

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: HUBADEX, INC.,)
ITS OFFICERS, DIRECTORS,) FILE NO: 0100836
EMPLOYEES, AGENTS, AFFILIATES,)
SUCCESSORS, AND ASSIGNS)

NOTICE OF HEARING

TO THE RESPONDENT: Hubadex, Inc.

C/O Jeffry Henderson
Henderson and Lyman
Attorneys at Law
175 W. Jackson Blvd.
Suite 240
Chicago, Illinois 60604

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq.] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 W. Jefferson St. Suite 300A, Springfield, Illinois 62702, on the 16th day of March, 2005 at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before Jon Ellis, or such other 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 an Order of Prohibition should be entered against Hubadex, Inc., Inc., its officers, directors, employees, agents, affiliates, successors and assigns in the State of Illinois and granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to Section 11 of the Act, payable within ten (10) days of the entry of the Order.

The grounds for such proposed action are as follows:

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Count I (Violation of Section 12.A)

1. Hubadex, Inc. is an Illinois registered corporation with a business address of 332 West Marion, Suite 3, Forsyth, Illinois, 62535;
2. Hubadex, Inc. is the general partner of two Illinois limited partnerships: The Quarter Funds, L.P. and The Symmetry Fund, L.P.;
3. From March 1997 through April 2002, Hubadex, Inc. offered and sold to investors limited partnership interests in the The Quarter Funds, LP. and raised over \$4 million dollars in investor funds in Illinois;
4. From December 1998 through April 2002, Hubadex, Inc. offered and sold to investors limited partnership interests in The Symmetry Fund, L.P. and raised over \$1 million dollars in investor funds in Illinois;
5. Hubadex, Inc. is also the Fund Manager, Recordkeeper and Custodian of The Trimester Fund an entity described as an investment club;
6. From July 1998 to August 2000, Hubadex, Inc. offered and sold to investors participation agreements in the Trimester Fund and raised over \$100,000 in investor funds in Illinois;
7. That the above-referenced limited partnership interests and participation agreements are securities as that term is defined pursuant to Section 2.1. of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act");
8. That Section 5 of the Act provides, inter alia, that all securities except those set forth under Section 2A of the Act or those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois;
9. That Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act for any

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person to offer or sell securities except in accordance with the provisions of the Act;

10. Because Hubadex, Inc. was claiming certain exemptions from registration pursuant to Section 4, Hubadex, Inc. did not file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
11. Hubadex, Inc. has asserted that its offers and sales of the above-referenced securities qualified for exemptions under Section 4.G and 4.H. Although Hubadex, Inc. initially filed required Form Ds for the Quarter Funds, L.P. and the Symmetry Fund, L.P. to perfect exemptions from registration, Hubadex, Inc. did not make any initial Form D filings for Trimester Fund;
12. That by virtue of the foregoing, the Respondent, Hubadex, Inc. has violated Section 12.A of the Act;
13. That Section 11.E(4) of the Act provides, inter alia, that if 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 not to exceed \$10,000.00 for each violation of the Act; and
14. That by virtue of the foregoing, Hubadex, Inc., its officers, directors, employees, agents, affiliates, successors and assigns is subject to a fine of up to \$10,000.00 per violation.

Count II (Violation of Section 12.D)

- 1-7. Paragraphs 1 through 7 of Count I are re-alleged and incorporated as paragraphs 1 through 7 of this Count II;
8. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;

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9. That at all times relevant hereto, Hubadex, Inc. failed to file an application for registration of the above-referenced securities with the Secretary of State prior to their offer or sale in the State of Illinois;
10. That by virtue of the foregoing, the Respondent, Hubadex, Inc. has violated Section 12.D of the Act;
11. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
12. That Section 11.E(4) of the Act provides, inter alia, that if 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 not to exceed \$10,000.00 for each violation of the Act; and
13. That by virtue of the foregoing, Hubadex, Inc. its officers, directors, employees, agents, affiliates, successors, and assigns is subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

Count III (Violation of Section 12.D)

1. Hubadex, Inc. received a request for information regarding its sales of securities pursuant to Section 11.C of the Act;
2. Hubadex, Inc. by and through its attorneys submitted a response to the Illinois Secretary of State which was inaccurate;
3. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provisions of the Act;

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4. That by virtue of the foregoing, the Respondent, Hubadex, Inc. has violated Section 12.D of the Act;
5. That Section 11.E(2) of the Act provides, inter alia, that if the Secretary of State shall find that any person has violated subsection D of Section 12 of the Act, the Secretary of State may by written order prohibit the person from offering or selling any securities in this State;
6. That Section 11.E(4) of the Act provides, inter alia, that if 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 not to exceed \$10,000.00 for each violation of the Act; and
7. That by virtue of the foregoing, Hubadex, Inc. its officers, directors, employees, agents, affiliates, successors, and assigns is subject to a fine of up to \$10,000.00 per violation and an order which permanently prohibits the Respondents from offering or selling securities in the State of Illinois.

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 or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty days of the receipt of this notice. Your failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a 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.

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

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

ENTERED: This 10th day of February, 2005

Jesse White JP
Jesse White
Secretary of State
State of Illinois

Attorney for the Secretary of State:
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Hearing Officer:
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