

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

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<b>IN THE MATTER OF:</b>	)	
<b>COR DEVELOPMENT GROUP, INC., and</b>	)	<b>No 0900382</b>
<b>ALBERTO B. COLON, and</b>	)	
<b>ARTEMIO RIVERA, their partners, officers and</b>	)	
<b>directors, agents, employees, affiliates, successors</b>	)	
<b>and assigns.</b>	)	

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**ORDER OF PROHIBITION AND FINE**

**TO RESPONDENTS: COR Development Group, Inc.  
CDG Business Center  
330 W. Stone Road  
Unit B  
Villa Park, Illinois 60181**

**And**

**COR Development Group, Inc.  
3 Golf Center #315  
Hoffman Estates, Illinois 60195**

**And**

**Alberto B. Colon  
1550 Meyer Street  
Elgin, Illinois 60123**

**And**

**Artemio Rivera  
7517 Walnut Hill Lane  
Falls Church, Virginia 22042**

**WHEREAS**, the above-captioned matter came on to be heard on July 24, 2013 pursuant to Notice of Hearing dated May 24, 2013 and served on Respondent through the Secretary of State

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Index Department after certified mail efforts were unsuccessful, 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 to be 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, James Kopecky, Esq., in the above-captioned matter have been read and examined.

### **HEARING OFFICER REPORT AND RECOMMENDATION**

On August 28, 2013, James L. Kopecky, Hearing Officer for the Illinois Secretary of State, Department of Securities ("Department"), held a hearing pursuant to Section 11 F of the Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130 Subpart K (the "Code"), to determine whether a permanent order should be entered prohibiting Respondent **COR Development Group Inc., Alberto B. Colon and Artemio Rivera** and their partners, 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 imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act.

#### **I. Notice of Hearing**

On October 11, 2011, the Department issued a Notice of Hearing ("Notice of Hearing") in this matter. The Department served the Notice of Hearing on Respondent by certified mail/return-receipt requested. The hearing was continued from time to time by requests of both parties.

#### **II. The Hearing**

The Hearing Officer called the hearing to order at approximately 10:10 a.m. on August 28, 2013. A certified Court Reporter, Terry M. Barfield of Jensen Litigation Solutions, recorded and transcribed the hearing. She maintains the original transcript and the original exhibits. Accordingly, a full record of the proceedings is on file and this Report and Recommendation contains only, and is intended only to be, a summary. The transcript is incorporated herein as an Exhibit to this Report and Recommendation.

Enforcement Attorney James Tierney appeared at the hearing on behalf of the Department Attorney Gregory Pardini appeared on behalf of Respondents. Respondents did not appear individually.

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After the Hearing Officer called the hearing to order, Enforcement Attorney Tierney brought a motion pursuant to Section 1109 of the Code requesting that the Hearing Officer recommend a finding of default and entry of an appropriate order based on Respondent's failure to appear at the time and place scheduled for the hearing. The Hearing Officer took the motion under consideration and hereby denies the motion. Mr. Pardini presented a Motion to Narrow Issues at Hearing. The Hearing Officer considered and denied the motion. The Department gave an opening statement, and Mr. Pardini made a brief opening statement on behalf of the Respondents. The opening statements have been transcribed and made a part of the record

The Department called three witnesses: (1) Cheryl Weiss, Senior Enforcement Attorney, Department of Securities; (2) Richard Gostenik, a fact witness, President and CEO of Green Diamond Tire; and (3) Robert W. Grogan, Investigator, Illinois Department of Securities. The transcript of their full testimony is part of the record.

