

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

**IN THE MATTER OF: SCOTT MIKROS, MIKROS
ECONOMICS HEDGE FUND, LLC, and RISK
MANAGEMENT INTERNATIONAL, LLC**

FILE NO. 0400639

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: Scott Mikros
10057 South Bell Avenue
Chicago, Illinois 60643

Mikros Economics Hedge Fund, LLC
C/o Risk Management International, LLC
10057 South Bell Avenue
Chicago, Illinois 60643

Risk Management International, LLC
10057 South Bell Avenue
Chicago, IL 60643

On information and belief, I, Jesse White, Secretary of State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. Respondent Scott Mikros is a resident of Illinois and holds himself out as the sole principal of Respondent Risk Management International, LLC, an Illinois Limited Liability Company.
2. Respondent Risk Management International, LLC is the managing member of Respondent Mikros Economics Hedge Fund, LLC, an Illinois Limited Liability Company.
3. Scott Mikros, Risk Management International, LLC, and Mikros Economics Hedge Fund, LLC are herein collectively referred to as "Respondents".

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4. Mikros Economics Hedge Fund, LLC is purported to be engaged in investing, trading, buying, selling, and otherwise acquiring, disposing of, and dealing in securities such as stocks, bonds, and options. The Company's stated primary objective is to preserve equity while profiting from covered call option positions.
5. Respondents by and through Scott Mikros offered for sale interests in the Mikros Economics Hedge Fund, LLC to at least one Illinois Resident.
6. The activities described in paragraphs 4-5 above constitutes 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").
7. The Private Placement Memorandum of the Mikros Economics Hedge Fund, LLC provides that Scott Mikros by and through Risk Management International, LLC has the sole authority and discretion to manage the affairs of the Mikros Economics Hedge Fund, LLC and determine the investment strategies to be employed.
8. The Private Placement Memorandum described in paragraph 7 above further provides that Risk Management International would receive a fee for the investment advisory services provided the Mikros Economics Hedge Fund, LLC.
9. The activities in paragraphs 7 and 8 above constitute the activities of an investment advisor and an investor advisor representative.
10. Pursuant to the authority granted in Sections 11.C and 11.D of the Act and for the protection of the investing public a letter requiring a notarized affidavit completely responding to the information so requested therein was sent to the Scott Mikros, Manager, Mikros Economic Hedge Fund, LLC, C/O Risk Management International, LLC 10057 South Bell Avenue, Chicago, Illinois 60643.
11. The letter referenced in paragraph 10 above was deposited in the United States mail, (certified mail, return receipt requested) on July 7, 2004. Respondent, Scott Mikros signed receipt for the letter on July 8, 2004.
12. Respondent was required to respond within ten days (July 18, 2004) of receipt of the letter referenced in paragraph 9 above.
13. Respondent failed and refused to respond by July 18, 2004 and has not responded as of the date of this Order.

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14. 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.
15. By virtue of the foregoing, Respondents have violated Section 12.D of the Act.
16. The aforementioned findings are based upon credible evidence.
17. That 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.

The entry of this Temporary Order prohibiting:

- a. Respondents Scott Mikros and Risk Management International, LLC or their agents, affiliates, successors and employees, from acting as an investment advisor or as an investor advisor representative, and
- b. Respondents, Scott Mikros, Risk Management International, LLC, and Mikros Economics Hedge Fund, LLC from offering or selling securities in 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 THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the granted by Section 11.F of the Act:

- a. Respondents Scott Mikros and Risk Management International, LLC are **PROHIBITED** from acting as an investor advisor or as an investor advisor representative, and
- b. Respondents Scott Mikros, Risk Management International, LLC and Mikros Economics Hedge Fund are **PROHIBITED** from offering or selling securities in or from this State until the further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, 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 the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably

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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.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated: This 3rd day of November 2004.


JESSE WHITE
Secretary of State
State of Illinois

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