

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

IN THE MATTER OF:)
)
Michael H. Hess (CRD #702358))
) **File No. 1000403**
And Quantum Holdings, LLC)
)
Respondents)

AMENDED TEMPORARY ORDER OF PROHIBITION

TO RESPONDENT: Michael H. Hess (CRD #702358)
15101 Dendinger Drive
Covington Louisiana 70433

Quantum Holdings, LLC
2606 Bienville Street
New Orleans Louisiana 70119

Quantum Holdings, LLC
2027 Philip Drive, Suite B
Covington Louisiana 70433

On information and belief, I, Jesse White, Secretary of State for the 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 **Michael H. Hess**, (“Respondent Hess”) is currently listed as a non-registered fingerprint person at Morgan Stanley Smith Barney located at 2000 Westchester Avenue, Purchase New York 10577 Respondent Hess has a last known address of 15101 Dendinger Drive, Covington Louisiana 70433
- 2 Between April 2008 and February 2009, Respondent Hess was registered as a salesperson with Morgan Stanley Smith Barney in the States of

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Louisiana and Illinois until March 27, 2009, and as an Investment Advisor Representative in the State of Louisiana until March 27, 2009

- 3 Respondent **Quantum Holdings, LLC** (“Respondent Quantum Holdings”) is a limited liability company organized in May of 2008 and based in the State of Louisiana Respondent Hess is the Manager and Organizer of Quantum Holdings, LLC. Respondent Hess also styles himself as the president of Quantum Holdings, LLC.
- 4 Respondent Hess solicited one or more Illinois Investor(s) to invest in farming equipment for an agricultural project in Sudan
5. On or about July 2009, one or more Illinois Investor(s) gave a check to Respondent Hess, made payable to Respondent Quantum Holdings, in the amount of \$100,000 The \$100,000 investment was to be used solely for the purchase of farming equipment and to get the African farming operation started.
- 6 In return for said \$100,000 check, Illinois Investor(s) received a Promissory Note signed by Respondent Hess on behalf of Respondent Quantum Holdings
- 7 The Promissory Note also promised the Investors that Respondent Hess would repay their principal investment within three (3) to four (4) months, plus a 50% return
- 8 The activities in paragraphs three (3) through five (5) constitute the purchase and sale of a promissory note and therefore a security as that term is defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Act of 1953 [815 ILCS 5] (the “Act”)
- 9 Respondent Hess failed to file an application with the Secretary of State to register the promissory notes(s) as required by the Act, and as a result the promissory note(s) were not registered as such prior to their offer and sale in the State of Illinois
- 10 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
- 11 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 ”

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12. By virtue of the foregoing, Respondent Hess and Respondent Quantum Holdings violated Sections 12 A and 12.D of the Act

PROHIBITION

13. Section 11 F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend the offer or sale of securities by any person, and temporarily prohibit and prohibit the business of rendering investment advice 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.
14. The entry of this **Temporary Order** prohibiting **Respondent Hess and Respondent Quantum Holdings** from offering or selling securities in the State of Illinois and from the business of rendering investment advice, 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
15. The aforementioned findings are based upon credible evidence

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11 F of the Act,

RESPONDENT HESS and RESPONDENT QUANTUM HOLDINGS are TEMPORARILY PROHIBITED from offering or selling securities in or from this State of Illinois and **TEMPORARILY PROHIBITED** from the business of rendering investment advice in the State of Illinois.

NOTICE is hereby given that **Respondent Hess and Respondent Quantum Holdings** may request a hearing on this matter by transmitting such request in writing to

Lisa Michelle Kaplan
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602

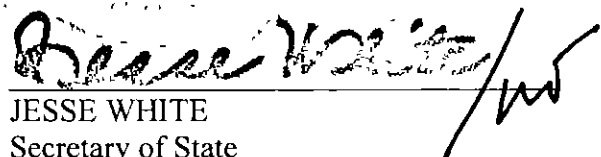
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Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and Suspension.

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

Dated this 9th day of February, 2011



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State

Lisa Michelle Kaplan
Enforcement Attorney
Illinois Securities Department
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