of August 2009.

  
JESSE WHITE  
Secretary of State  
State of Illinois

*duplicate original*

Attorney for the Secretary of State:  
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