The Department admitted the following exhibits:

- 1.(a) Notice of Hearing dated 10/13/2011
- 1.(b) Secretary of State of Illinois Section 8 Not Registered Certification  
COR Development Group, Inc ("COR")  
  
Alberto Colon  
  
Artemio Rivera
2. Substitution of Attorney Consent
- 3 (a) Sworn Statement of Alberto B. Colon dated 7/8/2011
- 3 (b) Sworn Statement of Alberto Colon dated 8/10/2011
- 4 Sworn Statement of Artemio Rivera dated 8/26/2011
5. COR Development Group, Inc 8/9/11 Wire Transaction Register
6. Itemized Categories Income & Expense Ledger – 5/21/2009 – 7/12/2011
- 7.(a) Project Partner Agreement dated 8/18/2010 between COR and Green Diamond Tire-North America, LLC
- 7 (a)(1)Green Diamond Tire-North America Business Plan dated 7/4/2010
- 8.(a) Project Partner Agreement between COR and Victor Amoah dated 10/8/2009
- 8.(b) Service Agreement between COR and William Bennett Wylie dated 3/19/2009

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- 8.(c) Service Agreement between COR and James C. Walter, Jr. and Steven P. Durdin dated 6/3/2009
- 8.(d) Service Agreement between COR and Ron Forbes dated 7/8/2009
- 8.(e) Service Agreement between COR and Robert R. Aronsson dated 6/1/2009
- 8 (f) Service Agreement between COR and Diego Guillen dated 6/3/2009
- 8.(g) Service Agreement between COR and Tim Donlin dated 6/1/2009
- 8 (h) Project Partner Agreement between COR and Moe Abourched and Dean Okland dated 12/10/2009
- 8.(i) Project Partner Agreement between COR and J. Fernando Acevedo Cambero & Omar Acevedo Vega dated 1/7/2010
- 8 (j) Project Partner Agreement between COR and Mr. Michael Beggs dated 1/11/2010
- 8.(k) Project Partner Agreement between COR and Michael Stewart Johnson and Sharon Ann Johnson dated 1/7/2010

10 Emails Threads and first page of additional Project Partner Agreements –

The Department closed the evidence, and Mr. Tierney gave a brief closing statement in which he summarized the violations of the Illinois securities laws committed by Respondent. The Department requested that a recommendation be made that a permanent order of prohibition be entered against Respondents and sought a fine of \$10,000 for each contract not registered and a \$10,000 fine for fraud.

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

**III. Proposed Findings of Fact**

Based on the evidence presented, the Hearing Officer finds that:

1. The Department served Respondents with a Notice of Hearing on or about October 13, 2011.
2. The Respondents did not appear at the Hearing in person Counsel for Respondents appeared.
3. Respondent COR Development Group, Inc (hereinafter at times “COR” or together with Alberto B. Colon and Artemio Rivera “Respondents”) has last

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known addresses of 330 W. Stone Road, Unit B, Villa Park, Illinois 60181, and 3 Golf Center #315, Hoffman Estates, Illinois 60195.

- 4 Respondent Alberto B. Colon (hereinafter at times "Colon" or together with the COR and Artemio Rivera "Respondents"), has a last known address of 1550 Meyer Street, Elgin, Illinois 60123.
- 5 Respondent Artemio Rivera (hereinafter at times "Rivera" or together with the COR and Colon "Respondents") has a last known address of 7517 Walnut Hill Lane, Falls Church, Virginia 22042.
- 6 At all times relevant herein Colon was the President of COR and as such controlled the daily operation of the Company
- 7 At all times relevant herein Rivera was described as a "Senior Partner" of the Company, and acted as the Company's attorney, and acted as a "Trustee" of the Company's Citibank account and as such controlled the finances and other business aspects of the Company.
- 8 COR is in the business of locating underfunded developing companies ("Project Partners") and to enter into written, contractual agreements with these companies.
- 9 COR engaged agents ("Rangers") to locate potential Project Partners in need of funding, and to introduce the potential Project Partners' officers to the COR officers, such as Colon, who would then propose and enter into agreements with the officers of the Project Partner companies.
10. The agreements which were entered in 2009 and 2010, provide in part, that each Project Partner company will pay (usually) \$20,000 to COR and, in consideration thereof.
  - a. COR will pay \$80,000 toward initial expenses,
  - b. COR will establish a new company ("NC") with the equity ownership and profits to be shared between COR and each NC on a 50/50 basis, and
  - c. COR will provide all funding for each NC.
11. Over 120 Project Partner companies each paid COR approximately \$20,000
12. COR entered into approximately 120 agreements with Project Partner companies and promised funding for the new, joint ownership NCs in amounts ranging from \$15 million to \$800 billion
13. Approximately 9 or 10 of the Project Partners investment contracts were entered into between COR and individual persons.

