

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

**IN THE MATTER OF: ROBERT LONCAREVIC>ROBERT
LONCAREVIC d/b/a INNOVATIVE FINANCIAL SOLUTIONS
AND ACQUISITIONS**) Case No. 0600110

CONSENT ORDER OF PROHIBITION

TO RESPONDENT: Robert Loncarevic
 d/b/a Innovative Financial Solutions and Acquisitions
 28 E. Jackson
 Bldg. #10 C93
 Chicago, Illinois 60604

 Robert Loncarevic
 d/b/a Innovative Financial Solutions and Acquisitions
 6461 W. Warner Ave.
 Unit #510
 Chicago, Illinois 60634

 Jonathan T. Mann, Esq.
 222 N. LaSalle St., Ste. 200
 Chicago, Illinois 60601

WHEREAS, Respondent Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions on the 9th day of June, 2008, executed a certain Stipulation to Enter Consent Order of Prohibition (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated December 19, 2007, in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Dismissal ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That Robert Loncarevic, ("Respondent") is an individual whose last known addresses are 28 E. Jackson, Bldg. #10 C93, Chicago, Illinois 60604, and 6461 W. Warner Ave., Unit #510, Chicago, Illinois 60634. Robert Loncarevic does business as Innovative Financial Solutions and Acquisitions.

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2. That Innovative Financial Solutions and Acquisitions (or collectively with Loncarevic, "Respondents"), is the business identity used by Loncarevic in engaging in the business of acting as agent, broker, or principal in the business of offering, selling, buying and selling, or otherwise dealing or trading in securities issued by another person.
3. That in or around 2005 – 2006, Respondents placed an advertisement in the Serbian Yellow Pages Phone Book. Illinois Investor #1 responded to the advertisement and met with Respondents at Loncarevic's home office ("Home Office") located at 6461 W. Warner Ave., Unit #510, Chicago, Illinois 60634.
4. That at that meeting, Loncarevic discussed with Illinois Investor #1 various securities investment options, and recommended that Illinois Investor #1 invest in shares of Universal Exchange Corporation ("Universal") and Bluko Corporation ("Bluko").
5. That on or around January 9, 2006, Illinois Investor #1 gave Respondents a check in the amount of \$20,200 for the purchase of shares in Universal and Bluko.
6. That on or around February 3, 2006, Loncarevic sent Illinois Investor #1 a letter stating that Illinois Investor #1 had purchased 10,000 shares of Universal. The letter further states that the shares were purchased at \$1.00 per share as a corporate offering and are considered very risky in nature, and that Illinois Investor #1 will be informed of events and happenings as they manifest over time.
7. That on or around February 3, 2006, Respondents sent a second letter to Illinois Investor #1 which stated there was a small possibility that the company (Universal) might not accept Illinois Investor #1's funds because they were not invested in any other product offered by Universal, and that Respondents would not be at fault if this should manifest in any way.
8. That on or around April 24, 2006, Respondent sent a third letter to Illinois Investor #1 which stated that they had invested \$10,000 for Illinois Investor #1 in 10,000 shares of Universal at \$1.00 par value. The letter further stated that the attached stock certificate reflected the ownership of 20,000 Universal shares in the name of Loncarevic, however, 10,000 of those shares were invested for and on behalf of Illinois Investor #1, who therefore owns 10,000 shares of Universal. The letter also states that any profits and dividends shall be divided as follows: Loncarevic shall receive 10% of any profit/dividends, and Illinois Investor #1 shall receive 90% of any profit/dividends.
9. That Respondents also stated in the April 24, 2006, letter that Respondents received an additional \$10,000 on January 9, 2006, from Illinois Investor #1 to invest in 10,000 shares of Bluko. The letter continued by stating that if Respondents were unable to purchase the Bluko shares by May 10, 2006, Respondents would return the \$10,000 to Illinois Investor #1 by May 17, 2006.

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10. That Respondents invested approximately only \$3,000 of Illinois Investor #1's \$10,000 in Bluko, and converted the balance to their own use and benefit.
11. That in or around 2005 – 2006, Respondents placed an advertisement in the Free Shopper Ad Paper. Illinois Investor #2 responded to the advertisement, and met with Respondents at Loncarevic's Home Office.
12. That at that meeting, Loncarevic discussed with Illinois Investor #2 various securities investment options, and recommended that Illinois Investor #2 invest \$15,000 in shares of Par Three Financial.com ("Par Three"). Loncarevic told Illinois Investor #2 that if he invested \$15,000 in shares of Par Three, Illinois Investor #2 would get 2% per month or 24% annual return on his investment. Loncarevic told Illinois Investor #2 that he would receive a check for \$300 each month in return for his investment in Par Three shares.
13. That on or around May 11, 2005, Illinois Investor #2 gave Respondents a check in the amount of \$15,000 for the purchase of shares in Par Three.
14. That Illinois Investor #2 has not received any of the promised \$300 monthly checks from Respondents, nor has he ever received the return of his principal \$15,000 investment in shares of Par Three.

