

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

IN THE MATTER OF:)
PAUL A. GUERRERO, LUCERO GUERRERO, and)
PAG SERVICES, INC.)

Case No.1300148

ORDER OF PROHIBITION

TO THE RESPONDENTS:

**PAUL A. GUERRERO
1306 WEST LAKE STREET
MELROSE PARK, IL 60160**

**LUCERO GUERRERO
1306 WEST LAKE STREET
MELROSE PARK, IL 60160**

**PAG SERVICES, INC.
1306 WEST LAKE STREET
MELROSE PARK, IL 60160**

WHEREAS, A Temporary Order of Prohibition was issued by the Secretary of State on June 26, 2013, which prohibited **PAUL A. GUERRERO, LUCERO GUERRERO and PAG SERVICES, INC.**, (the "Respondents") from offering or selling securities in or from the State of Illinois until further order from the Secretary of State or his duly authorized representative,

WHEREAS, the Temporary Order of Prohibition was delivered, by certified mail, to the last known addresses of Respondents, as well as served through the Index Department of the Secretary of State pursuant to Section 10 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");

WHEREAS, pursuant to Section 11 F of 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 facts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have 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 the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order;

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

1. Respondent **Paul A. Guerrero** was, at all relevant times herein, a resident of Illinois with a last known address of 5901 N. Bradley Ct. in Hanover Park, Illinois 60133. On information and belief Paul Guerrero and Respondent Lucero Guerrero left that residence in or about the Spring of 2013. Paul Guerrero is the founder and President of PAG Services, Inc.
2. Respondent **Lucero Guerrero** is the spouse of Respondent Paul Guerrero and the Vice President of Respondent PAG Services, Inc.
3. Respondent **PAG Services, Inc.**, was an Illinois entity doing business from 1306 West Lake Street in Melrose Park. PAG Services was incorporated in April of 2011 by Respondent Paul Guerrero and dissolved by him in February of 2013. Respondent Paul Guerrero is the president and agent of PAG Services, Inc.
4. Respondent PAG Services, Inc. was, purportedly, in the business of providing tax advice to individuals and corporate entities. Respondents Paul and Lucero Guerrero provided the advice to many members of Chicago's Latino Community, utilizing their ties within that community to obtain the confidence of their customers.
5. Respondents Paul A. Guerrero, Lucero Guerrero, and PAG Services, Inc. are not registered to act as Investment Advisors, Investment Advisor Representatives, or sales persons of securities in Illinois, or any other state.
6. Respondent Paul A. Guerrero was registered with Illinois and FINRA as a salesperson of securities from 2005 to 2008, when he was employed by Chase Investment Services, Corp. His registrations lapsed when Paul Guerrero's employment with Chase was terminated in January of 2008.
7. From 2009 through 2011 Respondents solicited investments into his PAG Services, Inc. from at least three Illinois residents. Respondent Paul A. Guerrero utilized his standing as a business person in the Latino community to obtain the confidence of the four investors, all of which are also members of the Latino community in Chicago.
8. Respondent Paul A. Guerrero offered the investors "certificates of ownership" in his company, Respondent PAG Services, Inc., telling the investors that Respondents planned on opening approximately ten (10) offices in Wisconsin and that for each certificate, costing five hundred dollars (\$500.00), the investor would get ten cents (\$0.10) for every new customer serviced in each of the new offices.

9. From 2010 through 2011 Respondents paid one investor pursuant to the agreement, but thereafter told that investor that his payments were being rolled over into more shares. During that time the investor's "rollovers" purchased fifty thousand additional dollars (\$50,000.00) of certificates.
10. The second investor purchased fifty thousand dollars (\$50,000.00) of certificates from Respondents in May of 2011.
11. The third investor purchased twenty-five thousand dollars (\$25,000.00) of certificates in November of 2011.
12. A fourth Illinois investor was approached by Respondent Paul A. Guerrero in or about July 31, 2012, when Respondent Paul A. Guerrero solicited a promissory note, entitled "Loan Agreement" to investor in which Respondent Paul A. Guerrero agreed to borrow twelve thousand dollars (\$12,000.00) from the investor and, in one year, pay the principal amount along with six thousand dollars (\$6,000.00) fixed interest.
13. Respondents never paid the investors pursuant to the terms of the certificates, nor did Respondent Paul A. Guerrero honor the promissory note sold to the fourth investor.
14. Respondents refuse to respond to investors' inquiries regarding the investments.
15. A review of Respondents' multiple bank accounts indicated that the investor money was used by Respondent Paul A. Guerrero and Respondent Lucero Guerrero to pay their own personal debts and purchase personal items and services to maintain their lifestyle.
16. Respondents have, as of the time of this writing, continued to maintain their office at 1306 West Lake Street in Melrose Park, however, they do not keep office hours and the Respondents send an agent to pick up mail at the location as well as pay the rent, in cash, to the property's owner.

UNREGISTERED SALE OF SECURITIES

17. Respondents' certificates sold to the investors constitute a "security" as defined by Section 2.1 of the Illinois Securities Law of 1953 (the "Act").
18. Respondents made "offers" and "sales" of their certificates as those terms are defined in Sections 2.5a and 2.5 of the Act.
19. Section 5 of the Act requires all securities that are offered or sold in Illinois to be registered with the Illinois Secretary of State prior to their offer or sale in Illinois.
20. Section 12.A of the Act provides it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of this Act.

21. Section 12 D of the Act provides 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 required to be filed under the provisions of the Act
22. Respondents' certificates are not registered with the Illinois Secretary of State
23. Respondents have violated Sections 12 A and D of the Act for failing to register the above-described securities with the Illinois Secretary of State.

SECURITIES FRAUD

24. Section 12.F 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, "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." 815 ILCS 5/12.F.
25. 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 " 815 ILCS 5/12 G
26. Section 12 I of the Act states 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 815 ILCS 5/12.I.
27. Respondents' sale of their certificates to investors, with no intention of using the proceeds for business purposes, constitutes violations of the above-described anti-fraud provisions of the Act.
28. The aforementioned findings are based upon credible evidence.

PROHIBITION

29. That on June 26, 2013, the Secretary of State issued a Temporary Order of Prohibition, based upon the findings detailed above, and effectuated service of said Temporary Order of Prohibition upon each Respondent by Registered Mailing to the last known address or addresses of each as well through the Index Department of the Secretary of State, pursuant to Section 10 if the Act
30. That said Temporary Order of Prohibition advised Respondents that they may request a hearing, and that Respondents' failure to do so within thirty (30) days of entry of the Temporary Order of Prohibition would constitute an admission of any facts alleged therein and shall constitute sufficient basis to make the Order permanent.

31. That no Respondent requested a hearing within thirty (30) days of entry of the Order and, therefore, pursuant to Section 11.F (2) of the Act, all factual allegations contained in the Order have been admitted as true by the Respondents and are sufficient to make the Temporary Order of Prohibition final.

NOW THEREFORE IT IS HEREBY ORDERED THAT: Pursuant to Section 11 F of the Act, Respondents **PAUL A. GUERRERO, LUCERO GUERRERO and PAG SERVICES, INC.** are hereby permanently **PROHIBITED** from offering or selling securities in or from this State of Illinois.

Dated: This 5th day of August, 2013.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Department
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