

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

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<b>IN THE MATTER OF:</b>	)	
<b>JOSE M. LOPEZ and</b>	)	
<b>SILVANO C. RAMIREZ and</b>	)	<b>No. 1000465</b>
<b>MILAGROS D.S.J.B., LLC. and</b>	)	
<b>their partners, members, officers and directors, agents,</b>	)	
<b>employees, affiliates, successors and assigns.</b>	)	
	)	

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**ORDER OF PROHIBITION**

**TO RESPONDENT: Jose M. Lopez  
213 Prairie Street  
Aurora, Illinois 60505**

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on August 14, 2012 which prohibited Jose M. Lopez, Silvano C. Ramirez, Milagros D.S.J.B., LLC, and their partners, officers and directors, agents, employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, Respondent Jose M. Lopez has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent Lopez is hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Respondent Jose M. Lopez (hereinafter at times "Lopez" or "Respondent" or "Respondent Lopez" or "Respondent Jose M. Lopez") has a last known address of 213 Prairie Street, Aurora, Illinois 60505.
2. Silvano C. Ramirez (hereinafter at times "Ramirez") has a last known address of 719 Front Street, Aurora, Illinois 60505.

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3. Milagros D.S.J.B. LLC (hereinafter at times "Milagros" had a last known address of 470 Hinman Street, Suite B, Aurora, Illinois 60505 and is now dissolved.
4. Milagros was established in June 2008 by Respondent Lopez and Ramirez, jointly as organizers and managers, for the purpose of soliciting individuals ("Investor(s)") to place monetary funds with Respondent Lopez, Ramirez and Milagros and to allow Respondent Lopez, Ramirez and Milagros to invest the fund on behalf of the Investors.
5. Respondent Lopez was primarily responsible for the placement, investment and day-to-day control of the Investors' funds.
6. Ramirez was responsible for soliciting Investors and for completing other tasks that were not directly related to managing, controlling or investing funds.
7. Between October 2008 and November 2008 Ramirez solicited an Illinois Investor to place \$50,000 with Milagros in exchange for a 1% ownership interest in Milagros.
8. Ramirez promised the Investor that Milagros, through its agents, would manage and invest the \$50,000 in securities and/or commodities and return a profit to the Investor based upon a forthcoming written agreement which was executed on November 21, 2008.
9. Respondent Lopez, Ramirez and Milagros assured Investor they would use his investment only for the business purpose of trading securities and/or commodities and return a profit to the Investor.
10. On November 3, 2008 the Investor remitted a cashier's check to Milagros in the amount of \$50,000, and payable to "Milagros D.S.J.B" which was negotiated into a Milagros account at Harris Bank, also on November 3, 2008.
11. On November 21, 2008 Milagros and the Investor signed a document entitled "Joint Venture Agreement for Milagros DSJB, LLC" which provided that in exchange for \$50,000 the Investor would receive a 1% ownership interest in Milagros plus monthly payments of \$1,500 to be paid over period of time which was not stated in the document.
12. The "Joint Venture Agreement for Milagros DSJB, LLC" was signed by the Investor and by Silvano C. Ramirez.
13. On or about November 6, 2008 Respondent Lopez withdrew the \$50,000 from the Harris Bank account and placed it into a personal Jose M. Lopez OptionsExpress trading account through which trades were made by Lopez between November 2008 and January 2009 ("Timeframe").

14. During the Timeframe the trading losses plus the account costs/fees in the Lopez OptionsExpress account reduced the balance to \$21,251.
15. Lopez then withdrew the balance of \$21,251 from the OptionsExpress account, and placed it into his own Harris bank account which he subsequently withdrew and used for his own personal and business purposes.
16. The activities described above in paragraphs 7-12 constitute the offer and sale of an 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").

### **FAILURE TO REGISTER SECURITIES**

17. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
18. Respondent Lopez failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
19. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
20. 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.
21. By virtue of the foregoing Respondent has violated Sections 12.A and 12.D of the Act.

### **FRAUD**

22. Respondent Lopez, Ramirez, and Milagros did not pay the Investor the amounts due him according to the terms of the investment contract, but instead lost approximately 50% of the funds through trading activities in a personal Lopez OptionsExpress account, and placed the remainder of the investment funds into a personal Lopez bank account, and then withdrew and converted the funds to their own use and benefit.

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23. Respondent Lopez failed and refused to notify Investor that they were converting a portion of the investment to their own use and benefit, instead of using it for business purposes to trade in securities and/or commodities markets.
24. 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”.
25. 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 light of the circumstances under which they were made, not misleading”.
26. 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”.
27. By virtue of the foregoing, Respondent Lopez violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if he makes further offers, or if he makes any sales of investment contracts or other securities described above in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Jose M. Lopez** and his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **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:** 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.

**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.**

Dated: This 23<sup>rd</sup> day of October 2012.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

James J. Tierney  
Illinois Securities Department  
69 West Washington Street  
Chicago, Illinois 60602  
312-793-9650