

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

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<b>IN THE MATTER OF</b>	)	
<b>JUAN CAHUE,</b>	)	
<b>his partners, officers and directors, agents,</b>	)	<b>File Number: 0600524</b>
<b>employees, affiliates, successors, members</b>	)	
<b>and assigns.</b>	)	

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**ORDER OF PROHIBITION**

**TO RESPONDENT:**      Juan Cahue  
                                 17 W. 240 22<sup>nd</sup> Street  
                                 Oakbrook Terrace, Illinois 60181  
                                 And  
                                 Juan Cahue  
                                 600 North Kingsbury  
                                 Suite 1906  
                                 Chicago, Illinois 60610

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on August 21, 2008 which prohibited Juan Cahue, his partners, officers and directors, agents, employees, affiliates, successors and assigns (“Respondent”) 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 Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondent is 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:

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1. Respondent Juan Cahue (at times hereinafter "JC") has a last known business address of 17 W. 240 22<sup>nd</sup> Street, Oakbrook Terrace, Illinois 60181, and a last known residential address of 600 N. Kingsbury, Suite 1906, Chicago, IL 60610.
2. Reeden Capital Group, Inc. (at times hereinafter "Reeden") was, at all times relevant herein, an Illinois Corporation, with a last known address of 17 W. 240 22<sup>nd</sup> Street, Suite 400, Oakbrook Terrace, Illinois 60181.
3. At all times relevant herein Respondent Juan Cahue was an officer/employee of Reeden and as such authorized to enter into contracts on Reedens behalf.
4. On January 22, 2008 Respondent JC and Reeden offered to an Illinois resident ("Investor") a Promissory Note ("Note") in the principal amount of \$50,000 with interest of 12% per annum (plus an additional 2% "in points" for the first year) with monthly payments of \$1750 beginning on April 1, 2008 and continuing until the interest and principal are paid in full.
5. The Investor gave JC a check in the amount of \$50,000 payable to Reeden, and purchased the Note.
6. The activities described above in paragraphs 4 and 5 constitute the offer and sale of a security 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").

**FAILURE TO REGISTER SECURITIES**

7. 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.
8. Respondent 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 their offer and sale in the State of Illinois.
9. 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.
10. 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.

11. By virtue of the foregoing Respondent has violated Sections 12.A and 12.D of the Act.

**FRAUD IN SALE OF SECURITIES**

12. Reeden failed and refused to pay Investor any of the principal or interest due on the Note.
13. Respondent failed and refused to notify Investor of the near term risk involved in the purchase of the Note that could result in the immediate failure or refusal by Reeden to pay the Investor according to the terms of the Note.
14. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the 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.
15. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the 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 light of the circumstances under which they were made, not misleading.
16. By virtue of the foregoing, Respondent violated Sections 12.F and 12.G of the Act and will violate them again if he makes further offers, or if he makes any sales of Notes or other securities described above in the State of Illinois.

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

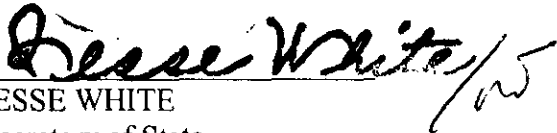
**This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date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

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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 16<sup>th</sup> day of October 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
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