

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

IN THE MATTER OF:

**RAUL MARRERO,
REEDEN CAPITAL GROUP, INC., and
MULTI FAMILY THREE, LLC
their partners, officers and directors, agents,
employees, affiliates, successors, members
and assigns.**

File Number: 0600524

ORDER OF PROHIBITION

TO RESPONDENTS:

Raul Marrero
600 North Kingsbury
Chicago, Illinois 60610
And
Reeden Capital Group, Inc.
17 W. 240 22nd Street
Suite 400
Oakbrook Terrace, Illinois 60181
And
Multi Family Three, LLC.
17 W. 240 22nd Street
Suite 400
Oakbrook Terrace, Illinois 60181

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on May 5, 2008 which prohibited Raul Marrero, Reeden Capital Group, Inc., and Multi Family Family Three, LLC, their partners, officers and directors, agents, employees, affiliates, successors and assigns ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said

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Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Respondent Raul Marrero (at times hereinafter "RM" or collectively with Reeden and MF "Respondents") has a last known address of 600 N. Kingsbury, Chicago, Illinois 60610.
2. Respondent Reeden Capital Group, Inc. (at times hereinafter "Reeden" or collectively with RM and MF "Respondents") was, at all times relevant herein, an Illinois Corporation, with a last known address of 17 W. 240 22nd Street, Suite 400, Oakbrook Terrace, Illinois 60181.
3. Respondent Multi Family Three, LLC (at times hereinafter "MF" or collectively with RM and Reeden "Respondents") was, at all relevant times herein an Illinois Limited Liability Company with a last known address of 17 W. 240 22nd Street, Suite 400, Oakbrook Terrace, Illinois 60181.
4. At all times relevant herein Respondent Raul Marrero was the CEO of Respondent Reeden and a Manager of Respondent MF and as such authorized to enter into contracts on their behalf.
5. On May 1, 2007 Respondents MF and RM sold to Investor 1 a Note or Investment Contract in the principal amount of \$150,000 with interest of 12% per annum and monthly payments of \$1500 beginning on June 1, 2007 and continuing until the interest and principal are paid in full.
6. On March 7, 2008 Respondents MF and Reeden offered and sold an oral Investment Contract or Note to at least one Illinois resident ("Investor 2") in exchange for the cash sum of \$468,000 and liquidation of debt (the "Transaction").
7. On March 7, 2008 Respondents MF and Reeden memorialized the Transaction at paragraph 6 by the issuance of three Notes, each in the amount of \$400,000 principal, with a term of one year, with annual interest of 12% (monthly interest of \$4000) to be paid beginning April 11, 2008 and continuing until the interest and principal are paid in full.
8. The activities described above in paragraphs 5, 6 and 7 constitute the offer and sale of notes or securities 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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9. Section 5 of the Act provides *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by cooperation prior to their offer or sale in the State of Illinois.
10. Respondents 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 securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
11. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
12. 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.
13. By virtue of the foregoing Respondents have violated Sections 12.A and 12.D of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Raul Marrero, Reeden Capital Group, Inc. and Multi Family Three**, and their partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from offering or selling securities in or from the State of Illinois.

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated: This 1st day of July 2008.



JESSE WHITE
Secretary of State
State of Illinois

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Attorney for the Secretary of State:

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