

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

_____)
IN THE MATTER OF: CARY EDWIN GRANT,)
individually, and PRIMEX, PRIME SECURITIES)
EXCHANGE, INC., ITS OFFICERS AND)
DIRECTORS, AGENTS, EMPLOYEES AFFILIATES,)
SUCCESSORS AND ASSIGNS.)
_____)

FILE NO. 0200798

FIRST AMENDED NOTICE OF HEARING

TO RESPONDENTS: PrimeX, Prime Securities Exchange, Inc.
151 North Michigan Avenue
Suite 2741
Chicago, Illinois 60601

Cary Edwin Grant
151 North Michigan Avenue
Suite 2741
Chicago, Illinois 60601

C/o Howard J. Stein
Attorney at Law
70 West Madison Street
Suite 2100
Chicago, Illinois 60602

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 3rd day of November, 2005, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Soula J. Spyropoulos, 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 Primex, Prime Securities Exchange, Inc., its directors, officers agents, employees, sales representatives, and affiliates, and Cary Grant, individually

First Amended Notice of Hearing

-2-

(collectively "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:

1. That Respondent Primex, Prime Securities Exchange, Inc., (hereinafter "Primex") "a corporation," maintained a business address at 151 North Michigan Avenue, Suite 2741, Chicago, Illinois 60601.
2. That Respondent Cary Grant (hereinafter "Grant", collectively with Primex "Respondents") was the "President" of Primex, Prime Securities Exchange, Inc., and maintained a residence address at 151 North Michigan Avenue, Suite 2741, Chicago, Illinois 60601.
3. That on or about December 31st, 1999, or thereabouts, Grant as the President of Primex and Grant individually entered into a Business Loan Enabling Agreement for Primex, Prime Securities Exchange, Inc., (the "Agreement") between Primex, Prime Securities Exchange, Inc., ("Primex") and its president, individually and corporately, Cary Grant as Borrower with an Illinois Investor as Lender which provided in part:

In consideration of the payment of Seventy Thousand (\$70,000.00) and no/100 Dollars to Borrower, Borrower agrees to deliver a 7.8% share of stock in Primex, Prime Securities Exchange, Inc., hereinafter referred as the "Stock" to Lender. Lender or its designated agent shall issue the stock in the name or entity as directed in writing.
4. That contemporaneously with the execution of the Agreement, the Investor paid to Cary Grant the sum of Seventy Thousand (\$70,000.00) Dollars with the expectation that he would receive a 7.8% share of stock in Primex, as promised and as in the Agreement.
5. That the funds received from the investor were never placed into a "Primex" account, which would enable Respondent to commence business and operate the said corporation as per the agreement, and the investor thereafter never received any shares in "Primex".
6. That the activities described in paragraphs 3 and 4 above constitute the offer and sale of a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
7. That on or about September 28, 2000, Grant individually entered into a second agreement ("Agreement #2") with investor whereby the Investor would receive 17.8% of the stock Grant ended up with after the SEC

First Amended Notice of Hearing

-3-

approved a reverse merger with American Conservative WEST, a shell corporation recently acquired by "Grant's Group," and The X Change Inc.

8. That Agreement #2 set forth that The X Change Inc., (hereinafter The X Change") was a "Nevada corporation" formed by Grant.
9. That the investor thereafter never received any shares in The X Change.
10. That The X Change was, in fact, not a corporation.
11. That subsequent to the aforesaid transaction the Investor never received shares of X Change stock from Respondents nor did he receive shares of Primex, his original investment. The Investor then ultimately requested the return of his money on numerous occasions from Respondent Grant but never received a return of his principal, any dividends, or interest.
12. That on May 24, 2005, the Department issued a letter pursuant to Section 11.C of the Act (the "11.C Letter"), wherein the Department requested that Respondents file an affidavit setting forth, among other things, the following information:
 - a. The manner in which prospective investors' 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;
 - e. The names and addresses of all individuals 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.
13. That on June 6, 2005 the Department received the notarized response of Grant, which was nonresponsive except for the one transaction between Respondents herein and the Investor.
14. That Grant responded therein that he was President of Primex, which is false in that no such corporation existed.

First Amended Notice of Hearing

-4-

15. That Grant responded therein that he was President of X-Change Corporation, which is false in that no such corporation existed.
16. That Grant responded therein that the money was deposited in the bank account of Primex Prime Electronic Execution, Inc., which is misleading in that bank records show that the funds were deposited into a personal account of Grant's.
17. That the activities described in paragraphs 3 and 4 above constitute the offer and sale of a security as those terms are defined in Sections 2.1 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
18. 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.
19. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described in paragraph three (3) 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.
20. 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.
21. That by virtue of the foregoing activities described in paragraphs 3, 4 and 9 the Respondents have violated Section 12.A.
22. 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.
23. That by virtue of the foregoing activities described in paragraphs 3, 4, 7, 9, and 13 the Respondents have violated Section 12.D.
24. That Section 12.F of the Act provides, inter alia, that it shall be a violation of the provisions of the Act 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.
25. That Section 12.G of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any

First Amended Notice of Hearing

-5-

omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

26. That Section 12.I, of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
27. That by virtue of the foregoing activities described in paragraphs 3 through 5, and 7 through 10 the Respondents have violated sections 12.F., 12.G., and 12.I of the Act.
28. That Section 12.H of the Act provides, inter alia, that it shall be a violation of the provisions of the Act to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
29. That by virtue of the foregoing statements described in paragraphs 10, 14, 15, and 16 the Respondents have violated section 12.H.

You are further notified that you are required pursuant to Section 130.1104(a) of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within ten (10) 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 Respondents has upon due notice moved for and obtained a continuance.

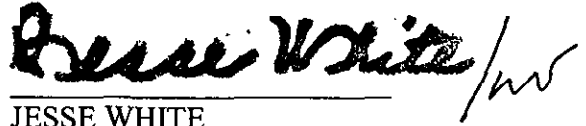
A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

First Amended Notice of Hearing

-6-

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

Dated: This 27th day of September, 2005.

A handwritten signature in black ink that reads "Jesse White" followed by a stylized flourish or initials.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman
Illinois Securities Department
69 West Washington Street, Suite 1220
Chicago, Illinois 60602
312-793-3988

Hearing Officer:

Soula J. Spyropoulos
Attorney at Law
6348 N. Cicero Ave
Chicago, Illinois 60646
773-282-3400