

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: QUARTERS ONLY, INC., )  
ITS OFFICERS, DIRECTORS, )  
EMPLOYEES, AGENTS, AFFILIATES, ) File No. 0300715  
SUCCESSORS AND ASSIGNS )

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ORDER TO CEASE AND DESIST

TO THE RESPONDENT: Quarters Only, Inc.  
47 West 34<sup>th</sup> Street  
Suite 524  
NY, NY 10001

WHEREAS, a Summary Order to Cease and Desist was issued by the Secretary of State on November 4, 2003 ordering Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, to cease and desist from offering and/or selling any business opportunity in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 5-65(1) of the Business Opportunity Sales Law of 1995, [815 ILCS 602 5/1 et seq.] (the "Act"), the failure to request a hearing within thirty (30) days of the receipt of the Summary Order to Cease and Desist shall constitute a sufficient basis to make the Summary Order final.

WHEREAS, Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, have failed to request a hearing on the matters contained in the Summary Order within thirty (30) days of receipt of said Summary Order and that they are hereby deemed to have admitted the facts alleged in the said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Final Findings of Fact as follows:

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1. That the Respondent, Quarters Only, Inc., is a purported business entity with a last known address of 47 West 34<sup>th</sup> Street, Suite 524, NY, NY 10001;
2. That on or about June 13, 2003, Quarters Only, Inc., by and through its officers, directors, employees, agents, affiliates, successors and assigns, offered and/or sold to at least one (1) resident of the State of Illinois, an opportunity to purchase supplies, equipment or services purportedly sufficient to enable the Illinois resident to start a business through which the resident would purchase for \$9,825 and received vending machines as well as assistance in locating said machines, sufficient to start a business selling candy;
3. That Quarters Only, Inc., by and through its officers, directors, employees, agents, affiliates, successors and assigns, represented, directly or indirectly, to the Illinois resident that they would provide the Illinois resident with certain products, equipment and/or services enabling the Illinois resident to start a business following a required payment to Americana of more than \$500.00;
4. That Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, represented to the Illinois resident, either directly or indirectly, that they would provide a marketing plan;
5. That Section 5-5.10(a) of the Illinois Business Opportunity Sales Law of 1995, [815 ILCS 602 5-1 et seq.] (the "Act") provides, inter alia, that a business opportunity is a contract or agreement, between a seller and a purchaser, express or implied, orally or in writing, wherein it is agreed that the seller or a person recommended by the seller shall provide to the purchaser any product, equipment, supplies or services enabling the purchaser to start a business where the purchaser is required to make a payment to the seller of more than \$500.00 and the seller represents either directly or indirectly, that the seller, or a person recommended by the seller, will provide a marketing plan, provide or assist the purchaser in finding outlets or accounts for the purchaser's products or services, and/or guarantees that the purchaser will derive income from the business which exceeds the price paid to the seller;

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6. That the above-referenced promotion, solicitation or offer constitutes an offer of a business opportunity as those terms are defined pursuant to Sections 5-5.10 and 5-5.20 of the Act;
7. That Section 5-25 of the Act provides, inter alia, that it is unlawful for any person to offer or sell any business opportunity in the State of Illinois unless that business opportunity is registered under the Act or is exempt from registration under Section 5-10 of the Act;
8. That at all times relevant, Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, failed to obtain or file for registration of the above-referenced business opportunity prior to any offer or sale in the State of Illinois;
9. That Section 5-65 of the Act provided, inter alia, that if the Respondent to a Summary Order to Cease and Desist fails to request a hearing within time period specified, the cease and desist order will be permanent and the person named in the order will be deemed to have waived all rights to a hearing;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Summary Order as the Secretary of State's final Conclusions of Law as follows:

1. That, by virtue of the foregoing, Quarters Only, Inc., by and through its officers, directors, employees, agents, affiliates, successor and assigns, has violated Section 5-25 of the Act; and
2. That, by virtue of the foregoing, Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, is subject, pursuant to Section 5-65 of the Act, to an Order to Cease and Desist from offering and/or selling business opportunities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 5-65 of the Act, Quarters Only, Inc., its officers, directors, employees, agents, affiliates, successors and assigns, is to Cease and Desist from offering or selling business opportunities in the State of Illinois or to residents of the State of Illinois.

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ENTERED: This 10<sup>th</sup> day of February, 2004.



JESSE WHITE  
SECRETARY OF STATE  
STATE OF ILLINOIS

Attorney for the Secretary of State:  
Johan Schripsema  
Illinois Securities Department  
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NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 5-115(a) of the Business Opportunity Law of 1995 [815 ILCS 602] (the ("Act")). Any person or entity that 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 3 felony.

This is a final order subject 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) days from the date a copy of this Order is served upon the party seeking review.