



**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division**

News Release

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FOR IMMEDIATE RELEASE: July 16, 2012

STATE SECURITIES COMMISSIONER ORDERS LEONCIO PRUDENCIO RARALIO PILAR AND RELATED BUSINESSES TO CEASE AND DESIST

HONOLULU – Hawai'i Commissioner of Securities Tung Chan issued a Preliminary Order to Cease and Desist and Notice of Right to Hearing against a former Hawai'i securities salesperson, Leoncio Prudencio Raralio Pilar ("Pilar"); Pilar dba Pilar Financial Services Investments and Tax Strategies ("PFSI"); and Pilar Investments, LLC ("Pilar Investments," and collectively with Pilar and PFSI, the "Respondents").

This is not the first time Pilar and Pilar Investments have come under the scrutiny of the State Securities Commissioner. In 2001, the State Securities Commissioner investigated Pilar and Pilar Investments for allegations that they sold unregistered securities and committed fraud. That matter resulted in a consent order (2001 Consent Order), whereby, Pilar and Pilar Investments agreed to pay restitution to investors and agreed to be barred from selling securities.

The present order alleges that since 2001, Pilar and Pilar Investments violated the 2001 Consent Order, sold unregistered securities and committed fraud, when they, along with PFSI, solicited investors for securities that Pilar claimed would yield high fixed rates of return. The order alleges the investors never received the returns promised by Pilar and that Respondents used the money from investors to pay returns to other investors in a Ponzi-like fraud and for the Respondents' own use. The order further alleges that money from at least one investor was also used to make restitution payments under the earlier 2001 Consent Order. Respondents allegedly concealed their fraud from investors by issuing account statements to investors falsely showing earnings and interest payments.

The scheme allegedly ended in July 2011, when Pilar sent letters to investors, telling them that he had lost their money in the stock market and had gone “underground” and that he would be declaring bankruptcy. Although Pilar did appear to have gone “underground,” Pilar did not subsequently file for bankruptcy.

Commissioner Chan asserts that the Respondents sold unregistered securities in the form of investment contracts to four (4) Hawai'i investors in the total amount of \$304,194.22, and violated the State's anti-fraud provisions. The order seeks total penalties of \$250,000 in addition to a permanent injunction against transacting securities in the State, rescission and restitution for investors.

State securities laws provide anti-fraud provisions and also require securities such as investment contracts, as well as individuals or entities soliciting or transacting securities, to be registered with the State.

Anyone who has been solicited by or transacted business with Leoncio Prudencio Raralio Pilar; Pilar dba Pilar Financial Services Investments and Tax Strategies; and/or Pilar Investments, LLC or who may have information regarding this matter is urged to contact the State Securities Enforcement Branch.

Securities Enforcement Branch

O'ahu:	(808) 586-2740
Kaua'i:	(808) 274-3141, followed by 62740 and the # sign
Maui:	(808) 984-2400, followed by 62740 and the # sign
Hawai'i:	(808) 974-4000, followed by 62740 and the # sign
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