

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: QUANTUM BIOMOD CORPORATION )  
LTD., ITS OFFICERS AND DIRECTORS, AGENTS, )  
EMPLOYEES, AFFILIATES, SUCCESSORS AND ASSIGNS, )  
and DAVID A. GOODMAN, individually. )  
\_\_\_\_\_

FILE NO. 0400601

NOTICE OF HEARING

TO RESPONDENTS:       Quantum Biomod Corporation  
                              c/o David A. Goodman  
                              2614 North Clybourn Avenue, Suite 201  
                              Chicago, Illinois 60614

                              David A. Goodman  
                              1951 North Hicks Road  
                              Palatine, Illinois 60674

You are hereby notified that pursuant to Section 11.F of The Illinois Securities Law of 1953, as amended, Ch. 815 ILCS 5/1, et seq. (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 7<sup>th</sup> day of March, 2007, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James L. Kopecky, or another duly designated Hearing Officer of the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Notice.

Said hearing will be held to determine whether a permanent Order of Prohibition should be entered against Quantum Biomod Corporation and David A. Goodman, individually, their officers agents, employees, sales representatives, and affiliates, the ("Respondents"), and/or granting such other relief as may be authorized under the Act including, but not limited to, censure and the imposition of a monetary fine in the maximum amount of \$10,000 per violation, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

Notice of Hearing

- 2 -

1. That Respondent Quantum Biomod Corporation (hereinafter "Quantum"), an Illinois corporation, maintained a business address at 2614 North Clybourn Avenue, Suite 201, Chicago, Illinois 60614.
2. That Respondent David A. Goodman, President of Quantum (hereinafter "Goodman", and collectively with Quantum "Respondents"), maintains a residence address at 1951 North Hicks Road, Palatine, Illinois 60674.
3. That between on or about November and December 2001, Goodman as representative of Quantum approached more than one Illinois resident (Investors) and pursued a relationship with them for the purpose of selling the Investors shares of Stock issued by Quantum at the price of \$10,000 for two thousand shares (the "Offering").
4. That the Respondents provided a detailed "Executive Summary" ("Summary") about Goodman and Quantum, which included in the Company background that it was "created in 2001 to leverage the extraordinary talents and skills the founder... Goodman..." The Summary in part touted that "Quantum BioMod isolates target receptors for the development of biomedical products..." That through the "use of its quantum computing systems operating at tens of thousands of iterations greater than today's technologies and biological systems." And that "Quantum BioMod Corp has already produced 55,000 various new multidimensional target receptors, each with a retail value of \$1.6 million. This creates an inventory with a representative value of \$88 billion if all are sold."
5. That in about December 2001, subsequent to the foregoing solicitation, the Respondents sold to each of the Investors 2,000 shares of common stock on the Offering at the purchase price of ten thousand (\$10,000.00) dollars. Respondent Goodman requested the Investors to back date the checks to November 5, 2001.
6. That the activities described in paragraphs 3 through 5 above constitute the offer and sale of Stock and therefore 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").
7. That Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

Notice of Hearing

- 3 -

8. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity 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 its offer in the State of Illinois.
9. That 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.
10. That 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. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.
12. That Section 11.E(1) of the Act provides, inter alia, that if the Secretary of State shall find that the offer and sale of any securities in this State is in violation of Section 12 of the Act, the Secretary of State shall by written order prohibit the offer or sale of such securities.
13. That by virtue of the foregoing, Respondent Quantum Biomod Corporation, its agents, affiliates and employees, are subject to an Order permanently prohibiting it from offering or selling securities issued or issuable by Quantum Biomod Corporation in the State of Illinois.
14. That by virtue of the foregoing, Respondent David A. Goodman, individually is subject to an Order permanently prohibiting him from offering or selling any securities in the State of Illinois.
15. That Section 11.E(4) provides, inter alia, that in addition to any other sanction or remedy contained in subsection E, the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order against the violator not to exceed \$10,000, and may issue an order of public censure against the violator.
16. That by virtue of the foregoing, Respondents are subject to censure and fine.

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.

Notice of Hearing

- 4 -

You are also notified, pursuant to the Regulations under the Act of 1953 as amended, Subpart K., Procedures for administrative Hearings; which includes in part: "That by requesting a hearing the respondent agrees to a tolling of the time limitation on the effectiveness of the Temporary Order or Prohibition or Suspension for 60 days from the date the request is received by the Department. "

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.

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 21<sup>st</sup> day of December, 2006.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman  
Illinois Securities Department  
69 West Washington Avenue  
Suite 1220  
Chicago, Illinois 60602  
Telephone: (312) 793-3988

Hearing Officer:  
James L. Kopecky  
320 North Clark Street, Suite 220  
Chicago, Illinois 60610