

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

\_\_\_\_\_) )  
IN THE MATTER OF: PHILADELPHIA INVESTORS, LTD. ) FILE NO. 0600440  
\_\_\_\_\_) )

**NOTICE OF HEARING**

TO THE RESPONDENT: Philadelphia Investors, Ltd.  
(B/D#:23905)  
1528 Walnut Street Suite 1500  
Philadelphia, Pennsylvania 19102

You are hereby notified that pursuant to Section 111 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 day 27<sup>th</sup> of June, 2007, at the hour of 10:00 a.m., or as soon as possible thereafter, before Soula J. Spyropoulos, 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 deny Philadelphia Investors, Ltd.'s (the "Respondent"), registration as a dealer 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. That on July 6, 2006 the Respondent filed a Form BD application for registration as a Dealer in the State of Illinois.
2. That on April 13, 2007, a Summary Order of Denial (the "Order") was issued by the Secretary of State denying this application. Pursuant to the terms of the Order, on April 30, 2007 the Respondent requested a hearing.
3. That the Respondent is a corporation which engages in the business of acting as a dealer in the offer and sale of securities to the general public.

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4. That the Respondent answered in the affirmative to Question 4B of the above-referenced July 6, 2006 BD Form that it had engaged in the offer or sale of securities to Illinois residents.
5. That between February 3, 2006 and July 7, 2006 the Respondent effected an aggregate of 28 purchase transactions in the accounts of two (2) Illinois residents.
6. That Section 8.A of the Act provides, in pertinent part, except as otherwise provided, every dealer shall be registered as such with the Secretary of State.
7. That the activity described in paragraphs two (2) and three (3) above constitutes the activity of a dealer as defined in Section 2.7 of the Act.
8. That during all relevant times, the Respondent was not registered with the Secretary of State as a dealer pursuant to Section 8 of the Act.
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the provisions of the Act for any person to offer or sell any security except in accordance with the provisions of the Act
10. That Section 12.C of the Act provides, inter alia, that it is a violation of the provisions of the Act for any person to act as a dealer, unless registered as such where such registration is required under the provisions of the Act.
11. That the Respondent has committed a violation of Sections 12.A and 12.C of the Act.
12. That Section 8.E(1)(g) of the Act provides that the registration of a dealer may be denied if it has violated any of the provisions of this Act.
13. That Respondent's application for registration as a dealer in the State of Illinois is subject to denial pursuant to Section 8.E(1)(g) 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.

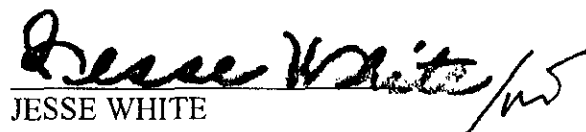
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A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 8<sup>th</sup> day of May 2007.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:  
Daniel A. Tunick  
Office of the Secretary of State  
Illinois Securities Department  
69 West Washington Street, Suite 1220  
Chicago, Illinois 60602  
312-793-3384

Hearing Officer:  
Soula J. Spyropoulos, Esq.  
4125 W. Lunt Ave  
Lincolnwood, Illinois 60712

The Respondent acted as a Dealer in the State of Illinois without being properly registered in violations of Section 12.A. and 12.C. of the Illinois Securities Law.