

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: CASH NOW; a/k/a CASH )  
NOW, INC.; a/k/a WWW.CASHNOW.CA; a/k/a )  
WWW.CASHNOWPLUS.COM; their officers and )  
directors, agents, employees, affiliates, successors )  
and assigns. )  
\_\_\_\_\_ )

FILE NO. 0100628

ORDER OF PROHIBITION

TO RESPONDENT:

Cash Now a/k/a Cash Now, INC. a/k/a  
WWW.CASHNOW.CA; a/k/a  
WWW.CASHNOWPLUS.COM  
C/o Miro Zecevic, President  
3100 Steeles Avenue East  
Suite 906  
Data Mirror Technology Tower  
Toronto, Ontario L3R 8T9 Canada

WHEREAS, the above-captioned matter came on to be heard on January 26, 2005, pursuant to the second Amended Notice of Hearing dated December 7, 2004, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative;

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with the by the Secretary of State;

WHEREAS, the proposed Findings of Fact and Conclusions of Law and Recommendation of the Hearing Officer, James G. Athas, in the above-captioned matter have been read and examined.

WHEREAS, the Finding of Fact of the Hearing Officer are accepted and are hereby adopted as the Findings of Fact of the Secretary of State as follows:

## Order of Prohibition

-2-

### FINDINGS OF FACT

1. Section 130.1102 of Subpart K of the Rules and Regulations under the Illinois Securities Law of 1953 (the "Rules and Regulations") states that each Respondent shall be given a Notice of Hearing at least 45 days prior to the first date set for any hearing under the Act. Proper notice is given by depositing a Notice of Hearing with the United States Postal Service, either by certified or registered mail, return receipt requested, or by personal service of the Notice of Hearing, to the last known address of the Respondent.

The filing of an application for registration under Section 8 of the Act, or the offer, sale, or delivery of securities in the State of Illinois, whether effected by mail or otherwise, by any person shall be equivalent to and shall constitute an appointment of the Secretary of State by the person and the issuer of the securities to be the true and lawful attorney for the person upon whom, may be served all lawful process in any action or proceeding against the person, arising out of the offer or sale of the securities. [815 ILCS 5/10(B)(1)]. Section 130.1001 of Subpart J of the Rules and Regulations provides, in part, that any notice to be served upon the Secretary of State under the Act shall be made by delivering personally to the Securities Director, or any employee of the Department designated by the Securities Director to accept such service on behalf of the secretary of state, or by sending by registered mail or certified mail return receipt requested, a copy of the notice to the Department. Service of any notice hereunder shall be made with the Springfield or Chicago office of the Department during regular business hours. Notice of the service of process upon the Secretary of State and a copy of the process shall, within 10 days after service is made or effected, be sent by registered or certified mail, return receipt requested, by the Department to the Respondents at the last known address of the Respondents. [815 ILCS 5/10(B)(2)]. The Secretary of State shall keep a record of all such processes that shall show the date of service.

2. On July 7, 2004, the Department served Respondents with the Notice of Hearing for File No. 0100628 with a hearing date set for September 22, 2004. As the Department did not receive any proof of mailing, nor proof of non-delivery, the Department moved for a continuance to resend the Notice of Hearing. The Hearing Officer executed the Order of Continuance, which Order, dated September 20, 2004, continued the hearing on this file from September 22, 2004 to November 10, 2004. An Amended Notice of Hearing (Second Notice) was sent to Respondents on September 22, 2004 setting the new hearing date for November 10, 2004 as discussed in the Order of Continuance. On November 9, 2004, by mutual agreement of the parties herein, the Hearing Officer executed an Order of Continuance, which continued the hearing on this file from

Order of Prohibition

-3-

November 10, 2004 to January 19, 2005 primarily so the Department could amend its Notice of Hearing to add additional proper parties.

On December 7, 2004, the Department served Respondents a Second Amended Notice of Hearing (Final Notice) with a hearing date set for September 26, 2005. This Final Notice of Hearing contained identical allegations as the first two Notices of Hearing, however, it was expanded to include all additional proper parties or names. As demonstrated by Exhibit A, Respondents acknowledged receipt of the Final Notice of Hearing. As December 7, 2004 was a date more than 45 days prior to the amended hearing date of January 26, 2005, Respondents were properly served with notice of the newly scheduled hearing date. Therefore, as the Department gave proper notice of the hearing to Respondents, the Department has personal jurisdiction over Respondents.

