

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

IN THE MATTER OF: FELIX DANIEL; and RYM TECHNOLOGY HOLDINGS, LLC dba RYM TECHNOLOGY, LLC.) Case No.0600670
)

NOTICE OF HEARING

TO RESPONDENT: RYM Technology Holdings, LLC
330 E. Maple Road
Suite 408
Birmingham, Michigan 48009

Felix Daniel
16400 N. Park Drive
apt. #418
Southfield, Michigan 48075

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 9th day of May, 2007, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, 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 which would prohibit Respondent Felix Daniel from engaging in the business of 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:

1. Failure to Register

1. That Felix Daniel ("Daniel") is an individual whose last known address is 16400 N. Park Drive, apt. # 418, Southfield, Michigan 48075.
2. Daniel is an officer, agent, and/or owner of RYM.

Notice of Hearing

-2-

3. That RYM Technology Holdings, LLC dba RYM Technology, LLC, ("RYM" or together with Felix Daniel "Respondents"), is a business entity located at 330 E. Maple Road, Suite 408, Birmingham, Michigan 48009.
4. That RYM is a Michigan limited liability company doing business in Illinois, and markets itself among other things as providing a "Mortgage Reduction Program" as well as conducting "property acquisitions and leasebacks." RYM is not registered to do business in the State of Illinois.
5. That in or about July 2005 Daniel and RYM, as part of the "Mortgage Reduction Program," offered to one or more Illinois residents ("Investor") the Residential Lease and Trust Agreement ("RTLA").
6. That RTLA provided: that title to Investor's house would go into a RYM Trust of which Investor would be the beneficiary; that RYM could not transfer title to Investor's house without Investor's consent; that Investor would continue to live in the house as long as Investor continued to make stipulated rent payments to RYM; that RYM would pay all accruing tax and hazard insurance bills; and that Investor would get back record legal title to the house from the RYM Trust at the end of five years free and clear of all mortgage liens (Investor's house had been re-mortgaged at \$166,126.96).
7. That on or about July 14, 2005, Investor entered the RTLA, which was accepted by RYM and signed by Daniel. In consideration for the RTLA, Investor signed over a check from the closing on the house in the amount of \$44,156.71.
8. That the activities set forth in paragraphs 5 through 7 above constitute the offer and sale of an investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").
9. That Section 5 of the Act states, *inter alia*, that all securities except those set forth under Section 2a of this Act, or those exempt under Section 3 of this Act, or those offered or sold in transactions exempt under Section 4 of this Act, or face amount certificate contracts required to be registered under Section 6 of this Act, shall be registered as hereinafter in this section provided, prior to their offer or sale in this State.
10. That Daniel and RYM 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 and sale in the State of Illinois.
11. That Section 12.A of the Act provides 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.

12. That Section 12.D of the Act provides that it shall be a violation of the provision so 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.
13. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.

2. Fraud

14. That notwithstanding the promises made in the RTLA, to pay all accruing tax and hazard insurance bills; and to return Investor's house to Investor after five years free and clear of all mortgage liens, RYM and Daniel failed and refused to pay all accruing tax and hazard insurance bills, and failed to make any payments on the \$166,126.96 mortgage for Investor's house. Investor's house soon went into foreclosure.
15. That Section 12.F of the Act provides that 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 or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
16. That Section 12.G of the Act provides that it shall be a violation of the provisions of this 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 the light of the circumstances under which they were made, not misleading.
17. That Section 12.I of the Act provides that 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.
18. That by virtue of the foregoing, Respondents have violated Sections 12.F, G, and I.

Relief Requested

1. Prohibition

19. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section D, F, G, or I of Section 12 of this Act, the Secretary of State may by written order permanently prohibit the person from offering or selling any securities in this state.
20. That by virtue of the foregoing violations of sub-sections 12.D, F, G, and I, Respondents Daniel and RYM, their managers, members, officers and directors, agents, employees, officials, representatives, successors and assigns are subject to permanent prohibition

Notice of Hearing

-4-

from offering or selling any securities in the this state pursuant to Section 11.E(2) of the Act.

2. Fine, Censure, and Costs

21. That Section 11.E(4) of the Act provides, *inter alia*, that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
22. That by virtue of the foregoing, Respondents are 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.

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 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 21st day of February 2007.



JESSE WHITE
Secretary of State
State of Illinois

Notice of Hearing

-5-

Jay A. Biondo
Enforcement Attorney
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3378

Hearing Officer:
James L. Kopecky
321 North Clark Street
Suite 2200
Chicago, IL 60610
Telephone:(312)527-3966