

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

IN THE MATTER OF:

AIHG USA, INC., its managers, officers, affiliates, subsidiaries,
representatives, successors, and assigns, and;
FRANK TORRES, an individual, and;
OSCAR COOK, an individual

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) **File No. 1600533**
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TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS:

AIHG USA, Inc.
7777 N. Wickham Road, Suite 612
Melbourne, FL 32940-7976

Frank Torres
7777 N. Wickham Road, Suite 612
Melbourne, FL 32940-7976

Oscar Cook
7777 N. Wickham Road, Suite 612
Melbourne, FL 32940-7976

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the offer or sale of securities and/or the engagement in the business of investment adviser in or from the State of Illinois by AIHG USA, Inc., Frank Torres, and Oscar Cook are subject to a Temporary Order of Prohibition.

COUNT I

FRAUD

1. Respondent AIHG USA, Inc. ("AIHG") was a Delaware corporation which is now listed as void and had a last known address of 7777 N. Wickham Road, Suite 612, Melbourne, FL 32940-7976.

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2. Respondent Frank Torres ("Torres") is the President and CEO of Respondent AIHG, and has the last known business address of 7777 N. Wickham Road, Suite 612, Melbourne, FL 32940-7976.
3. Respondent Oscar Cook ("Cook") is a representative of Respondent AIHG, and was the chief contact person for an Illinois investor.
4. Beginning in or around September 2014, Investor A, an Illinois resident, began receiving emails from Respondent Cook regarding potential investments in Respondent AIHG.
5. Investor A was informed by Respondent Cook that AIHG was an online gambling site, and was seeking investors. Respondent Cook stated that Investor A would receive 10% interest per month on his investment with the first payment occurring January 1, 2015.
6. Investor A, per Oscar Cook's instructions, wire transferred \$20,000 to Respondent AIHG's bank account. Respondent Torres was the sole signatory on the account.
7. The investment in Respondent AIHG constitutes the offer or sale of 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 5/1 *et. seq.*] (the "Act").
8. Investor A did not receive an interest payment on January 1, 2015, and has not received any interest payments or the return of his principal. Investor A has not been able to contact any representative of Respondent AIHG since he made his \$20,000 investment.
9. On information and belief, a majority of funds deposited into Respondent AIHG's account, including Investor A's \$20,000 investment, were wire transferred to two individuals: Francisco Torres Castillo and Antonio Santana Montoya.
10. Respondents AIHG, Torres, and Cook solicited investors to invest in Respondent AIHG, promised a rate of return of 10% their investments per month through email communications. Respondents have not made any interest payments or returned the principal to Investor A. On information and belief the invested funds were not used for any company purpose and were simply transferred to two individual's accounts.
11. Section 12.F states *inter alia* 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 of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
12. Section 12.I of the Act states *inter alia* 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.

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13. By virtue of the foregoing, Respondents AIHG, Torres, and Cook have each violated Sections 12.F and 12.I of the Illinois Securities Law of 1953.

COUNT II

SALE OF UNREGISTERED SECURITIES

14. Paragraphs 1 through 13 are incorporated by reference.
15. As stated above, the investment in Respondent AIHG constitutes the offer or sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Act.
16. Section 5 of the Act requires the registration of a security being offered or sold in the State of Illinois unless an exemption applies.
17. No security or exemption has been registered or filed with the Illinois Secretary of State.
18. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
19. Section 12.B of the Act states *inter alia* that it shall be a violation of the provisions of this Act for any person to deliver to a purchaser any security required to be registered under Section 5, Section 6, or Section 7 hereof unless accompanied or preceded by a prospectus that meets the requirements of the pertinent subsection of Section 5, Section 6, and Section 7.
20. By virtue of the foregoing, Respondents AIHG, Torres, and Cook have each violated Sections 12.A and 12.B of the Illinois Securities Law of 1953.

COUNT III

FAILURE TO PRODUCE

21. Paragraphs 1 through 20 are incorporated by reference.
22. During the course of its investigation, the Illinois Secretary of State issued a subpoena to Respondent AIHG requesting the production of books and records, papers and other relevant documents relating to Illinois investors pursuant to Section 11.D of the Act.
23. A response to the Department's subpoena was due by February 17, 2017.
24. Respondents AIHG and Torres failed to respond or produce the requested relevant documents in furtherance of the Department's investigation.

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25. Section 12.D of the Act states *inter alia* that it shall be a violation of the provisions of this 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 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.
26. By virtue of the foregoing, Respondents AIHG and Torres have each violated Section 12.D of the Illinois Securities Law of 1953.
27. Section 11.F(2) of the Act states *inter alia* the Secretary of State may temporarily prohibit, for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities, or the offer or sale of securities by any person, or the business of rendering investment advice without the notice and prior hearing in this subsection prescribed, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act.
28. The entry of this **Temporary Order** prohibiting **Respondents AIHG USA, Inc., Frank Torres, and Oscar Cook** from offering or selling securities, or from engaging in any course of business related to investment adviser activities, in or from the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW IT IS HEREBY ORDERED THAT:

Respondent **AIHG USA, INC.**, and any of its representatives, is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, subject to further order of the Secretary of State.

Respondent **FRANK TORRES** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, subject to further order of the Secretary of State.

Respondent **OSCAR COOK** is PROHIBITED from the offer or sale of securities in or from the State of Illinois, and PROHIBITED from engaging in the business of an investment adviser and/or an investment adviser representative in or from the State of Illinois for a period of 90 days, subject to further order of the Secretary of State.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

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NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to Legal Advisor, Frank Loscuito, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.


YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ISSUANCE OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Departments website:

<http://www.cyberdriveillinois.com/departments/securities/abfil.html>

Date of Mailing: 23rd day of February 2017


JESSE WHITE
Secretary of State
State of Illinois

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