

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

IN THE MATTER OF:)

Kelvin Miles &)

Miles Properties, LLC. and its)
partners, members, officers, directors,)
agents, employees, affiliates, successors)
and assigns,)

File No: 0600641

ORDER OF PROHIBITION

TO RESPONDENTS:

Kelvin Miles, Sr.
2221 Garfield Ave
Gary, IN 46404

Miles Properties, LLC.
2221 Garfield Ave
Gary, IN 46404

WHEREAS, the above-captioned matter came on to be heard on May 18, 2010 pursuant to the Notice of Hearing dated February 8, 2010, served on the Respondents by Petitioner Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] ("the Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Soula J. Spyropoulos, in the above captioned matter have been read and examined.

WHEREAS, the following proposed Findings of Fact of the Hearing Officer are hereby adopted as the Findings of Fact of the Secretary of State:

1. The Department served Respondents with the notice of hearing on February 9, 2010.

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2. The Hearing was rescheduled and continued for May 18, 2010 for a Default Prove-up, at which time Respondents failed to appear either in person or through their attorney.
- 3 Respondent failed to answer or otherwise appear at the hearing in accordance with Section 130.1104, therefore,
 - a. The allegations contained in the notice of hearing and complaint are deemed admitted;
 - b. Respondents waived their right to a hearing.
 - c. Respondents are subject to an order of Default.
4. Due notice having been given to the Respondents, the Department was allowed to proceed to a Default Hearing. The hearing included the testimony of Department Attorney, Angela Angelakos and Investigator, Richard Diaz, as well as numerous documents which were offered and admitted into evidence.
5. At least as early as October 14, 2006, Respondent Miles was offering investment opportunities in real estate developments to potential investors. The investment offered was a promissory note. Under the terms of the promissory note, the investor would be paid back their investment plus a specific amount of interest on the stated date of October 28, 2006.
- 6 On October 14, 2006, Respondent Miles offered and sold a promissory note to an Illinois investor. Miles represented that the money would be used for start-up expenses for a new lawful business venture.
7. On October 14, 2006, Respondent Miles met with Investor JT, in Chicago, Illinois. During this meeting, Respondent Miles offered and sold Investor JT a promissory note for \$8,000.00 that was to be paid back to Investor JT by November 11, 2006, \$12,000.00 plus ten percent interest.
8. As of November of 2006, Investor JT has only received \$3,000.00 of the money promised to him in the aforementioned promissory notes.
9. Respondents used very little investor money to achieve any of these business activities.
10. In fact, the vast majority of the money invested in Miles was used either to pay back previous investors or was converted by the Respondents for their own personal use.
11. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities

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were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.

WHEREAS, the following proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on the Respondents on February 9, 2006.
2. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
3. 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.
4. Section 12.G of the Act states 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 light of the circumstances under which they were made, not misleading.
5. By virtue of the foregoing, the Respondents violated Sections 12.A and 12.G of the Act.
12. Respondent's conduct was in violation of Section 12.G of the Act. Respondents represented that the Complainant's funds would be used to invest in start-up expenses for a new lawful business venture. Respondents failed to invest almost all of the monies solicited from the Complainant in the manner that was represented to the Complainant. Respondents used Complainant's money for their own personal use and benefit.
6. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq*, ("the Act") states that 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.
7. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those being offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
8. Respondent failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois

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9. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et. seq.*, states that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report or document 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.
10. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.
11. By virtue of the foregoing, Respondents violated Sections 12.A, 12.D, and 12.G of the Act

WHEREAS, the Hearing Officer recommends that:

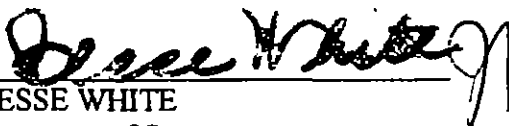
1. The Department's request for a Default judgment against the Respondents Kelvin Miles, Sr. and Miles Properties, LLC. is granted.
2. A permanent Order shall be entered prohibiting Respondents Kelvin Miles, Sr. and Miles Properties, LLC. from offering or selling securities in or from the State of Illinois.

The Secretary of State adopts the Recommendations made by the Hearing Officer in their entirety.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Department's request for a Default Judgment against Respondents Kelvin Miles, Sr. and Miles Properties, LLC is granted.
2. Pursuant to Section 11.F of the Act, Respondents Kelvin Miles, Sr. and Miles Properties, LLC. and each of the Respondents' partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois

Dated this 12th day of July, 2013.



JESSE WHITE
Secretary of State
State of Illinois

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NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

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 Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 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.

**Attorney for the Department:
Maria Pavone
69 W. Washington, Suite 1220
Chicago, IL 60602
312-793-3384**