

The STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
QUEENSWAY CAPITAL CORPORATION)
JAN FRANK TATMAN)
AKA: JAN VAN AUBEN)
RESPECTUOUSLY,)
RESPECTUOUSLY,)
RESPECTUOUSLY,)
RESPECTUOUSLY,)
RESPECTUOUSLY,)

RESPONDENTS)

ADMINISTRATIVE ORDER
NO. CD-2020-0017

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("ACT"), upon due consideration of the subject matter hereof, having confirmed information of the offer for sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **QUEENSWAY CAPITAL CORPORATION (QUEENSWAY)**, at all-times relevant, was an unincorporated company, with a street address of 22817 Ventura Blvd., Suite: 400, Woodland Hills, CA 91364.
2. **JAN FRANK TATMAN (TATMAN)** (CRD# 1903750), at all-times relevant, was a California resident and Executive Vice President of **QUEENSWAY** with a stated business address of 22817 Ventura Blvd., Suite: 400, Woodland Hills, CA 91364. TATMAN's CRD records indicate that **TATMAN** also uses the name **Jan Van Auben (VAN AUBEN)**.

STATEMENT OF FACTS

3. In 2015, an Alabama resident learned of **QUEENSWAY** through family members that had previously invested with **QUEENSWAY**. The family members received dividend payments from their investments and account statements, issued by **QUEENSWAY**, showing the alleged growth of their investments. The family members believed their investments were legitimate, secure and shared information with their family member.

4. The Alabama resident contacted **QUEENSWAY** and spoke with TATMAN, who spoke with the Alabama resident using the alias of **VAN AUBEN**, identifying himself as the Executive Vice President of **QUEENSWAY**. The Alabama resident expressed interest in investing with **QUEENSWAY** and that her family members were investors.

5. Subsequently, the Alabama resident received a letter from **QUEENSWAY**, dated October 7, 2015. An e-mail address for **QUEENSWAY** was provided as quecorp@att.net.

6. The letter to the Alabama resident stated:

"Greetings....,

Enclosed, please find necessary paperwork to establish your Time Deposit Account with us. In this case, since the account can be recognized as an existing relationship "immediate referral", we can avoid most of the usual personal date, financial statements and other qualification criteria usually requisite of these type accounts and record only the essentials, i.e. the name of the account owner as given plus their identity. But even though initially a relationship referral, once set up this one will be totally separate and unrelated to any sponsoring client account.

Please review the actual Agreement thoroughly. You will note various paragraphs (on Page 2) describing certain optional provision which are attractive to our standard high net worth investor clients but are not appropriate in this case. Here, we are simply arranging for you to take advantage of a consistently high interest earning deposit environment – provided you do not venture beyond it. And if indeed you continue to maintain the account, as agreed, then the quite profound benefits of 'compound interest earnings' will absolutely ensure in 6,8, or 10yrs., your holding here will have grown way beyond anything the stocks, bonds and mutual fund vendor crowd would ever have delivered (to say nothing of the continuous 'transaction fees'. Here there are none).

We understand the net sum you will be depositing at this time is \$63,000. To this, also as agreed, an accommodation amount is being added to compensate for your related

transaction and redeployment costs. Thus, although your check will be for that figure only, your beginning account balance will be reflected within the actual instrument.

Your account will commence with an initial interest rate of nine percent (9%) per annum. This Time Deposit Agreement is written initially for a 24-month period and, upon maturity, is automatically renewable at your request. Following the second maturity period, the stated interest rate automatically begins to rise regardless of then prevailing market conditions.

As you can see, the Agreement requires only your name (as you will wish to eventually receive checks), address, birth date and social security number. Your permanent account number with us will be a series of three letters plus a colon and five numerals, viz: QTD: (abbrev, for Queensway Time Deposit) followed by the numbers 07055.

Please initial Para. 2, Page one, where indicated, then complete the document at bottom of Page two. (DO BE SURE to write both your name and signature exactly in accordance with the account's permanent sole owner of record (per top of Page one). Your check should be made simply to 'Queensway Corporation' (no quotes). On the memo line, please enter the legend: 'QTD: 07055/2015 Funding Acct.'

A copy of the Agreement is included herewith and should be retained for reference until your formal acceptance copy is received. For convenience, a pre-paid return USPS envelope is also enclosed. Simply place your check and the complete original (blue back) copy of the instrument therein (then seal well with extra tape since, as requested, it will not be a Fed/Ex transit) and return same to the office.

Should there be question, I am always available.

*Sincerely,
Jan Van Auben
Exec. Vice Pres."*

"(Note: One other provision of these particular accounts is, upon their establishment additional deposits can be made up to 90 days after the initial deposit and still qualify for the full contract term. (This because many private equity investors who are liquidating other quite complex holdings do other require time to accomplish the process and receive their funds). Accordingly, if you do also have access to certain additional assets which are otherwise not 'productive', the door will still be open for a while.)"