Failure to Register

15. That shares of Universal, Bluko, and Par Three are all securities issued by another person and not by Respondents.
16. That Respondents' conduct, as set forth in paragraphs 3 through 5 and 11 through 13 above, constitutes the offer and sale of a security and the activities of a Dealer and a Salesperson, pursuant to Sections 2.5a, 2.5, 2.1, 2.7, and 2.9 of the Act.
17. That Respondents failed to register with the Secretary of State as a securities Salesperson and Dealer as required by the Act and that as a result he was not registered pursuant to Section 8 of the Act prior to his offer to purchase or sell securities issued by another person on behalf of the Illinois Investor in the State of Illinois.
18. That Section 12.A of the Act provides 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.
19. That Section 12.C of the Act provides that it shall be a violation of the provisions of this Act for any person to act as a dealer or salesperson unless registered as such, where such registration is required, under the provisions of this Act.

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20. That Section 12.D of the Act provides that it shall be a violation of the provisions of this Act 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 this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
21. That by virtue of the foregoing, Respondents violated Section 12.A, C, & D of the Act.

Fraud

22. That notwithstanding Respondents' assurances and confirmations, Respondents did not purchase shares of Universal and Bluko for Illinois Investor #1. Instead, Respondents converted Illinois Investor #1's \$20,200, and used it for his own benefit.
23. That Respondents told Illinois Investor #1 she had invested in shares of common stock, and failed to notify her that the funds would be invested for Respondents' benefit and not for the Investor's benefit.
24. 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.
25. That Section 12.G of the Act provides that it shall be a violation of the provisions of this 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.
26. That Section 12.I of the Act provides that 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.
27. That by virtue of the foregoing, Respondents violated Sections 12.F, G, & I of the Act.

Failure to Respond to Subpoena

28. That on November 28, 2007, pursuant to Sections 11.C and 11.D of the Act, the Department issued *Subpoena Ad Testificandum* (the "Subpoena") upon Respondent requiring Respondent to appear and to testify before the Secretary of State of the State of Illinois at the Department's offices located at 69 West Washington, Suite 1220, Chicago, Illinois 60602, on December 19, 2007, and to bring with him certain specified documents.

29. That Respondent failed to appear and testify on December 19, 2007.
30. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act for any person to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
31. That by virtue of the foregoing, Respondent violated Section 12.D of the Act.
32. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section A, C, D, F, G, or I of Section 12 of this Act, the Secretary of State may by written order permanently prohibit or suspend the person from offering or selling any securities, any mineral investment contract, or any mineral deferred delivery contract in this state, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change in circumstances justifying the amendment or termination of the order or permanent prohibition.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

1. Loncarevic's activities constitute the offer and sale of an investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").
2. Loncarevic has violated Sections 12.A, 12.C, 12.D, 12.F, 12.G and 12.I of the Act.
3. Respondents Robert Loncarevic and Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions are permanently prohibited from:
 - a) offering or selling any securities in or from the State of Illinois pursuant to Section 11.E(2) of the Act.
 - b) engaging in the business of offering investment advice in or from the State of Illinois.

WHEREAS, by means of the Stipulation, Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that he shall be permanently prohibited from offering or selling any securities in or from the State of Illinois.

WHEREAS, by means of the Stipulation, Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that she shall be permanently prohibited from engaging in the business of offering investment advice in or from the State of Illinois.

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WHEREAS, by means of the Stipulation, Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that on February 19, 2008, he provided full restitution to Illinois Investor #1.

WHEREAS, by means of the Stipulation, Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that on May 12, 2008, he entered into a settlement agreement with Illinois Investor #2, a copy of which is attached hereto.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the formal hearing as it relates to Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions is permanently prohibited from offering or selling any securities in or from the State of Illinois.
2. Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions is permanently prohibited from engaging in the business of offering investment advice in or from the State of Illinois.
3. Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that on February 19, 2008, he provided full restitution to Illinois Investor #1.
4. Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions has acknowledged and agreed that on May 12, 2008, he entered into a settlement agreement with Illinois Investor #2, a copy of which is attached hereto.
5. The Notice of Hearing dated December 19, 2007, as it relates to Respondent Robert Loncarevic d/b/a Innovative Financial Solutions and Acquisitions, is dismissed without further proceedings.

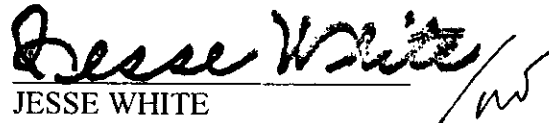
NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

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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.

ENTERED This 11th day of June, 2008.



JESSE WHITE
Secretary of State
State of Illinois

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