

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

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**IN THE MATTER OF:** )  
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**Philip Herrejon** ) **File Number: 0800576**  
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**AMENDED NOTICE OF HEARING**

**TO RESPONDENT:** Philip Herrejon  
136 N. Oak Street  
West Chicago, Illinois 60185

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 the 29<sup>th</sup> day of October, 2009 at the hour of 10:00 a.m. or as soon as possible thereafter, before Soula Spyropoulos Esq., 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 pursuant to Section 11.E of the Act prohibiting Philip Herrejon (the "Respondent ") from selling or offering for sale 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 of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

**Count I**  
**FAILURE TO REGISTER SECURITIES**

1. Respondent Philip Herrejon ("Herrejon"), a natural person, has a last known address of 1490 Timber Trail, Wheaton, Illinois.
2. In 2004 and 2005, Respondent Herrejon was authorized to sign contracts for and Promissory Notes issued by Red Head Management, LLC. Red Head Management, LLC, ("Red Head ") is an Illinois Limited Liability Company.
3. In 2004 and 2005, Respondent Herrejon was authorized to sign contracts for and Promissory Notes issued by 1521 Hanover LLC. 1521 Hanover

## AMENDED NOTICE OF HEARING

-2-

LLC is ("Hanover") is an Illinois Limited Liability Company, with a status of involuntarily dissolution on April 13, 2007.

4. In 2004 and 2005, Herrejon signed, offered and sold to Illinois Residents Promissory Notes (Notes) issued by Red Head Management, LLC, and co-signed by Herrejon on behalf of 1521 Hanover LLC, with a principal value of about Two Hundred Thousand Dollars (\$200,000.00).
5. The Notes offered and sold to the Illinois residents by Herrejon promised interest rates between twelve (12) percent to twenty-one (21) percent interest with varying maturities.
6. The activities described above constitute the offer and sale of a Note and therefore 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").
7. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
8. Respondent 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 security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
9. 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."
10. 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."
11. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.

### COUNT II

#### Unregistered Dealer/Salesperson/ Investment Advisor/ Investment Advisor Representative

- 1-6. That paragraphs one (1) through six (6) of Count I are re-alleged and incorporated herein.
7. Through the conduct described above, the respondent acted as a dealer and/or salesperson and/or investment advisor and/or investment advisor representative.
8. That at all relevant times, the respondent was not registered as a dealer and/or salesperson under the Act.

## AMENDED NOTICE OF HEARING

-3-

11. That at all relevant times, the respondent was not registered as an investment advisor and/ or investment advisor representative under the Act.
12. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.
13. That by acting as an investment advisor and/or investment advisor representative in the State of Illinois, without being registered as such, respondent violated section 12.C of the Act.

### Count IV

#### VIOLATION OF ORDER OF PROHIBITION

14. That on March 5, 2009, a Temporary Order of Prohibition (“Order”) was issued, prohibiting respondent from offering or selling securities in the State of Illinois.
15. That the Respondent was served with the Temporary Order of Prohibition and requested a Hearing.
16. That beginning in 2004 and continuing through present, respondent offered and sold Promissory Notes to investors, including but not limited to investors in the State of Illinois.
17. That the respondent violated the Order by offering and selling securities in the State of Illinois during the time that he was prohibited.
18. That by virtue of the foregoing violations of the Order, respondent violated Sections 12.A and 12.D of the Act.
19. The aforementioned findings are based upon credible evidence.
20. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
21. That by virtue of the foregoing, Respondent is subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.

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.

AMENDED NOTICE OF HEARING

-4-

Furthermore, you may be represented 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.

A link 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. <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>

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

Dated: This 17<sup>th</sup> day of September 2009.

*21st*



JESSE WHITE  
Secretary of State  
State of Illinois

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Hearing Officer:  
Soula Spyropoulos  
4125 W. Lunt  
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