3. The Hearing on this file occurred on January 26, 2005 at 10:00 A.M. The Department, through their enforcement officer Samuel F. Freiman, the Hearing Officer and Michael Fox, witness for the Department, were present. The Respondents were not present at the hearing and had not filed an Answer.
4. The Department offered exhibits, identified above, each of which was received and admitted into evidence, a proper record of all proceedings having been made and preserved as required.
5. No outstanding petitions, motions or objections exist as to this file.
6. Cash Now; a/k/a Cash Now INC.; a/k/a [www.Cashnow.ca](http://www.Cashnow.ca); and a/k/a [www.cashnowplus.com](http://www.cashnowplus.com). maintain a business address at, 3100 Steeles Avenue, Suite 906, Data Mirror Technology Tower, Toronto, Ontario L3R 8T9 Canada, ("Respondent").
7. During July 2001, or thereabouts, Respondents placed advertisements in the Chicago Sun-Times which stated: "PAYDAY LOAN BUSINESS grew 50% last year. Investors earn over 20% interest, View full offering online @ [www.cashnow.ca/investors](http://www.cashnow.ca/investors) Call Toll Free 1-866-778-2998."
8. Subsequent to the placements of the foregoing advertisement, an inquiring Illinois resident downloaded the Limited Partnership Capital Proposal (the "Proposal") on Respondents' website [www.Cashnow.ca/investors](http://www.Cashnow.ca/investors) as listed in the advertisement.
9. The Limited Partnership Capital Agreement, incorporated in the Proposal, between Cash Now, INC. and the Capital Venture Investor ("Capital Venture Investor(s)" or "Capital Investor(s)") as Joint Ventures (the

Order of Prohibition

-4-

"Agreement") at Article 4.1 offered for sale a total of 50 Units at \$60,000.00 each.

10. Article 4.2 of the Agreement identified "Ownership" as; a) Each Capital Venture Investor will own common stock of Cash Now equal to the number of units purchased. Units being purchased will be converted into ownership of equity up to a total of the 40% [the maximum percent of the Corporation being offered] to the Capital Investors; b) It is intended that when the Corporation will be traded publicly, the common stock of Cash Now will be converted into publicly traded stock."
11. The activities described in paragraphs 7-10 above constitute the offer of stock, or a certificate of interest, or participation in a profit-sharing agreement, or an investment contract and therefore a security as those terms are defined in Sections 2.1 and 2.5a of the Act.
12. 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.
13. Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described in paragraph 11 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.
14. On April 30, 2002, the Department issued a letter pursuant to Section 11.C of the Act (the "11.C Letter"), which informed Respondents that it had come to the Department's attention that Respondents had offered unregistered securities to Illinois residents. The Department requested that Respondents file an affidavit setting forth, among other things, the following information:
  - a. The manner in which prospective investor's names were obtained;
  - b. The manner in which prospective investors were initially contacted;
  - c. The names, addresses, and telephone numbers of all Illinois residents to whom the Shares were offered;
  - d. The names, addresses, and telephone numbers of all Illinois residents to whom the Shares were sold, together with the number of Shares sold to each Illinois investor;

## Order of Prohibition

-5-

- e. The names and addresses of all individual acting on behalf of Respondents who offered or sold the Shares to Illinois residents; and
  - f. The commissions paid either directly or indirectly to those individuals.
  - g. If you rely on any exemption under the Act, please state the section, subsection and basis therefor.
15. Respondents acknowledged receipt of the 11.C Letter mailing by a representative placing his signature on the PS form 3811 for Return Receipt, but failed to respond as required (Exhibit C).

WHEREAS, the Conclusions of Law of the Hearing Officer are accepted and are hereby adopted as the Conclusions of Law of the Secretary of State as follows:

### CONCLUSIONS OF LAW

- 1. The Secretary of State has jurisdiction over the subject matter hereof pursuant to the Act.
- 2. 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.
- 3. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail 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.
- 4. That Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 5 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.
- 5. That Section 11.E(1) of the Act provides, *inter alia*, that if the Secretary of State shall find that the offer or 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.
- 6. 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.

Order of Prohibition

-6-

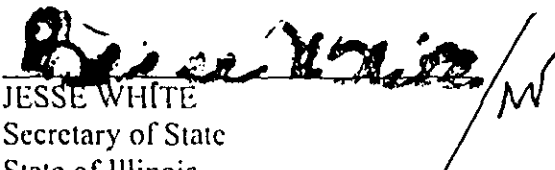
7. Based upon the Department's allegations and evidence presented, specifically that Respondents offered unregistered securities for sale in the State of Illinois and Respondents' failure to respond to the 11.C Letter, Respondents are subject to an order prohibiting them from offering or selling securities in the State of Illinois and are subject to the imposition of a fine and order of public censure pursuant to Sections 12.A, 12.D, 11.C, 11.E(1) and 11.E(4) of the Act.

WHEREAS, the Recommendation of the Hearing Officer that Respondents Cash Now; a/k/a Cash Now, INC.; a/k/a www.Cashnow.Ca; a/k/a www.Cashnowplus.com; its officers and directors, agents, employees, affiliates, successors and assigns are permanently prohibited from offering or selling any securities in the State of Illinois, is hereby accepted.

NOW THEREFORE IT IS HEREBY ORDERED that, pursuant to the foregoing Findings of Fact and Conclusions of Law, and the Recommendations of the Hearing Officer, and pursuant to the authority provided under Section 11.E(2) of the Act:

1. Respondents Cash Now a/k/a Cash Now, INC.; a/k/a www.cashnow.ca; a/k/a www.cashnowplus.com are hereby permanently PROHIBITED from offering or selling any securities in the State of Illinois.

ENTERED: This 23rd day of March, 2006.

  
JESSE WHITE  
Secretary of State  
State of Illinois

## Order of Prohibition

-7-

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"). Any person or entity who 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.

This is a final order 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. I, Sec.130.1123). Any action for judicial review must be commenced within thirty-five (35) from the date a copy of this Order is served upon the party seeking review.