

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

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IN THE MATTER OF: CARY EDWIN GRANT, )  
individually, and PRIMEX, PRIME SECURITIES )  
EXCHANGE, INC., ITS OFFICERS AND )  
DIRECTORS, AGENTS, EMPLOYEES AFFILIATES, )  
SUCCESSORS AND ASSIGNS. )  
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**FILE NO. 0200798**

**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

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 4<sup>TH</sup> day of May, 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 Gary Grant, individually (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:

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1. That Respondent Primex, Prime Securities Exchange, Inc., (hereinafter "Primex") a Delaware corporation, maintained a business address at 151 North Michigan Avenue, Suite 2741, Chicago, Illinois 60601.
2. That Respondent Gary 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 31<sup>st</sup>, 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., and its president, individually and corporately, Gary 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. The stock shall be issued in the name or entity as directed in writing by Lender or its designated agent.

4. Contemporaneously with the execution of the Agreement, the Investor paid to Gary 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 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").
6. 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.
7. 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.
8. 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.
9. 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

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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.

10. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act.
11. That subsequent to the aforesaid transaction the Investor never received shares of stock from Respondents. 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 Section 12.F of the Act provides, it shall be a violation of the provisions of this Act for any person: 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.
13. That by virtue of the foregoing, Respondents have violated Section 12.F 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 Respondents has upon due notice moved for and obtained a continuance.

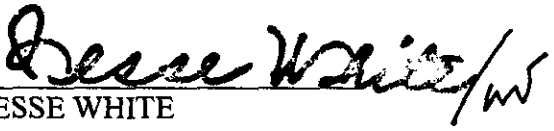
A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

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

Dated: This 15<sup>th</sup> day of March, 2005.

  
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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  
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6348 N. Cicero Ave  
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