

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

IN THE MATTER OF: Fabio B. Herrera)
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_____)

FILE NO. 0800025

AMENDED NOTICE OF HEARING

TO THE RESPONDENT: Fabio B. Herrera
3314 North Oriole Avenue
Chicago, Illinois 60634

You are hereby notified that pursuant to Section 11.E of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 19th day of May 2010, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, Esq. or such 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 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 imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within 10 (ten) days of the order.

Background

The Respondent was in the business of operating schools which taught computer classes in Spanish. The schools conducted business under the name Latino Computer and

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Business Center, Inc. Over a period of time the Respondent attracted several investors including students from his school with the promise of opening branch schools. The Respondent sold stock in the name of Latino Computer and Business Center, Inc. to several of these investors. The investors further made ongoing investments in Latino Computer and Business Center, Inc. and of IMC-FS, Inc. d/b/a Latino Computer and Business Center by providing the Respondent with a line of credit guaranteed by the investor. Respondent had signatory authority over and direct access to the lines of credit. The investors were to receive a share of the profits from the school based on his or her investment. The funds from the lines of credit were to be used for the operation of the school. The Respondent diverted these funds for his own use and the business failed.

The grounds for such proposed action are as follows:

Count I

Sale of Unregistered Securities

1. That Respondent Fabio B. Herrera is an Illinois resident and held himself out as an officer, director or controlling person of Latino Computer and Business Center, Inc. and of IMC-FS, Inc. d/b/a Latino Computer and Business Center during all relevant times.
2. That Latino Computer and Business Center, Inc. was an Illinois Corporation incorporated on October 12, 2004 and voluntarily dissolved on November 7, 2008.
3. That IMC-FS, Inc. was an Illinois Corporation incorporated on July 2, 2002 and voluntarily dissolved on November 7, 2008.
4. That Respondent sold or offered to sell stock in Latino Computer and Business Center, Inc. from 2004 through 2007 to one or more Illinois residents.
5. That Respondent induced one or more Illinois investors to open lines of credit in names of IMC-FS, Inc. and/or Latino Computer and Business Center, Inc. with their personal guarantees as a means of investing in the respective companies.
6. That the activities described in paragraphs 3 and 4 above constitute the offer and sale of a security and 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 "Act");

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7. That 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. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that 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. That 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. That 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. That by virtue of the foregoing, the Respondents have violated Sections 12.A and 12.D of the Act.

Count II

Obtaining Money through the Sale of Securities by Means of any Untrue Statement

12. Paragraphs 1-5 of Count I are realleged and incorporated by reference as Count II and are fully set forth herein.
13. That Respondent failed to disclose to the investors identified in paragraphs 4 and 5 above that he would use the proceed from the lines of credit for other than the operation of Latino Computer and Business Center, Inc. and of IMC-FS, Inc. d/b/a Latino Computer and Business Center.
14. That the Respondent also failed to disclose his 2004 bankruptcy to the investors identified identified in paragraph 4 and 5 above prior to their respective investments.
15. Section 12.G of the 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

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made, in light of the circumstances under which they were made, not misleading.

16. By virtue of the foregoing, Respondent violated Section 12.G 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 ten (10) 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 Amended Notice of Hearing.

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.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <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 5th day of May 2010.



JESSE WHITE
Secretary of State
State of Illinois

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