

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

**IN THE MATTER OF: EDWARD RYAN; ALUMIN USA, LTD.;
AND WELKER, RONALD**

File No. C1200266

NOTICE OF HEARING

**TO THE RESPONDENTS: EDWARD M. RYAN
10 S. Freeman Road
South Barrington, Illinois 60010**

**RONALD E. WELKER
131 Brewster Ct—Unit D
Bloomington, Illinois 60108**

**ALUMIN USA, LTD.
ATTN: Edward Ryan, President
10 S. Freeman Road
South Barrington, Illinois 60010**

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 December 10, 2015, at the hour of 10:00 a.m. or as soon as possible thereafter, before Canella (Connie) Henrichs or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Edward M. Ryan, Ronald E. Welker and Alumin USA, LTD., from offering and selling securities in 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 Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

BACKGROUND FACTS

1. Alumin USA, LTD ("Respondent Alumin" or collectively with Respondents Edward M. Ryan and Ronald E. Welker, "Respondents") was an Illinois corporation. Its last known address is 10 S. Freeman Road, South Barrington, Illinois 60040.
2. Edward M. Ryan ("Respondent Ryan" or collectively with Respondents Alumin and Ronald E. Welker, "Respondents") was the sole "manager" of Respondent Alumin. His last known address South Barrington, Illinois 60040.
3. Ronald E. Welker ("Respondent Welker" or collectively with Respondents Alumin and Ryan, "Respondents") was a salesperson for Respondent Alumin. His last known address is 131 Brewster Ct—Unit D, Bloomingdale, Illinois 60108.
4. Between March 2011 and September 2011, Respondents Ryan and Welker solicited and sold to investors promissory notes to issued on behalf of Respondent Alumin that promised investors 10 percent rates of return due within one year of the investment ("Notes" or "Note") and preferred shares of stock ("Shares").

BACKGROUND FACTS COMMON TO ALL COUNTS

5. Investor WM is a resident of the State of Illinois.
6. In or around March 2011, Respondent Ryan offered to Investor WM five percent ownership in preferred stock in Respondent Alumin, in exchange for \$60,000.00.
7. On or about March 2, 2011, on behalf of Respondent Alumin, Respondent Ryan sold five percent of preferred stock Investor WM. In exchange, WM gave to Respondent Ryan a check in the amount of \$60,000.00, which was deposited into Respondent's account.
8. On or about July 27, 2011, on behalf of Respondent Alumin, Respondent Welker offered and sold to Investor MP a \$40,000.00 10% promissory note, with principal and interest due in 90days. In exchange, MP gave to Respondent Welker a checks in the amount of \$40,000.00.
9. On or about August 8, 2011, Respondents Ryan and Welker deposited \$27,000.00 of MP's funds into Respondent Alumin Chase bank account and paid \$5,000.00 each directly to them personally.

Notice of Hearing

-3-

10. From on or about March 2011 through December 2011, Respondent Ryan transferred and/or withdrew approximately \$24,747.65 from Respondent Alumin's bank account.
11. From on or about March 2011 through December 2011, Respondent Ryan paid approximately \$11,200.00 to Respondent Ryan's wife using funds from Respondent Alumin's bank account.
12. From on or about March 2011 through December 2011, Respondent Ryan made numerous personal and/or unrelated transactions using Respondent Alumin's bank account, totaling approximately \$32,875.63.
13. On or about September 19, 2011, Respondent Ryan and Alumin paid approximately \$2,000.00 "services rendered" to Respondent Welker using funds from Respondent Alumin's bank account.
14. According to Investors, Respondents told them that the investor funds would be used to for Respondents lighting company, Respondent Alumin.
15. To date, despite demands, the Respondents have failed to pay the Investor MP the principal and interest, pursuant to the terms of the promissory notes.
16. To date, despite demands, Investor MP has only received \$3,000.00 back from her investment.
17. That the activities set forth in paragraphs above constitute the offer and sale of Notes and Stock, and therefore a securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

COUNT I

**815 ILCS 5/12.A and D violations: Respondents offered and/or sold
unregistered securities**

- 1-19. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 19 above, as paragraphs 1 through 19 of this Count I.
18. 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."
19. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those 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.

Notice of Hearing

-4-

20. 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.
21. Respondents 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 and sale in the State of Illinois.
22. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II

**815 ILCS 5/12.C violation: Respondents are
unregistered salespersons**

- 1-22. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 22 of Count I, as paragraphs 1 through 22 of this Count II.
23. The activities of Respondents Ryan and Welker at paragraphs 5-19 constitute the activities of a salesperson as defined at Section 2.9 of the Act.
24. Section 12.C 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 "act as a dealer, salesperson, investment adviser, or investment adviser representative, unless registered as such, where such registration is required, under the provisions of this Act."
25. Section 8 of the Act provides, *inter alia*, that except as otherwise provided, every dealer, limited Canadian dealer, salesperson investment adviser, and investment adviser representative shall be registered as such with the Secretary of State.
26. The facts alleged in paragraphs 1 through 22, demonstrate that Respondents Ryan and Welker violated Section 12.C of the Act. In particular: Respondents Ryan and Welker failed to file an application for registration as a salesperson with the Secretary of State, pursuant to Section 8 of the Act prior to the sale of securities to investors.
27. By virtue of the foregoing, Respondents Ryan and Welker violated Section 12.C of the Act.

COUNT III

**815 ILCS 5/12.F violation: Respondents engaged
in practices in connection with the sale of securities
that worked a fraud or deceit
on the purchaser thereof**

- 1-22. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 22 of Count I, as paragraphs 1 through 22 of this Count III.
23. Section 12.F 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 “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.”
24. The facts alleged in paragraphs 1 through 23 above allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: Respondents did not invest Complainants’ funds for the benefit of Complainants and instead, Respondents converted Complainants’ money for Respondents’ own personal use and benefit.

COUNT IV

**815 ILCS 5/12.G violations: Respondents obtained
Complainants’ money by making
untrue statement of material fact
and omission to state a material fact**

- 1-22. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 22 of Count I, as paragraphs 1 through 22 of this Count IV.
23. Section 12.G 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 “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.”
24. The facts alleged in paragraphs 1 through 20 above allege facts that show conduct by the Respondents that violate Section 12.G of the Act. In particular: Respondents represented that the Complainants’ funds would be used as earnest

Notice of Hearing

-6-

money to purchase property. Instead, Respondents converted Complainants' money for their own personal use and benefit.

COUNT V

815 ILCS 5/12.I violation: Respondent employed a scheme to defraud in connection with the sale of securities

- 1-22. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 22 of Count I, as paragraphs 1 through 22 of this Count V.
23. Section 12.I 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 "employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
24. The facts alleged in paragraphs 1 through 20 above allege facts that show conduct by the Respondents that violate Section 12.I of the Act. In particular: Respondents solicited and sold securities in the form of shares and promissory notes to Complainants purporting that the Complainants' funds would be used as funds for lighting business. Instead, Respondents converted Complainants' money for Respondents' own personal use and benefit.

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 requested 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

-7-

A copy of the Rules, promulgated under the Act and pertaining to hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 18th day of September 2015.


JESSE WHITE
Secretary of State
State of Illinois

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