7. The Alabama resident decided to invest. As instructed by **VAN AUBEN**, the Alabama resident wrote an investment check dated October 12, 2015 made out to Queensway Corporation in the amount of \$63,000. The memo line of the check was noted for: QTD 07055 to Queensway Corporation, as instructed in VAN AUBEN's letter.

8. In July 2018, the Alabama resident called and spoke with **VAN AUBEN** requesting a current financial statement of her **QUEENSWAY** investment as well as the return of all investment funds with all earned interest. **VAN AUBEN** told the Alabama resident investment funds would not be available until October of 2019. As of the date of this order, the Alabama resident's investment funds have not been returned, and the Alabama resident has been unable to contact or speak with **VAN AUBEN**.

9. During an investigation of **QUEENSWAY** and **VAN AUBEN**, the Commission learned that **VAN AUBEN** is an alias for **TATMAN**.

10. The Commission located a Cease and Desist Order from the State of North Dakota Securities Department in the matter of QUE-CORP PRIVATE INVITATIONS, and their OFFICERS, DIRECTORS, AGENTS, and EMPLOYEES, RESPONDENTS. The order was singed on March 29th of 2010.

11. The Commission located a State of Illinois, Secretary of State Securities Department, ORDER OF PROHIBITION, File No. 170059, in the matter of: QUE-CORP., QUEENSWAY COMPANIES and Jan F. TATMAN, RESPONDENTS. The order states "*NOW THEREFORE, IT IS HEREBY ORDERED THAT: Respondents Que-Corp., Queensway Companies and Jan F. Tatman are permanently prohibited from offering and/or selling securities in or from the State of Illinois. Dated this 9th day of January 2018. Signed by Jesse White, Secretary of State, State of Illinois.*"

12. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on July 14, 2020 and disclosed no record of registration, nor any perfected exemption from registration for the securities offered, or caused to be offered, by **TATMAN** or **QUEENSWAY**.

13. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on July 14, 2020 and disclosed no record of registration for **TATMAN** or **QUEENSWAY** as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

CONCLUSIONS OF LAW

14. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of security includes any "investment contract." The investment programs, identified as the "Time Deposit Agreements", constitute an investment of money; from which an investment return was expected; with such investment return based on the managerial efforts of **RESPONDENTS**. The solicited investments, identified as the "Time Deposit Agreements", are "investment contracts" and are securities under the ACT.
15. Pursuant to Section 8-6-2(5), Code of Alabama 1975, the definition of Issuer includes, "every person who proposes to issue, has issued, or shall hereafter issue any security...". **QUEENSWAY** issued securities, to wit: Time Deposit Agreements and is an issuer under the Act.
16. Pursuant to Section 8-6-2(2), Code of Alabama 1975, an Agent is any individual other than a dealer who represents a dealer or issuer in effecting or attempting to effect sales of securities. **TATMAN (AKA VAN AUBEN)** in effecting or attempting to effect sales of securities, to wit: Time Deposit Agreements of **QUEENSWAY**, is an agent as defined in the Act.
17. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless the security: (1) is registered under the Act; (2) the security is exempt from registration under section 8-6-10; or (3) the transaction is exempt under section 8-6-11. The security offered by **RESPONDENTS**; to wit: the Time Deposit Agreements issued by **QUEENSWAY** were neither registered nor subject to a perfected exemption from registration in Alabama and were offered and sold in violation of the Act.
18. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in the state as a dealer or agent for securities unless they are registered under the ACT. By soliciting sales of the Time Deposit Agreements of

QUEENSWAY to an Alabama resident, **TATMAN (AKA VAN AUBEN)** acted as an agent of **QUEENSWAY** while not being registered with the Commission in violation of the Act.

19. Pursuant to Section 8-6-17(a)(2), Code of Alabama 1975, it is unlawful in connection with the offer or sale of a security to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading. **RESPONDENTS** failed to disclose that **QUEENSWAY COMPANIES** and **TATMAN** were the subject of bars from participation in the securities industry in the states of Illinois and North Dakota and that such bars were the result of schemes involving securities transactions. The failure to disclose **RESPONDENTS'** investment related bars constitutes a material omission and a violation of the anti-fraud provisions of the Act.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, *inter alia*, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately **CEASE AND DESIST** from further offers or sales of any security into, within, or from the state of Alabama.

Entered at Montgomery, AL this 14th day of December, 2020.



ALABAMA SECURITIES COMMISSION
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(334) 242-2984

BY:

A handwritten signature in black ink, appearing to read "JOSEPH P. BORG".

JOSEPH P. BORG
Director