

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

---

<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>	)

---

**NOTICE OF HEARING**

**TO RESPONDENTS: Silvano C. Ramirez  
And  
Milagros D.S.J.B., LLC  
c/o James E. Taylor  
Attorney at Law  
8055 South Stony Island Avenue  
Chicago, Illinois 60617**

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19<sup>th</sup> day of December, 2012 at the hour of 10:00 a.m. or as soon thereafter as possible before James Kopecky, Esq. or such other designated Hearing Officer as the Secretary of State may appoint.

Said hearing will be held to determine whether a permanent Order shall be entered prohibiting Respondents **Silvano C. Ramirez and Milagros D.S.J.B., LLC**, and their partners, members, officers and directors, agents and employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois and/or granting such other relief as may be authorized under the Act, including but not limited to, the imposition of a monetary fine in the maximum amount pursuant to Sec. 11.E(4) of the Act, payable within ten (10) days of the Order.

The grounds for such proposed action are as follows:

1. Respondent Jose M. Lopez (hereinafter at times "Lopez" or collectively with Silvano C. Ramirez and Milagros D.S.J.B. LLC "Respondents") has a last known address of 213 Prairie Street, Aurora, Illinois 60505.

Notice of Hearing

-2-

2. Respondent Silvano C. Ramirez (hereinafter at times "Ramirez" or collectively with Lopez and Milagros D.S.J.B. LLC "Respondents") has a last known address of 719 Front Street, Aurora, Illinois 60505.
3. Respondent Milagros D.S.J.B. LLC (hereinafter at times "Milagros" or collectively with Lopez and Ramirez "Respondents") 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 Lopez and Ramirez, jointly as organizers and managers, for the purpose of soliciting individuals ("Investor(s)") to place monetary funds with Respondents and to allow Respondents 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. Respondent 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 Respondent 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. Respondents 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 Respondent 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. Respondents 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 Respondents have violated Sections 12.A and 12.D of the Act.

**FRAUD**

22. Respondents 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.
23. Respondents 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, Respondents violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if they make further offers, or if they make any sales of investment contracts or other securities described above in the State of Illinois.

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice.

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.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

Notice of Hearing

-5-

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 19<sup>th</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