

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

\_\_\_\_\_  
IN THE MATTER OF: CASH NOW, INC., its officers )  
and directors, agents, employees, affiliates, successors and )  
assigns. )  
\_\_\_\_\_ )

FILE NO. 0100628

NOTICE OF HEARING

TO RESPONDENT:           Cash Now, Inc.  
                                  3100 Steeles Avenue East  
                                  Suite 906  
                                  Data Mirror Technology Tower  
                                  Toronto, Ontario L3R 8T9 Canada

John H. Heuberger, Esq.  
Piper Rudnick  
203 North La Salle Street, Suite 1800  
Chicago, Illinois 60601-1293

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 17 North State Street, Suite 1266, Chicago, Illinois 60602, on the 22nd day of September 2004, at the hour of 10:00 a.m., or as soon thereafter as counsel may be heard, before James G. Athas, 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 Cash Now, Inc., its officers agents, employees, sales representatives, and affiliates, the ("Respondent"), 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 Cash Now, Inc. a corporation incorporated under the laws of the Province of Ontario ("Respondent"), maintains a business address at, 3100 Steeles

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Avenue, Suite 906, Data Mirror Technology Tower, Toronto, Ontario L3R 8T9  
Canada.

2. That during July, 2001, or thereabouts, Respondent placed advertisements in The Chicago Sun-Times whereby investors could earn over 20% interest in the payday loan business and could view the full offering on line.
3. That subsequent to the placement of the foregoing advertisement, an inquiring Illinois resident downloaded a Capital Proposal and Limited Partnership Agreement from Respondent's website [http://cashnow.ca/venture\\_proposal/venture\\_view.htm](http://cashnow.ca/venture_proposal/venture_view.htm) as listed in the advertisement. The offering was for up to fifty Units of Limited Partnership units at an offering price of \$60,000 per Unit (the "Offering"), in Cash Now, Inc.
4. That the activities described in paragraphs 2 and 3 above constitute the offer of 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 Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
5. 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.
6. That Respondent 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.
7. 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.
8. That on April 30, 2002, the Department issued a letter pursuant to Section 11.C of the Act (the "11.C Letter"), which informed Respondent that it had come to the Department's attention that Respondent had offered unregistered securities in to Illinois residents. The Department requested that Respondent 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;

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- 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 Respondent 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.
9. That Respondent receipted for the mailing by placing a signature of a representative on the PS form 3811 for Return Receipt but failed to respond as required.
  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, Respondent has 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 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.
  13. That by virtue of the foregoing, Respondent, its agents, affiliates and employees, are subject to an Order prohibiting it from offering or selling securities issued or issuable by Cash Now, Inc. in the State of Illinois.
  14. 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.
  15. That by virtue of the foregoing, Respondent is 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.

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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 7<sup>th</sup> day of July, 2004.

  
JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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Illinois Securities Department  
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Hearing Officer:

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