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14. Respondents never registered the investment contracts with the Illinois Securities Department.
15. Respondents failed to file an application with the Secretary of State to register the investment contracts as required by the Act, and as a result the investment contracts were not registered as such prior to their offer in the State of Illinois.
16. Respondents planned, and continue to plan, to begin the funding of the NCs with Iraqi dinars, and other currencies or commodities, which Respondents had and have in their or their agent's (Emerald Finance International, Inc.) possession, but which was worth little at the time of the agreements, and continue to be worth little.
17. Respondents claim that a future "trigger event" will occur that will cause their Iraqi dinars, and other currencies or commodities, to become much more valuable, and will enable them to begin funding the NCs
18. The possible occurrence of the "trigger event" is dependent upon uncertain and unreliable actions of entities outside the control of Respondents, and includes, but is not limited to, the anticipated actions of the Iraqi and/or other foreign governments.
19. The "trigger event" has not occurred and the Iraqi dinars have little value, and other assets are not available to provide funding for the Projects.
20. Respondents refused and failed to advise the Project Partners that the NCs would be initially funded on the basis of a future and contingent "trigger event", and that the Respondents did not have sufficient funding assets available that were not dependent on an unreliable prognostications
21. Respondents refused and failed to advise the Project Partners that the Respondents did not have sufficient funding assets available that were free and liquid and not subject to events that Respondents were unable to control.
22. Instead, Respondents promised or told the Project Partners that the funding would begin "within 30 to 60 days" of the entry into the agreements.
23. The funding did not occur as promised "within 30 to 60 days", and to date COR has not a) paid \$80,000, or any amount, toward initial expenses, or b) established any new company for any Project Partner, or c) provided any of the funding for each NC.

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

### **IV. Proposed Conclusions of Law**

Based on the evidence presented and an application of the law to those facts, the Hearing Officer concludes:

1. The Department properly served the Notice of Hearing on Respondent.
2. The Notice of Hearing included the information required under Section 1102 of the Code
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. The activities described above constitute the offer and sale of investment contracts and are therefore securities 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 "Securities Act").
5. Section 5 of the Act provides, *inter alia*, that "all securities except those set forth under Section 2a of this Act or those exempt shall be registered prior to their offer or sale in this State "
6. 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.
7. 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.
8. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.
9. 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 Securities Act.
10. Section 12.F of the Securities 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".

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11. Section 12.G of the Securities 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".
12. Section 12.I of the Securities 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"
13. By virtue of the foregoing, Respondents violated Sections 12.A, 12.D, 12 F, 12.G and 12.I of the Securities Act

**V. Recommendations as To Disposition**

The Hearing Officer recommends that.

- 1 A Permanent Order of Prohibition be entered against each Respondent.
- 2 Each Respondent be fined \$20,000, representing a \$10,000 fine for failure to register securities and a \$10,000 fine for fraud.

**NOW THEREFORE IT IS HEREBY ORDERED THAT:**

1. A Permanent Order of Prohibition is entered against COR Development Group, Inc , Alberto B. Colon, and Artemio Rivera.
2. Respondents COR Development Group, Inc., Alberto B. Colon, and Artemio Rivera are each fined in the amount of \$20,000 representing a \$10,000 fine for failure to register securities, and a \$10,000 fine for fraud.

**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 offense.**




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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.

ENTERED this 29<sup>th</sup> day of October 2013.

  
JESSE WHITE  
Secretary of State of Illinois

James J. Tierney  
Attorney for the Secretary of State  
Securities Department  
69 West Washington, Suite 1220  
Chicago, Illinois 60602  
Ph: 312-793-9650